

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION**

**April 5, 2011**

**TO:** Honorable Byron Cook, Chair, House Committee on State Affairs

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

**IN RE: HB2702** by Solomons (Relating to the application of statutes that classify political subdivisions according to population.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB2702, As Introduced: a negative impact of (\$962,900) through the biennium ending August 31, 2013.

**General Revenue-Related Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2012	(\$962,900)
2013	\$0
2014	(\$1,045,700)
2015	\$0
2016	(\$1,128,500)

**All Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Revenue Gain/(Loss) from General Revenue Fund 1</b>
2012	(\$962,900)
2013	\$0
2014	(\$1,045,700)
2015	\$0
2016	(\$1,128,500)

**Fiscal Analysis**

The bill would amend sections of the Alcoholic Beverage Code relating to the Wine and Beer Retailer's Permit and the Beer Retailer's On Premise License, if those establishments are located in a county with a population of 1.8 million or more. Currently, the Alcoholic Beverage Code addresses these types of establishments in a county with a population of 1.4 million or more (Harris, Dallas and Tarrant Counties) with a different fee. After the 2010 census results, current statute would include Bexar County, thus increasing fees collected by the agency.

The bill would increase the population for this type of permit to a county with a population of 1.8 million or more; excluding Bear County as current statute holds. Therefore, by increasing the population requirement to 1.8 million, the bill would have a negative effect on the gross revenue collected by TABC.

## **Methodology**

The Texas Alcoholic and Beverage Commission estimates that for fiscal year 2012, a potential loss of revenue of \$962,900 would be realized due to the decreased number of Wine and Beer Retailer's Permits and Beer Retailer's On Premises Licenses issued new (\$1,650 per license) or as renewals (\$1,150 per license). Since the Wine and Beer Retailer's Permits and Beer Retailer's On Premises Licenses are valid for two years, additional revenue loss is anticipated for Fiscal Year 2014 and Fiscal Year 2016, with increasing revenue loss due to the assumed addition of 67 Wine and Beer Retailer's Permits and five (5) Beer Retailer's On Premises Licenses every two years.

## **Local Government Impact**

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

**Source Agencies:** 458 Alcoholic Beverage Commission

**LBB Staff:** JOB, KJG, KKR, KM, GG, DAR