

SENATE AMENDMENTS

2nd Printing

By: Geren

H.B. No. 1667

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the amount of the fee for issuing certain alcoholic
3 beverage permits.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Section 25.02, Alcoholic Beverage Code, is
6 amended to read as follows:

7 Sec. 25.02. FEE. (a) Except as provided in Subsections
8 (b) and (c) [~~Subsection (b)~~] and Section 25.03, the annual state fee
9 for an [~~a wine and beer retailer's permit is \$175.~~

10 [~~(b) The annual state fee for a wine and beer retailer's~~
11 ~~permit in connection with an establishment located in a county with~~
12 ~~a population of 1.4 million or more is \$750. The]~~ original
13 [~~application fee for a~~] wine and beer retailer's permit [~~in~~
14 ~~connection with an establishment located in a county with a~~
15 ~~population of 1.4 million or more]~~ is \$1,000. The annual state fee
16 for a renewal of a wine and beer retailer's permit is \$750.

17 (b) The annual state fee for an original wine and beer
18 retailer's permit issued with a food and beverage certificate is
19 \$175. The annual state fee for a renewal of a wine and beer
20 retailer's permit issued with a food and beverage certificate is
21 \$175.

22 (c) The annual state fee for an original wine and beer
23 retailer's permit issued to a fraternal organization or a veterans
24 organization, as those terms are defined by Section 32.11, is \$175.

1 The annual state fee for a renewal of a wine and beer retailer's
2 permit issued to a fraternal organization or a veterans
3 organization is \$175.

4 SECTION 2. Section 69.02, Alcoholic Beverage Code, is
5 amended to read as follows:

6 Sec. 69.02. FEE. (a) Except as provided in Subsections
7 (b) and (c) [~~Subsection (b)~~] and Section 69.03, the annual state fee
8 for an [a retail dealer's on-premise license is \$150.

9 [~~(b) The annual state fee for a retail dealer's on-premise~~
10 ~~license in connection with an establishment located in a county~~
11 ~~with a population of 1.4 million or more is \$750. The]~~ original
12 ~~[application fee for a]~~ retail dealer's on-premise license ~~[in~~
13 ~~connection with an establishment located in a county with a~~
14 ~~population of 1.4 million or more]~~ is \$1,000. The annual state fee
15 for a renewal of a retail dealer's on-premise license is \$750.

16 (b) The annual state fee for an original retail dealer's
17 on-premise license issued with a food and beverage certificate is
18 \$150. The annual state fee for a renewal of a retail dealer's
19 on-premise license issued with a food and beverage certificate is
20 \$150.

21 (c) The annual state fee for an original retail dealer's
22 on-premise license issued to a fraternal organization or a veterans
23 organization, as those terms are defined by Section 32.11, is \$150.
24 The annual state fee for a renewal of a retail dealer's on-premise
25 license issued to a fraternal organization or a veterans
26 organization is \$150.

27 SECTION 3. The change in law made by this Act applies only

H.B. No. 1667

1 to a fee due on or after the effective date of this Act. A fee due
2 before the effective date of this Act is governed by the law in
3 effect immediately before the effective date of this Act, and that
4 law is continued in effect for that purpose.

5 SECTION 4. This Act takes effect September 1, 2007.

ADOPTED

MAY 22 2007

Atay Spaw
Secretary of the Senate

By: Gerren Brimer

H.B. No. 1667

Substitute the following for H.B. No. 1667:

By: Jeddie Lucio, Jr

C.S. H.B. No. 1667

A BILL TO BE ENTITLED

AN ACT

relating to the amount of the fee for issuing certain alcoholic beverage permits.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 25.02, Alcoholic Beverage Code, is amended to read as follows:

Sec. 25.02. FEE. (a) Except as provided by Subsections (b) and (c) [~~in Subsection (b)~~] and Section 25.03, the annual state fee for a wine and beer retailer's permit is \$275 [~~\$175~~].

(b) The annual state fee for an original [~~a~~] wine and beer retailer's permit in connection with an establishment located in a county with a population of 1.4 million or more, other than a permit issued with a food and beverage certificate, is \$1,000 [~~\$750~~]. The annual state [~~original application~~] fee for a renewal of a wine and beer retailer's permit in connection with an establishment located in a county with a population of 1.4 million or more, other than a permit issued with a food and beverage certificate, is \$750 [~~\$1,000~~].

(c) The annual state fee for an original wine and beer retailer's permit issued to a fraternal organization or a veterans organization, as those terms are defined by Section 32.11, is \$175. The annual state fee for a renewal of a wine and beer retailer's permit issued to a fraternal organization or a veterans organization is \$175.

1 SECTION 2. Section 69.02, Alcoholic Beverage Code, is
2 amended to read as follows:

3 Sec. 69.02. FEE. (a) Except as provided by Subsections (b)
4 and (c) [~~in Subsection (b)~~] and Section 69.03, the annual state fee
5 for a retail dealer's on-premise license is \$250 [~~\$150~~].

6 (b) The annual state fee for an original [~~a~~] retail dealer's
7 on-premise license in connection with an establishment located in a
8 county with a population of 1.4 million or more, other than a
9 license issued with a food and beverage certificate, is \$1,000
10 [~~\$750~~]. The annual state [~~original application~~] fee for a renewal
11 of a retail dealer's on-premise license in connection with an
12 establishment located in a county with a population of 1.4 million
13 or more, other than a license issued with a food and beverage
14 certificate, is \$750 [~~\$1,000~~].

15 (c) The annual state fee for an original retail dealer's
16 on-premise license issued to a fraternal organization or a veterans
17 organization, as those terms are defined by Section 32.11, is \$150.
18 The annual state fee for a renewal of a retail dealer's on-premise
19 license issued to a fraternal organization or a veterans
20 organization is \$150.

21 SECTION 3. The change in law made by this Act applies only
22 to a fee due on or after the effective date of this Act. A fee due
23 before the effective date of this Act is governed by the law in
24 effect immediately before the effective date of this Act, and that
25 law is continued in effect for that purpose.

26 SECTION 4. This Act takes effect September 1, 2007.

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 14, 2007

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

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.), **Committee Report 2nd House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1667, Committee Report 2nd House, Substituted: a positive impact of \$202,550 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	\$101,275
2009	\$101,275
2010	\$101,275
2011	\$101,275
2012	\$101,275

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from GENERAL REVENUE FUND 1
2008	\$101,275
2009	\$101,275
2010	\$101,275
2011	\$101,275
2012	\$101,275

Fiscal Analysis

The bill would amend the Alcoholic Beverage Code relating to the amount of the fee for issuing certain alcoholic beverage permits.

The bill would amend the Alcoholic Beverage Code, Sections 25 and 69, which states the annual state fee for a wine and beer retailer's permit is \$275. The bill states the annual state fee for an original wine and beer retailer's permit and a retail dealer's on-premise license located in a county with a population of 1.4 million or more other than a permit issued with a food and beverage certificate is \$1000 and the annual renewal of each license is \$750. The bill states the annual state fee for an original and annual renewal of a wine and beer retailer's permit issued to a fraternal organization is \$175. The bill states the annual state fee for a retail dealer's on-premise license is \$250. The bill states the annual state fee for an original and annual renewal of a retail dealer's on-premise license issued to a fraternal organization is \$150. The bill would take effect September 1, 2007 and apply only to fees due on or after the effective date of this Act.

Methodology

The Alcoholic Beverage Commission (TABC) states that there are currently 2,410 wine and beer retailer's permit holders in Harris, Dallas, and Tarrant counties (populations at 1.4 million or more) with 1,043 holding a food and beverage certificate. The renewal fee of these current applications would be reduced from \$750 ($\$750 \times 1,043 = \$782,250$) to \$275 ($\$275 \times 1,043 = \$286,825$) which would be a General Revenue loss of \$495,425 per year. Based on current information, there are 137 retail dealer's on-premise licenses in Harris, Dallas and Tarrant Counties (populations at 1.4 million or more) with a food and beverage certificate. The renewal fee of these current applications would be reduced from \$750 ($\$750 \times 137 = \$102,750$) to \$250 ($\$250 \times 137 = \$34,250$) which would be a General Revenue loss of \$68,500 per year. By reducing the fees of these three counties, the state would experience a total General Revenue loss of \$563,925 per year ($\$495,425 + \$68,500$).

TABC states that there are currently 5,907 wine and beer retailer's permits in all other counties throughout the state. The renewal fee of these current applications would increase from \$175 ($\$175 \times 5,907 = \$1,033,725$) to \$275 ($\$275 \times 5,907 = \$1,624,425$) which would be a General Revenue gain of \$590,700. Based on current information, there are 1,120 retail dealer's on-premise licenses in all other counties throughout the state. The renewal fee of these current applications would increase from \$150 ($\$150 \times 1,120 = \$168,000$) to \$250 ($\$250 \times 1,120 = \$280,000$) which would be a General Revenue gain of \$112,000. By increasing the fees for all other counties, the state would experience a total General Revenue gain of \$702,700 per year ($\$590,700 + \$112,000$). Included in this revenue gain are 375 fraternal and veteran's organizations and the revenues are \$100 less per entity than are currently charged. Because of this change, the revenue estimate of \$702,700 would need to be reduced by \$37,500 ($375 \times \100). The net revenue change would be an overall General Revenue increase of \$101,275 per year ($\$702,700 - \$563,925 - \$37,500$).

Technology

The technology costs estimated to comply with the provisions of the bill include \$10,800 in General Revenue in fiscal year 2008 for program changes to the permit licensing system. This analysis assumes TABC can absorb this fiscal impact within current appropriations.

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

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 4, 2007

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

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 Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1667, As Engrossed: a positive impact of \$5,280,600 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	\$2,640,300
2009	\$2,640,300
2010	\$2,640,300
2011	\$2,640,300
2012	\$2,640,300

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from <i>GENERAL REVENUE FUND</i> 1
2008	\$2,640,300
2009	\$2,640,300
2010	\$2,640,300
2011	\$2,640,300
2012	\$2,640,300

Fiscal Analysis

The bill would amend the Alcoholic Beverage Code relating to the amount of the fee for issuing certain alcoholic beverage permits.

The bill would amend the Alcoholic Beverage Code, Sections 25 and 69, which states the annual state fee for an original wine and beer retailer's permit and a retail dealer's on-premise license is \$1000 and the annual renewal of each license is \$750. The bill states the annual state fee for an original and annual renewal of a wine and beer retailer's permit issued with a food and beverage certificate is \$175. The bill states the annual state fee for an original and annual renewal of a wine and beer retailer's permit issued to a fraternal organization is \$175. The bill states the annual state fee for an original and annual renewal of a retail dealer's on-premise license with a food and beverage certificate is \$150. The bill states the annual state fee for an original and annual renewal of a retail dealer's on-premise license issued to a fraternal organization is \$150. The bill would take effect September 1, 2007 and apply only to fees due on or after the effective date of this Act.

Methodology

The Alcohol Beverage Commission (TABC) states that there is currently a different fee schedule for counties with a population of 1.4 million or more for wine and beer retailer's permits and retail dealer's on-premise licenses. TABC states that there are currently 2,410 food and beverage certificate holders in Harris, Dallas, and Tarrant counties (populations at 1.4 million or more) with 1,043 not holding a food and beverage certificate. The renewal fee of these current applications would be reduced from \$750 ($\$750 \times 1,043 = \$782,250$) to \$175 ($\$175 \times 1,043 = \$182,525$) which would be a General Revenue loss of \$599,725 per year. Based on current information, there are 137 retail dealer's on-premise licenses in Harris, Dallas and Tarrant Counties (populations at 1.4 million or more) with a food and beverage certificate. The renewal fee of these current applications would be reduced from \$750 ($\$750 \times 137 = \$102,750$) to \$150 ($\$150 \times 137 = \$20,550$) which would be a General Revenue loss of \$82,200 per year. By reducing the fees of these three counties, the state would experience a total General Revenue loss of \$681,925 per year ($\$599,725 + \$82,200$).

TABC states that there are currently 5,907 wine and beer retailer's permits in all other counties throughout the state (populations below 1.4 million) with 4,727 not holding a food and beverage certificate. The renewal fee of these current applications would increase from \$175 ($\$175 \times 4,727 = \$827,225$) to \$750 ($\$750 \times 4,727 = \$3,545,250$) which would be a General Revenue gain of \$2,718,025. Based on current information, there are 1,120 retail dealer's on-premise licenses in all other counties throughout the state (populations below 1.4 million) with 1,007 not holding a food and beverage certificate. The renewal fee of these current applications would increase from \$150 ($\$150 \times 1,007 = \$151,050$) to \$750 ($\$750 \times 1,007 = \$755,250$) which would be a General Revenue gain of \$604,200. By increasing the fees for all other counties, the state would experience a total General Revenue gain of \$3,322,225 per year ($\$2,718,025 + \$604,200$). The net revenue change would be an overall General Revenue increase of \$2,640,300 per year ($\$3,322,225 - \$681,925$).

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

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 HB 1667, As Introduced: a negative impact of (\$1,250,975) 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	(\$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 GENERAL REVENUE FUND 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

