

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

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

**April 18, 2011**

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

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

**IN RE: SB1863** by Davis (Relating to authorizing certain brewers and manufacturers to conduct tours of their premises after which beer or ale is provided to ultimate consumers for off-premises consumption.), **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 to authorize certain brewers and manufacturers to conduct tours of their premises after which ale and beer could be provided to ultimate consumers for off-premises consumption.

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 250,000 barrels at the same premises, to conduct tours of their business premises and charge an admission fee for the tour.

Following a tour the brewer or manufacturer could give to tour participants, without additional charge, ale or beer in unbroken packages for off-premises consumption. A tour participant would be limited to a total of 48 12-ounce bottles of ale and/or beer at the same premises in a single day. A brewer or manufacturer could not sell ale and/or beer to an ultimate consumer.

The Comptroller of Public Accounts (CPA) indicates that currently The Texas Alcoholic Beverage Commission (TABC) permits 27 holders of brewer's permits and manufacturer's licenses in Texas, of which 11 would be affected by this bill. It is unknown whether any of these businesses would conduct tours. Brewers and manufacturers, under current law, would be required to pay the state excise taxes for the alcoholic beverages given without additional charge to tour participants. In addition, any admission fee charged would be subject to the state and local sales tax. Any fiscal impact from this bill would be insignificant.

The bill would take effect immediately upon two-thirds vote in each house. Otherwise, it would take effect on September 1, 2011.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 458 Alcoholic Beverage Commission, 304 Comptroller of Public Accounts

**LBB Staff:** JOB, AG, DAR, SD