

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION
Revision 1

April 30, 2007

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

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

IN RE: HB3676 by Davis, John (Relating to regulation of certain services assisting with alcoholic beverage license and permit applications; providing penalties.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3676, Committee Report 1st House, Substituted: a negative impact of (\$333) 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	\$204,285
2009	(\$204,618)
2010	\$211,484
2011	(\$211,486)
2012	\$211,484

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/ (Loss) from <i>GENERAL REVENUE</i> <i>FUND</i> 1	Probable Savings/(Cost) from <i>GENERAL REVENUE</i> <i>FUND</i> 1	Change in Number of State Employees from FY 2007
2008	\$538,671	(\$334,386)	4.0
2009	\$53,788	(\$258,406)	4.0
2010	\$469,890	(\$258,406)	4.0
2011	\$46,920	(\$258,406)	4.0
2012	\$469,890	(\$258,406)	4.0

Fiscal Analysis

The bill would amend the Alcoholic Beverage Code relating to the regulation of certain services assisting with alcoholic beverage license and permit applications.

The bill would add Alcoholic Beverage Code, Title 2, Chapter 7, Alcoholic Beverage Permit Services, which would require licensing agencies to pay a fee to acquire a permit from the county tax assessor-collector to assist others in obtaining licenses or permits under Alcoholic Beverage Code, Title 3. The bill also requires the runner of such agency to have a permit. The bill states in order to receive the permit, the individual must complete a training course developed and offered by the Texas Alcoholic Beverage Commission (TABC). The bill includes policies and procedures for TABC on how to establish the training course and states the agency shall charge a fee sufficient to cover the cost of

teaching the course. The bill also establishes process and procedures on investigating licensee complaints, permit application requirements, and criminal penalties. The bill states an applicant for license under this section must submit to TABC fingerprints for the agency to obtain a criminal background check on the applicant. The bill would take effect January 1, 2008 and individuals are not required to hold this license until on or after the effective date of the Act.

Methodology

TABC estimates 681 (15 permit service runners + 666 alcoholic beverage permit services) participants will take the course in 2008 with an additional 10% (68) coming into business in 2009 that would require the training course. TABC assumed that the participants remain constant for each subsequent biennium and states the course will be required every two years to incorporate legislative changes into the coursework. In order to recover start-up costs, TABC estimates the fee for the course in 2008-09 will be \$791 ($\$334,386$ 2008 TABC operating costs + $\$258,406$ 2009 TABC operating costs = $\$592,792$ / 749 total participants in 2008 and 2009 = $\$791.44$ per participant during 2008 and 2009). Based on the \$791 fee per participant, TABC estimates the fee would generate an additional \$538,671 ($681 \times \791) in General Revenue in 2008 and \$53,788 ($68 \times \791) in General Revenue in 2009.

TABC states to teach the course all over the state, they would need an additional four full-time-equivalents as trainers, with one also acting as a supervisor. These costs include: equipment costs for PCs, room rentals in various cities to use in training, additional office space, travel, printing, and software maintenance.

The Department of Public Safety (DPS) states that the provisions in the bill would have no significant fiscal impact to their agency. DPS states the increase in criminal background checks is estimated to be minimal and can be absorbed within current resources.

Technology

TABC estimates a required \$65,680 in professional service fees ($\$80 \times 821$ programming hours) for additional computer programming changes in fiscal year 2008 in order to implement the provisions of the bill.

Local Government Impact

There would be costs to local tax assessor-collectors offices to register and license holders of the permits. The assessor-collectors also would have to hold hearings, investigate complaints, create forms, and send out expiration notifications.

The Williamson County Tax Assessor reported initial costs of \$42,628 for personnel and capital outlay. The fees paid to the county would not cover these costs. The Bandera County Tax Office reported that implementing the provisions of the bill would require at least one new employee.

There would be similar costs to other tax assessor-collectors offices, depending on the number of requests for permits and other services required by the permit holders.

Source Agencies: 405 Department of Public Safety, 458 Alcoholic Beverage Commission

LBB Staff: JOB, JRO, GG, LG, KJG