

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

March 2, 2007

TO: Honorable Kino Flores, Chair, House Committee on Licensing & Administrative Procedures

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

IN RE: HB815 by Dutton (relating to the hours for selling alcoholic beverages in certain establishments.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB815, Committee Report 1st House, Substituted: a positive impact of \$515,000 through the biennium ending August 31, 2009.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2008	\$242,000
2009	\$273,000
2010	\$285,000
2011	\$298,000
2012	\$310,000

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from <i>GENERAL REVENUE FUND</i> 1	Probable Revenue Gain/(Loss) from <i>Counties and Cities</i>
2008	\$242,000	\$55,000
2009	\$273,000	\$59,000
2010	\$285,000	\$62,000
2011	\$298,000	\$65,000
2012	\$310,000	\$68,000

Fiscal Analysis

The bill would amend statute and allow the issuance of an all-night hotel mixed beverage permit to hotels having 100 or more guest rooms and providing regular food services.

Methodology

The bill would allow hotel bars to sell alcoholic beverages at any time to registered hotel guests. As a result, it is assumed that there would be an increase in the sale of mixed beverages which would generate additional mixed beverage tax revenues collected by the state. This increase is projected to be approximately \$242,000 in General Revenue in fiscal year 2008 and \$273,000 in General Revenue in fiscal year 2009, with a slight increase per year for the remaining years out. The estimated increase in mixed beverage tax revenue assumes that only major hotels with significant daily alcoholic beverage sales, averaging over \$100 per hour, would remain staffed and open for business for additional hours.

In addition, there would be a slight positive impact for counties and cities related to mixed beverage tax reimbursement, which is provided by the state at a rate set by statute of approximately 10.7 percent. This estimated gain to counties and cities is approximately \$55,000 in fiscal year 2008 and \$59,000 in fiscal year 2009, with a slight increase per year for the remaining years out.

Counties and municipalities could also levy a fee of up to one-half of the state permit fee, but the total amount cannot be estimated.

This bill would take effect September 1, 2007.

Local Government Impact

The impact to units of local government is reflected in the above table

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, JRO, JM