

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

April 19, 2011

TO: Honorable John Carona, Chair, Senate Committee on Business & Commerce

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

IN RE: SB1409 by Lucio (Relating to importation and shipment of alcoholic beverages for personal consumption.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1409, As Introduced: a positive impact of \$3,039,718 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	\$1,513,484
2013	\$1,526,234
2014	\$1,526,234
2015	\$1,526,234
2016	\$1,526,234

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain from <i>General Revenue Fund</i> 1	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1
2012	\$1,526,234	(\$12,750)
2013	\$1,526,234	
2014	\$1,526,234	
2015	\$1,526,234	
2016	\$1,526,234	

Fiscal Analysis

The bill would amend the Alcoholic Beverage Code by eliminating the distinction between a Texas resident and a nonresident of Texas as to limits of importations of alcoholic beverages for personal use. It would also increase the administrative fee charged on a container from \$.50 to \$1.00. This act takes effect on September 1, 2011. The bill would amend Section 107.07 (a) and (e) of the Alcoholic Beverage Code. Subsection (a) eliminates the distinction between a Texas resident and a nonresident of Texas as to limits of importations of alcoholic beverages for personal use. This bill increases the quantity allowed for Texas residents from one quart of distilled spirits to 1 gallon of distilled spirits. Current law allows persons to import alcoholic beverages for personal use without a permit if they pay the excise tax and administrative fee due on the alcoholic beverage. The bill would increase the administrative fee from \$.50 per container to \$1.00 per container. An increase in importations is expected due to the limit increase and will result in an increase in annual revenue of approximately \$1,526,234 per year. The Comptroller of Public Accounts anticipates an increase in annual revenue of approximately \$800,000 per year, based on applying the new administrative fee to the amounts in the 2012-13 Biennial Revenue Estimate.

Methodology

The Texas Alcoholic Beverage Commission estimates that allowing Texas residents to import the same amount of distilled spirits as a nonresident of Texas while at the same time increasing the administrative fee to \$1.00 will result in a 10% reduction in all containers excluding 750ml, 1 liter, and 1.75 liter size containers of distilled spirits of which a 25% increase is estimated.

The cost to general revenue for FY2012 would be \$9,000 for printing new pamphlets and \$3,750 for new signs at Ports of Entry locations.

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

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