

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

May 3, 2005

TO: Honorable Kino Flores, Chair, House Committee on Licensing & Administrative Procedures

FROM: John S. O'Brien, Deputy Director, Legislative Budget Board

IN RE: HB275 by Farrar (relating to the application fee for wine and beer retailer's permits and retail dealer's on-premise licenses.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB275, Committee Report 1st House, Substituted: a positive impact of \$3,795,950 through the biennium ending August 31, 2007.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2006	\$1,856,275
2007	\$1,939,675
2008	\$1,978,100
2009	\$2,017,100
2010	\$2,057,500

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from <i>GENERAL REVENUE FUND</i> 1	Probable Savings/(Cost) from <i>GENERAL REVENUE FUND</i> 1
2006	\$1,902,075	(\$45,800)
2007	\$1,939,675	\$0
2008	\$1,978,100	\$0
2009	\$2,017,100	\$0
2010	\$2,057,500	\$0

Fiscal Analysis

The bill would amend the Alcoholic Beverage Code to increase the annual state fee for a wine and beer retailer's permit and retail dealer's on-premise license for premises located in a county with a population of 1.4 million or more from \$175 to \$1,000 for an original permit and \$750 for renewals.

The bill would apply only to an application for an original or renewal wine and beer retailer's permit or retail dealer's on-premise license filed on or after the effective date of the bill.

The bill would take effect September 1, 2005.

Methodology

According to the 2000 federal census, only Harris County, Tarrant County, and Dallas County meet the population requirements of the bill. The Alcoholic Beverage Commission (TABC) reports that there are currently 2,775 wine and beer retailer's permits and 521 retail dealer's on-premise licenses in Harris County, Tarrant County, and Dallas County. Based on this information, TABC estimates that the increase in revenue to the state because of increases in the cost of wine and beer retailer's permits and retail dealer's on-premise licenses would be \$1,902,075 in fiscal year 2006, \$1,939,675 in fiscal year 2007, \$1,978,100 in fiscal year 2008, \$2,017,100 in fiscal year 2009, and \$2,057,500 in fiscal year 2010. For the purposes of this fiscal note, TABC assumed a 2 percent per fiscal year growth in wine and beer retailer's permits and retail dealer's on-premise licenses.

Additionally, TABC reports that there would be start-up costs of \$45,800 in fiscal year 2006 for programming updates and modifications to TABC systems, updates to publications and applications, and travel.

Technology

The technology impact would be \$10,000 in fiscal year 2006 for programming updates and modifications to current TABC systems.

Local Government Impact

The Comptroller of Public Accounts reports that city and county governments separately may levy local fees of up to one-half of the state fee. However, the fiscal impact on city and county governments cannot be estimated because the fiscal implications would depend upon the number of entities that modify their local fees in response to the increase in the state fee.

Source Agencies: 304 Comptroller of Public Accounts, 458 Alcoholic Beverage Commission

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