

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 16, 2007

TO: Honorable Troy Fraser, Chair, Senate Committee on Business & Commerce

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

IN RE: SB508 by Gallegos (Relating to the regulation of certain licensing agents; providing penalties.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB508, As Introduced: a negative impact of (\$33,340) 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	\$16,830
2009	(\$50,170)
2010	\$202,806
2011	(\$63,594)
2012	\$202,806

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue (Loss) from GENERAL REVENUE FUND 1	Probable Savings/(Cost) from GENERAL REVENUE FUND 1	Change in Number of State Employees from FY 2007
2008	\$715,200	(\$698,370)	8.0
2009	\$448,800	(\$498,970)	8.0
2010	\$715,200	(\$512,394)	8.0
2011	\$448,800	(\$512,394)	8.0
2012	\$715,200	(\$512,394)	8.0

Fiscal Analysis

The bill would amend the Alcoholic Beverage Code relating to the regulation of certain licensing agents.

The bill would add Alcoholic Beverage Code, Title 2, Chapter 7, Licensing Agents, which would require the Alcoholic Beverage Commission (TABC) to establish a licensing agent license and training course. The bill provides policies and procedures for the development of the program including license eligibility, issuance, expiration, bond approval, disciplinary actions, and criminal penalties. The bill states TABC shall investigate complaints against licensing agents. The bill requires TABC to charge a fee to individuals taking the course in an amount that is sufficient to cover the costs of the course. The bill would take effect on January 1, 2008. The bill states a person is not required to hold the license before January 1, 2008.

Methodology

The bill would require TABC to charge a fee to individuals taking the course in an amount that is sufficient to cover the costs of the course. TABC estimates that 666 employees of licensing services would be required to take the class and carry the license. The agency estimates they would charge \$200 per license and \$200 per course that would be required to be renewed every other year totaling \$266,400 ($666 \times \$200 + 666 \times \200) in General Revenue in fiscal years 2008, 2010, and 2012. TABC is a self-funded agency and is required to fund both direct and indirect appropriation costs through fees and surcharges. TABC estimates they collected \$16,916,641 in surcharges in fiscal year 2006. In order to pay for the provisions in the bill, TABC states they would be required to raise the surcharge fee by 2.65% ($\$448,800/\$16,916,641$) to collect an additional \$448,800 in General Revenue each year. The total General Revenue collected by TABC each year would be: \$715,200 in fiscal year 2008 ($\$266,400 + \$448,800$); \$448,800 in fiscal year 2009; 715,200 in fiscal year 2010 ($\$266,400 + \$448,800$); \$448,800 in fiscal year 2011; and 715,200 in fiscal year 2012 ($\$266,400 + \$448,800$).

TABC states that this new course and license is not part of their current workload. TABC states the bill would require development of the course and the license, monitor activities related to the licensees, and revenue collections. TABC states 8 additional FTEs would be required to handle increases in tax assessor collector reconciliations, course instruction, bond verifications, and process change applications to keep all data current and accurate. TABC states that cost estimate includes additional workspace rental to conduct the training course. The Department of Public Safety and the State Office of Administrative Hearings anticipate the bill would have no significant fiscal impact to their agencies.

Technology

The technology costs estimated to comply with the provisions of the bill include \$174,000 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: 304 Comptroller of Public Accounts, 360 State Office of Administrative Hearings, 405 Department of Public Safety, 458 Alcoholic Beverage Commission

LBB Staff: JOB, JRO, GG, LG