

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

April 20, 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 the wine sold or dispensed by a winery located in a dry area.), **Committee Report 1st House, Substituted**

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), as funding is available, 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 full-time-equivalent employee to collect this data; however, this cost 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). 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

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