

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

March 10, 2011

TO: Honorable Joseph Pickett, Chair, House Committee on Defense & Veterans' Affairs

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

IN RE: HB475 by Guillen (Relating to authorizing the adjutant general to operate post exchanges on state military property.), **As Introduced**

Because the amount of revenue generated by this bill is unknown, the fiscal implications of the bill cannot be determined at this time.

The bill would amend the Government Code by giving the Adjutant General's Department the authority to establish and operate post exchanges similar to those operated by the armed forces of the United States on any real property under the management and control of the Adjutant General's Department. These post exchanges may sell, lease, or rent goods and services, including alcohol, tobacco products, and prepared food.

The bill would allow these post exchanges to sell goods and services including alcoholic beverages for off-premise consumption without holding a license or permit issued by the Comptroller of Public Accounts or the Texas Alcoholic Beverage Commission.

The bill would permit the department, notwithstanding any other law, to use appropriated money to purchase alcoholic beverages for sale at a post exchange.

The bill would direct the Adjutant General's Department to adopt rules to govern post exchanges.

The bill would create a post exchanges services account (Dedicated Account) in the General Revenue fund. The proceeds in the account may only be appropriated to the Adjutant General's Department.

The bill would also amend the Tax Code by exempting taxable items sold, leased, rented, stored, used or consumed by a post exchange under Section 431.040, Government Code, from the taxes imposed by this chapter.

The fiscal impact of the bill could not be determined at this time because the Adjutant General's Department does not have any revenue or financial reports from post exchanges. The Adjutant General's Department anticipates contracting out the operation and operational costs of the post exchanges and receiving a portion of the revenue.

Local Government Impact

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

Source Agencies: 401 Adjutant General's Department

LBB Staff: JOB, KM, GG, DAR