

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

April 12, 2005

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

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

IN RE: SB1669 by Estes (Relating to the composition of wine sold or dispensed by a winery located in a dry area.), **As Introduced**

No significant fiscal implication to the State is anticipated.

If enacted, 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. TTU estimates a cost of approximately \$50,000 per fiscal year for one FTE to collect this data; however, this cost could be absorbed within existing resources.

The bill would also 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. The Texas Department of Agriculture (TDA) estimates the cost to administer the registry to be \$23,500 per fiscal year, and also estimates that these costs would be offset by new fees from registry sales (125 registries at \$190 each). Given these circumstances, the bill if enacted, would have no significant fiscal impact on TDA.

The bill also would allow the Commissioner of Agriculture to reduce the percentage by volume of juice requirement for wines sold or dispensed in dry counties. According to the Texas Alcoholic Beverage Commission, this provision would have minimal impact on alcoholic beverage tax receipts.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 458 Alcoholic Beverage Commission, 551 Department of Agriculture, 733 Texas Tech University

LBB Staff: JOB, DLBa, ZS, JF