

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

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

**March 12, 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.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB34, As Introduced: a positive impact of \$234,000 through the biennium ending August 31, 2015.

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

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2014	\$222,000
2015	\$12,000
2016	\$216,000
2017	\$24,000
2018	\$198,000

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

Fiscal Year	Probable Revenue Gain from <i>General Revenue Fund</i> 1
2014	\$222,000
2015	\$12,000
2016	\$216,000
2017	\$24,000
2018	\$198,000

**Fiscal Analysis**

The bill would amend the Alcoholic Beverage Code to create a new On-Premises 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 that allows a person to consume alcoholic beverages or bring alcoholic beverages on the premises for consumption and the establishment is not covered by any other license or permit issued by the Texas Alcoholic Beverage Commission (TABC). The bill would take effect on September 1, 2013.

## **Methodology**

The Comptroller of Public Accounts estimates that there are 41 commercial public businesses expected to require an On-Premises Consumption Only Permit. It is assumed that 10 percent will cease operating as obtaining a license might not allow for the continuance of profitable business operations. Further, it assumed that five percent of ongoing businesses will change ownership annually and require a new permit. Since permits are issued every two years, it is assumed the permit fee would be \$6,000 per biennium.

## **Local Government Impact**

The bill creates Class A, Class B, and Class C misdemeanors. 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

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