

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

**FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION**

**April 1, 2013**

**TO:** Honorable Wayne Smith, Chair, House Committee on Licensing & Administrative Procedures

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE:** **HB34** by Menéndez (Relating to the consumption of alcoholic beverages on certain premises; providing a penalty and authorizing a fee.), **Committee Report 1st House, Substituted**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB 34, 1st Committee Report, Substituted: a positive impact of \$462,140 through the biennium ending August 31, 2015.

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

<b>Fiscal Year</b>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2014	\$462,140
2015	\$0
2016	\$462,140
2017	\$0
2018	\$462,140

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

<b>Fiscal Year</b>	<b>Probable Revenue Gain from General Revenue Fund</b>
	<b>1</b>
2014	\$462,140
2015	\$0
2016	\$462,140
2017	\$0
2018	\$462,140

## **Fiscal Analysis**

The bill would amend the Alcoholic Beverage Code to create a new Public Consumption Permit and establish an annual state fee of \$3,000 for the new permit. This permit would be required for the owner of a commercial establishment that is a sexually-oriented business or a business that charges a fee to be allowed on the premises and that allows a person to consume alcoholic beverages or bring alcoholic beverages on the premises for consumption, is not covered by any other license or permit issued by the Texas Alcoholic Beverage Commission (TABC), and operates during hours when the public consumption of alcoholic beverages is prohibited.

On or before November 1, 2013, TABC shall adopt rules to implement the provisions of the bill. Penalties for establishments that are required to hold the permit take effect January 1, 2014. It is assumed that the costs associated with implementing the provisions of the bill can be absorbed within existing resources of the agency. The bill would take effect on September 1, 2013.

## **Methodology**

The Alcoholic Beverage Commission estimates that there are 70 sexually-oriented public businesses that would be required to purchase a Public Consumption Permit. The agency states that there is no way to estimate the number of other businesses that would be required to purchase the permit. Since permits are issued every two years, it is assumed the permit fee would be \$6,000 per biennium, resulting in estimated biennial revenue of \$420,000 (70 x \$6,000). The biennial surcharge for the permit holders would be \$602, resulting in estimated biennial revenue of \$42,140 (70 x \$602). Combined biennial revenue for the permits and surcharges would be \$462,140 (\$420,000 + \$42,140). No significant impact on state correctional populations, programs, or workload is anticipated from any provisions of the bill that authorize or require a change in the sanctions applicable to adults convicted of felony crimes.

## **Technology**

It is assumed that the technology costs associated with implementing the provisions of the bill can be absorbed within existing resources of the agency.

## **Local Government Impact**

The bill creates a Class A misdemeanor. Costs associated with enforcement, prosecution and confinement could likely be absorbed within existing resources. Revenue gain from fines imposed and collected is not anticipated to have a significant fiscal implication.

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

**LBB Staff:** UP, RB, AI, KNi, JGA, KKR