

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

March 24, 2009

TO: Honorable Edmund Kuempel, Chair, House Committee on Licensing & Administrative Procedures

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

IN RE: HB206 by Jackson, Jim (Relating to the on-premises consumption of certain alcoholic beverages; providing a penalty.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB206, As Introduced: a positive impact of \$70,000 through the biennium ending August 31, 2011.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2010	\$70,000
2011	\$0
2012	\$70,000
2013	\$0
2014	\$70,000

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain from <i>General Revenue Fund</i> 1
2010	\$70,000
2011	\$0
2012	\$70,000
2013	\$0
2014	\$70,000

Fiscal Analysis

The bill would add Chapter 56 to Subtitle A, Title 3 of the Alcoholic Beverage Code to create an “On-Premises Consumption Only Permit”. The bill requires commercial establishments that charge an admission fee and allow customers to bring alcoholic beverages on site for consumption to hold the On-Premises Consumption Only Permit. The bill would require the annual fee for the On-Premises Consumption Only Permit to be \$500. The bill also indicates The On-Premises Consumption Only Permit may not be issued to commercial establishments already covered by a mixed beverage permit or a private club registration permit. The bill would also amend Subsection D, Chapter 101 of the Alcoholic Beverage Code to create a new misdemeanor offense for violations of the requirements of the bill. The bill would take effect on September 1, 2009, except the provisions of the bill requiring the On-Premises Consumption Only Permit and creating the new misdemeanor offense would take effect on January 1, 2010.

Methodology

The Texas Alcoholic Beverage Commission (TABC) estimates approximately 70 commercial businesses charge an admission fee and allow people to bring in alcohol for on-premises consumption but are not currently licensed by TABC. TABC permits are two-year permits, so the biennial fee for the 70 businesses that would fall under the bill's requirements would be \$1,000 ($\500×2) for the new "On-Premises Consumption Only Permit", resulting in a biennial revenue gain of \$70,000 ($70 \times \$1,000$). No surcharge was included in this analysis because the bill would require a rule to be adopted to establish the amount of the surcharge. In addition, TABC also estimates approximately 465 to 500 TABC-licensed locations may fall under the bill's requirements, which may further increase revenue, but were excluded from TABC's estimate because TABC cannot determine if these establishments allow people to bring alcohol for on-premises consumption. This analysis also assumes any additional costs related to the implementation of the bill, including programming and printing of publications, can be absorbed within the agency's current appropriations. The Comptroller of Public Accounts anticipates no significant fiscal impact to the agency from implementing the provisions of the bill.

Technology

Any technological costs could be absorbed within the agency's current appropriations.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 458 Alcoholic Beverage Commission

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