

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

May 13, 2005

TO: Honorable Troy Fraser, Chair, Senate Committee on Business & Commerce

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

IN RE: HB2526 by Flores (Relating to the promotional activities of certain alcoholic beverage license or permit holders.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2526, As Engrossed: a negative impact of (\$28,300) 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	(\$28,300)
2007	\$0
2008	\$0
2009	\$0
2010	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from GENERAL REVENUE FUND 1
2006	(\$28,300)
2007	\$0
2008	\$0
2009	\$0
2010	\$0

Fiscal Analysis

The bill would amend the Alcoholic Beverage Code as it relates to promotional activities of certain alcoholic beverage license or permit holders. The bill would establish a promotional permit with an annual fee of \$300, and allow the holder of a promotional permit to engage in activities to promote and enhance the sale of an alcoholic beverage in this state. The holder of a promotional permit would be prohibited from holding a direct or indirect interest in another permit or license issued under the Alcoholic Beverage Code. The bill would take effect September 1, 2005.

Methodology

The Alcoholic Beverage Commission reports that implementing the promotional permit would result in a small increase in permit fee revenue, but this would be offset by a reduction in the issuance of

agent's permits. Thus, the net fiscal impact to the General Revenue Fund would not be significant.

The Alcoholic Beverage Commission also estimates that \$28,300 would be needed in initial start-up costs. The start-up costs include programming changes to the Alcoholic Beverage Commission's current system (\$5,000 in fiscal year 2006) and updates to publications and forms (\$23,300 in fiscal year 2006).

Technology

Technology costs include \$5,000 in fiscal year 2006 for programming changes to current Alcoholic Beverage Commission systems.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 458 Alcoholic Beverage Commission

LBB Staff: JOB, CL, JRO, VDS, AM