

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

April 1, 2011

TO: Honorable Mike Hamilton, Chair, House Committee on Licensing & Administrative Procedures

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

IN RE: HB1957 by Thompson (Relating to appeal from certain orders of the Texas Alcoholic Beverage Commission or the commission's administrator.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1957, As Introduced: a negative impact of (\$94,016) through the biennium ending August 31, 2013.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2012	(\$47,708)
2013	(\$46,308)
2014	(\$46,308)
2015	(\$51,617)
2016	(\$51,617)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1	Change in Number of State Employees from FY 2011
2012	(\$47,708)	1.0
2013	(\$46,308)	1.0
2014	(\$46,308)	1.0
2015	(\$51,617)	1.0
2016	(\$51,617)	1.0

Fiscal Analysis

The bill would amend the Alcoholic Beverage Code to allow for appeals to district court for holders of licenses or permits that have had their conduct surety bonds forfeited due to three or more violations or a cancellation of the license or permit. The bill would also extend the time to hold a trial on the matter from 10 days to 60 days. The bill would take effect September 1, 2011.

Methodology

The Texas Alcoholic Beverage Commission (TABC) anticipates that an additional 13 appeals from conduct surety bond forfeitures will be filed in district court. In FY10, there were 64 bond forfeiture cases, twenty percent (20%) of permit/license holders requested hearings for their cases for a total of 12 hearings. According to the TABC, fifteen percent (15%) of all cases for violations appeal further to district court. Using this formula, it is expected that the addition of appealed bond forfeiture cases

will increase the number of appeals by 10 per year. It is possible that all permit/license holders will request hearings and then appeal in order to further delay a resulting forfeiture. Therefore, the possible impact would be an increase in the number of appeals to district court by as few as 10 cases, or as many as 64 cases. During the first year, the agency estimates the increase at fifty (50%) of the maximum or 32 appeals (50% X 64 appeals). The commission is required to prepare the record for the district court's review for each appeal, which would require employment of a legal assistant (1 FTE), at a cost of \$94,016 through the biennium ending August 31, 2013.

Local Government Impact

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

Source Agencies: 458 Alcoholic Beverage Commission

LBB Staff: JOB, AG, GG, DAR