

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

April 13, 2005

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

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

IN RE: SB1370 by Madla (Relating to the disposition of certain tax revenue for the protection of grape and wine production.), **As Introduced**

Depending upon increases in wine excise tax collections, revenue could be set aside for specific appropriations.

The bill would amend Chapter 205 of the Alcoholic Beverage Code, relating to the use of revenue from the wine excise tax.

A portion of the new tax revenue in excess of the revenues generated in fiscal 2005 on non-Texas produced wine, plus an amount equal to the average percentage growth in revenue from these taxes between fiscal 1999 and fiscal 2004 on Texas produced wine, could be appropriated only to the Texas Department of Agriculture or Texas institutions of higher education for the purpose of eliminating and eradicating several diseases and pests that harm the production of grapes and wine or for developing technologies that could benefit grape or wine production.

The Comptroller's Biennial Revenue Estimate for 2006-2007 estimates additional revenue in the wine excise tax, over fiscal 2005 estimates, of \$273,000 in fiscal 2006 and \$513,000 in fiscal 2007. A portion of this additional revenue may be appropriated for purposes outlined in the bill.

This legislation would create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either with or outside of the Treasury, 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 September 1, 2005. Its provisions would expire September 1, 2010.

Local Government Impact

No fiscal implication to units of local government is anticipated.

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

LBB Staff: JOB, DLBa, WP, SD