LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

April 11, 2005

TO: Honorable Frank Madla, Chair, Senate Committee on Intergovernmental Relations

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

IN RE: **SB1137** by Madla (Relating to the development of the wine industry and other businesses related to agriculture or tourism in this state.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would require the Texas Wine Marketing Research Institute at Texas Tech University (TTU) to provide data to the Commissioner of Agriculture concerning the grape and wine industry in Texas. Based on the analysis of TTU, it is assumed any costs and duties associated with implementing this provision of the bill could be absorbed within existing resources.

The bill would allow the Commissioner of Agriculture to establish a voluntary registry for vineyards and other fruit growers to facilitate communication between producers and those adding value to the fruit for winemaking and to assess a fee to cover the costs of administering this registry. Any fees collected would be deposited into a new account in the General Revenue Fund (the Vineyards and Fruit Growers Registry Fund) created by the bill and used by the Texas Department of Agriculture (TDA) to administer the registry. TDA estimates the cost to administer the registry to be $23,500 per fiscal year, which would be offset by new fees from registry sales (125 registries at $190 each). The bill would also create the Wine Industry Development Fund in the General Revenue Fund for the purpose of funding surveys, research, and certain other projects related to the wine industry in Texas. It is assumed the provisions of the bill would have no significant fiscal impact on TDA.

The bill would amend the Alcoholic Beverage Code to allow wineries to list in their advertising where their wines can be purchased and to establish winery cooperatives. It is assumed implementation of provisions related to changes in the Alcoholic Beverage Code that may affect the Texas Alcoholic Beverage Commission could be absorbed within the agency's existing resources.

The bill would amend the Transportation Code to add a new section creating the state tourist-oriented directional sign program for certain eligible facilities. The bill would require the Texas Transportation Commission (TTC) to regulate the content, composition, design, placement, erection, and maintenance of tourist-oriented directional signs and supports on eligible highway rights-of-way and enter into contracts with an individual, firm, group, or association in the state to erect and maintain the signs. The bill would require the contracts to provide for the assessment of fees to be paid by an eligible facility to a contractor and the remittance of at least 10 percent of the collected fees to the Texas Department of Transportation (TxDOT) in an amount sufficient to cover program costs. The bill would prohibit TTC from establishing program rules that violate state and federal guidelines for traffic control devices. Based on the analysis of TxDOT, it is assumed any costs or duties associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

The bill would create dedicated funds or accounts in the General Revenue Fund or create a dedicated revenue source. Therefore, the fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current legislature.

The bill would take effect immediately upon receiving a vote of two-thirds of all members elected to each house; otherwise it would take effect on September 1, 2005.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 458 Alcoholic Beverage Commission, 551 Department of Agriculture, 601 Department of Transportation, 733 Texas Tech University

LBB Staff: JOB, DLBa, TG