

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 29, 2009

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

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

IN RE: HB2105 by Geren (Relating to the regulation of certain licensing agents; providing a penalty.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2105, Committee Report 1st House, Substituted: a negative impact of (\$39,122) 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	\$240,685
2011	(\$279,807)
2012	\$315,098
2013	(\$292,582)
2014	\$315,128

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from General Revenue Fund 1	Probable Revenue Gain from General Revenue Fund 1	Change in Number of State Employees from FY 2009
2010	(\$366,995)	\$607,680	4.0
2011	(\$279,807)	\$0	4.0
2012	(\$292,582)	\$607,680	4.0
2013	(\$292,582)	\$0	4.0
2014	(\$292,552)	\$607,680	4.0

Fiscal Analysis

The bill would add Alcoholic Beverage Code, Title 3, Chapter 39, “Licensing Agency Permit”, which would require the Alcoholic Beverage Commission (TABC) to establish a licensing agency permit requirement for someone who assists or represents persons in obtaining or renewing a Texas Alcoholic Beverage Commission (TABC) license or permit. Exemptions from the permit requirement would be provided for certain persons. Applicants for the licensing agency permit would have to submit a \$3,000 fee for a two year permit, a surcharge as established by TABC, and a bond not to exceed \$200,000. The bill would also require individuals to attend and complete a training course every two years as established by TABC. The bill includes provisions for denial, suspension, or revocation of the Licensing Agency Permit. The bill would also create a Class B misdemeanor for violations of certain provisions in the bill.

Methodology

The bill establishes a \$1,500 annual permit fee and also requires TABC to establish and charge a fee to individuals required to take the training course established by the bill. TABC estimates there are currently 160 licensing agencies with an estimated two licensing agents per agency (320 agents). The bill would also 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 currently issues two year permits, which would be \$3,000 under the bill's provisions ($\$1,500 \times 2$), resulting in \$480,000 ($\$3,000 \times 160$) 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 an additional \$47,680 in General Revenue in fiscal years 2010, 2012, and 2014 ($\$298 \times 160$). TABC estimates the cost of the training course would be \$250 and result in \$80,000 in General Revenue in fiscal years 2010, 2012, and 2014 ($\$250 \times 320$). The total General Revenue collected by TABC each year would be: \$607,680 in fiscal year 2010 ($\$480,000 + \$47,680 + \$80,000$); \$0 in fiscal year 2011; \$607,680 in fiscal year 2012 ($\$480,000 + \$47,680 + \$80,000$); \$0 in fiscal year 2013; and \$607,680 in fiscal year 2014 ($\$480,000 + \$47,680 + \$80,000$).

TABC states that this new course and license is not part of their current workload. TABC states the bill would require the agency to create a permit application and implement rules and regulations pertinent to the bill, create course curriculum, and implement schedules for training, notification, and education of all licensing agencies across the state. TABC states 4 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 the cost estimate includes rent, travel, professional services, equipment, and other operating expenses.

Technology

The technology costs estimated to comply with the provisions of the bill include \$91,800 in fiscal year 2010 for program changes to the permit licensing system and \$7,980 in the following fiscal years for recurring annual maintenance charges.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

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

LBB Staff: JOB, JRO, GG, ESi