

**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: SB1596** by Estes (Relating to activities of a winery.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for SB1596, As Introduced: a positive impact of \$11,178 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	(\$11,186)
2007	\$22,364
2008	\$20,114
2009	\$17,864
2010	\$17,864

**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	\$24,614	(\$35,800)
2007	\$22,364	\$0
2008	\$20,114	\$0
2009	\$17,864	\$0
2010	\$17,864	\$0

**Fiscal Analysis**

The bill would amend the Alcoholic Beverage Code as it relates to activities of a winery.

The bill would allow the holder of a winery permit to hold a wine and beer retailer's or mixed beverage permit or a retail dealer's on-premise license if the winery is in an area that is wet for the types of beverages provided under the relevant permit or license; and if the beverages provided other than wine are provided during the service of food to the customer.

The bill would take effect September 1, 2005.

## **Methodology**

Under the provisions of the bill, the holder of a winery permit would be allowed to also hold a wine and beer retailer's license or a mixed beverage permit. The Texas Alcoholic Beverage Commission (TABC) estimates that 50 of the 96 winery permit holders would submit applications and be approved for additional permits or licenses. TABC estimates that 47 permit holders would submit applications for a wine and beer retailer's license and 3 would submit applications for a mixed beverage permit.

TABC currently receives \$322 for a wine and beer retailer's license. The estimated revenue for wine and beer retailer's licenses would be \$15,134 (47 estimated licensees x \$322) in fiscal year 2006 and each subsequent year. TABC currently receives \$3,160 for an original mixed beverage permit, \$2,410 upon the first renewal, \$1,660 upon the second renewal, and \$910 upon the third and each subsequent renewal. The estimated revenue for mixed beverage permits would be \$9,480 (3 estimated permittees x \$3,160) in fiscal year 2006, \$7,230 (3 estimated permittees x \$2,410) in fiscal year 2007, \$4,980 (3 estimated permittees x \$1,660) in fiscal year 2008, \$2,730 (3 estimated permittees x \$910) in fiscal year 2009, and \$2,730 in fiscal year 2010.

The estimated total amount in revenue would be \$24,614 in fiscal year 2006, \$22,364 in fiscal year 2007, \$20,114 in fiscal year 2008, \$17,864 in fiscal year 2009, and \$17,864 in fiscal year 2010.

TABC estimates total first-year implementation costs of \$35,800, which would include updated forms, publications, manuals, and databases to comply with the provisions of the bill.

## **Technology**

Technology costs include \$5,000 for programming systems to comply with the provisions of the bill.

## **Local Government Impact**

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

**Source Agencies:** 458 Alcoholic Beverage Commission

**LBB Staff:** JOB, DLBa, VDS, SJ, LM