

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 26, 2009

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

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

IN RE: SB711 by Nelson (Relating to creating a winery festival permit.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for SB711, As Engrossed: a positive impact of \$143,440 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	\$71,720
2011	\$71,720
2012	\$71,720
2013	\$71,720
2014	\$71,720

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain from General Revenue Fund 1
2010	\$71,720
2011	\$71,720
2012	\$71,720
2013	\$71,720
2014	\$71,720

Fiscal Analysis

The bill would amend Subtitle A, Title 3 of the Alcoholic Beverage Code by adding Chapter 17 which would create a winery festival permit process and procedures. The bill would allow permit holders to sell wine at a festival or similar event for no more than five days within any 30-day period or more than three consecutive days at the same location. The bill would also establish a \$50 fee for the winery festival permit and only allow winery permit holders to obtain winery festival permits. The bill would take effect September 1, 2009.

Methodology

The Texas Alcoholic Beverage Commission (TABC) states there are 163 active winery permit holders and assumes each permit holder would apply for two of the winery festival permits per year at \$50 per permit resulting in a revenue gain of \$16,300 (163 x 2 x \$50) per year. In addition, TABC states an estimated surcharge of \$170 would be applied to each of the \$50 permits, resulting in an additional

revenue gain of \$55,420 (163 x 2 x \$170) per year. The net revenue change would be an overall General Revenue increase of \$71,720 (\$16,300 + \$55,420) per year. This analysis assumes any additional costs related to the implementation of the bill, including notification of current winery permit holders of the new permit via mail, can be absorbed within the agency's current appropriations.

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: 458 Alcoholic Beverage Commission, 304 Comptroller of Public Accounts

LBB Staff: JOB, JRO, GG, ESi