



## FAMILIES AND THE FIVE STORE EXCEPTION

Under Sec. 22.04 of the Code, a person may not own more than 5 liquor stores, but Sec. 22.05 states that package store owners with family members related within the first degree of consanguinity may consolidate their package store permits into a single entity. This exception in Texas' liquor laws allows families to grow their business larger than five stores with the use of a family relationship.

Out of over 2,500 liquor stores (all of which are family-owned and operated) and 1,500 liquor store companies in Texas, only 7 companies benefit from the family exception. Furthermore, this provision may discourage, but does NOT prohibit mega-chains from having liquor stores attached to their buildings.

Big liquor manufacturers like Bacardi, Patron, and Jim Beam - members of a trade association called the Distilled Spirits Council of the United States (DISCUS) - would like to see a repeal of the five-store limit, calling it "artificial," but these companies are all located outside of Texas, and some are foreign-owned. They also ignore that exceptions exist in all sections of the state's legal code.

Small, family-owned businesses are the backbone of the Texas economy and the five store exception helps family businesses thrive from generation to generation. These businesses have a strong relationship with the communities they serve.

The five store exception ensures that the industry grows responsibly. If liquor outlets increase, access to liquor will irresponsibly increase, consumption will go up, and smaller companies will be put out of business.

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