

LEGISLATIVE BUDGET BOARD  
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION  
Revision 1

April 25, 2005

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

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

**IN RE: HB428** by Dutton (Relating to the hours for selling alcoholic beverages in certain establishments.), **Committee Report 1st House, Substituted**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB428, Committee Report 1st House, Substituted: a positive impact of \$529,000 through the biennium ending August 31, 2007.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2006	\$253,000
2007	\$276,000
2008	\$276,000
2009	\$276,000
2010	\$276,000

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from GENERAL REVENUE FUND 1
2006	\$253,000
2007	\$276,000
2008	\$276,000
2009	\$276,000
2010	\$276,000

Fiscal Analysis

The bill would amend the Alcoholic Beverage Code as it relates to the hours for selling alcoholic beverages in certain establishments.

The bill would allow the Alcoholic Beverage Commission to issue an all-night permit to the holder of a mixed beverage permit whose premises are located in a hotel that has 100 or more guest rooms and provides regular food service to hotel guests. The annual state fee for an all-night hotel mixed beverage permit would be \$1,000.

The bill would also allow the holder of an all-night hotel mixed beverage permit to sell mixed beverages only to a registered guest of the hotel on Sunday between the hours of 1a.m. and 12 noon and on any other day between the hours of midnight and 7a.m. The permit holder would be required to bill the charge for the mixed beverages to the hotel guest's account.

The bill would take effect September 1, 2005.

### **Methodology**

The bill would create the all-night hotel mixed beverage permit. The annual state fee for this permit would be \$1,000. The Comptroller of Public Accounts assumed that the major hotels in the state's largest cities (i.e., tourist destinations) would apply for the new permit, generating fee revenue for the General Revenue Fund. In addition, the Comptroller of Public Accounts assumed a small increase in mixed beverage tax revenue for the state due to the longer hours of operations.

### **Local Government Impact**

For the counties and cities in which the permittees were located, the Comptroller of Public Accounts assumed that a small increase in mixed beverage tax revenue would occur for the longer hours of operation. The Comptroller of Public Accounts estimates that the revenue generated would be \$46,000 in fiscal year 2006, and \$50,000 in each subsequent fiscal year.

The Comptroller also assumes that the counties and cities could levy a fee of up to one-half of the state permit fee, but the potential additional revenue cannot be estimated.

**Source Agencies:** 301 Office of the Governor, 458 Alcoholic Beverage Commission, 304 Comptroller of Public Accounts

**LBB Staff:** JOB, SD, JRO, VDS, SJ