

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

March 19, 2007

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

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

IN RE: HB1667 by Geren (Relating to the amount of the fee for issuing certain alcoholic beverage permits.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1667, As Introduced: a negative impact of (\$1,250,975) through the biennium ending August 31, 2009.
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General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2008	(\$621,850)
2009	(\$629,125)
2010	(\$641,200)
2011	(\$653,850)
2012	(\$666,500)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from <i>GENERAL REVENUE FUND</i> 1
2008	(\$621,850)
2009	(\$629,125)
2010	(\$641,200)
2011	(\$653,850)
2012	(\$666,500)

Fiscal Analysis

The bill would amend the Alcoholic Beverage Code, Section 25.02(b) which exempts Food and Beverage Certificate holders from the increased fee placed on counties with a population of 1.4 million or more for a Wine and Beer Retailer's Permit.

Methodology

The Alcohol Beverage Commission (TABC) states currently there are 2,410 Food and Beverage Certificate holders in Harris, Dallas, and Tarrant counties that would be exempt from the increased fees for a Wine and Beer Retailer's Permit. TABC states that the number of original Wine and Beer Retailer's Permits is estimated to be 21 in 2008 and is estimated to be the same in 2009 through 2012. In addition, TABC states that the number of Wine and Beer Retailer's renewal permits is estimated to be 1,043 in 2008 and is estimated to grow 2 percent per year (1043 x .02) totaling 1064 in 2009, (1064 x .02) totaling 1085 in 2010, (1085 x .02) totaling 1107 in 2011 and (1107 x .02) totaling 1129 in

2012.

TABC states that current statute allows the agency to charge \$1000 per original permit and \$750 per renewal totaling a revenue of \$803,250 (21 x \$1000 + 1043 x \$750) in 2008. However, the proposal would exempt the increased fee placed on counties with a population of 1.4 million or more for a Wine and Beer Retailer's Permit allowing TABC to charge \$175 per original and renewal permit. Allowing the agency to charge \$175 per original permit and \$175 per renewal would produce a potential revenue of \$186,200 (21 x \$175 + 1043 x \$175) in 2008. The difference between the current revenue estimate of \$803,250 and the estimated revenue from the proposal of \$186,200 would be a General Revenue loss of \$617,050 in 2008. Using the same methodology, the current revenue estimate is for fiscal year 2009 of \$819,000 (21 x \$1000 + 1064 x \$750) and the proposed bill revenue would be \$189,875 (21 x \$175 + 1064 x \$175) for a total General Revenue loss of \$629,125 in 2009.

Technology

The technology costs estimated to comply with the provisions of the bill include \$4,800 in General Revenue in fiscal year 2008 for program changes to the permit licensing system.

Local Government Impact

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

Source Agencies: 458 Alcoholic Beverage Commission

LBB Staff: JOB, JRO, GG, LG