

**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: SB1575** by Watson (Relating to authorizing certain brewers and manufacturers to sell beer and ale to ultimate consumers.), **As Introduced**

**No significant fiscal implication to the State is anticipated.**

The bill would amend Chapters 12 (Brewer's Permit) and 62 (Manufacturer's License) of the Alcoholic Beverage Code, regarding the activities of certain producers of ale and beer.

The bill would allow the holder of a brewer's permit or a manufacturer's license whose combined annual production of ale and beer does not exceed 75,000 barrels to sell on their licensed premises those beverages to ultimate consumers for their consumption on those premises or in unbroken packages for off-premise consumption. Annual sales to ultimate consumers could be no more than 5,000 barrels.

The bill would provide those brewers and manufacturers the same authority and would make them subject to the same requirements that apply to the holder of a wine and beer retailer's permit.

The Texas Alcoholic Beverage Commission (TABC) currently permits 14 brewers and licenses 13 manufacturers, of which fewer than 10 would be affected by this bill. Ale and beer sales by those businesses to ultimate consumers would be subject to the state's alcoholic beverage excise taxes and state and local sales taxes. The TABC and the Comptroller of Public Accounts indicate that this bill would have no significant fiscal impact.

The bill would take effect immediately upon enactment, assuming that it received the requisite two-thirds majority votes in both houses of the Legislature. Otherwise, it would take effect September 1, 2011.

**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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