

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 17, 2013

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB516 by Eltife (Relating to the distribution of ale by certain brewers.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for SB516, As Engrossed: a positive impact of \$40,500 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	\$40,500
2015	\$0
2016	\$40,500
2017	\$0
2018	\$40,500

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain from <i>General Revenue Fund</i> 1
2014	\$40,500
2015	\$0
2016	\$40,500
2017	\$0
2018	\$40,500

Fiscal Analysis

The bill would amend Chapter 12 of the Alcoholic Beverage Code to allow a brewer with a combined annual production of beer and ale of less than 125,000 barrels to sell their product directly to retailers. It would create a new permit type, called a Brewer's Self-Distribution License. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2013.

The changes in law made by the bill take effect only if the 83rd Legislature, Regular Session, 2013, also enacts the following legislation related to the alcoholic beverage industry that becomes law: (1) Senate Bill 515, House Bill 1763, or another similar bill (2) Senate Bill 517, House Bill 1765, or another similar bill (3) Senate Bill 518, House Bill 1766, or another similar bill, and (4) Senate Bill 639, House Bill 1538 or another similar bill.

Methodology

The Alcoholic Beverage Commission (TABC) estimates that there are 54 brewers in the state that would be eligible for this new permit. The agency assumes that all 54 eligible brewers will obtain the new permit, which requires a \$250 fee and a \$500 surcharge, and must be renewed every two years. The bill would generate revenue for these fees and surcharges collected by TABC on a biennial basis according to the issue date of the new permit type. Therefore, the biennial fees for the permit would be \$750, resulting in an estimated revenue stream of \$40,500 (54 x \$750) every other year.

Technology

TABC would create a new permit type which would entail design of forms and programming costs. The agency maintains that these costs can be absorbed within existing resources.

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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