

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

March 31, 2009

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

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

IN RE: HB1772 by Solomons (Relating to the regulation of certain licensing agents; providing penalties.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1772, As Introduced: a negative impact of (\$129,232) 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	\$381,424
2011	(\$510,656)
2012	\$577,378
2013	(\$541,982)
2014	\$577,378

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1	Probable Revenue Gain/ (Loss) from <i>General Revenue Fund</i> 1	Change in Number of State Employees from FY 2009
2010	(\$737,936)	\$1,119,360	8.0
2011	(\$510,656)	\$0	8.0
2012	(\$541,982)	\$1,119,360	8.0
2013	(\$541,982)	\$0	8.0
2014	(\$541,982)	\$1,119,360	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 September 1, 2009, except that Sections 7.101, 7.351, and 7.352, Alcoholic Beverage Code as added by the act would take effect January 1, 2010. The bill states a person is not required to hold the license before January 1, 2010.

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 320 employees of licensing services would be required to take the class and carry the license (160 licensing services with an estimated two agents per office). The agency estimates they would charge \$3,000 per license and \$200 per course that would be required to be renewed every other year totaling \$1,024,000 ($320 * \$3,000 + 320 * \200) in General Revenue in fiscal years 2010, 2012, and 2014. TABC is a self-funded agency and is required to fund both direct and indirect appropriation costs through fees and surcharges. In addition to the \$3,000 charge per license the agency would also add an additional \$298 surcharge, resulting in additional \$95,360 in General Revenue in fiscal years 2010, 2012, and 2014 ($320 * \$298$). The total General Revenue collected by TABC each year would be: \$1,119,360 in fiscal year 2010 ($\$1,024,000 + \$95,360$); \$0 in fiscal year 2011; \$1,119,360 in fiscal year 2012 ($\$1,024,000 + \$95,360$); \$0 in fiscal year 2013; and \$1,119,360 in fiscal year 2014 ($\$1,024,000 + \$95,360$).

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 fee reconciliations, course instruction and development, conducting training, bond verifications, process and procedures, applications and data updates to ensure current and accurate data, and records audits. TABC states that cost estimate includes additional workspace rental to conduct the training course. The State Office of Administrative Hearings anticipates the bill would have no significant fiscal impact to their agency.

Technology

The technology costs estimated to comply with the provisions of the bill include \$192,800 in fiscal year 2010 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, 458 Alcoholic Beverage Commission

LBB Staff: JOB, JRO, GG, ESi