

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

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

**March 15, 2013**

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

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

**IN RE:** SB516 by Eltife (Relating to the distribution of ale by certain brewers.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for SB 516, 1st Cmte Rep, Sub: a positive impact of \$40,500 through the biennium ending August 31, 2015.
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**General Revenue-Related Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2014	\$40,500
2015	\$0
2016	\$40,500
2017	\$0
2018	\$40,500

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

<b>Fiscal Year</b>	<b>Probable Revenue Gain from General Revenue Fund 1</b>
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. The bill would take effect on September 1, 2013, only if the 83rd Legislature, Regular Session, 2013, also enacts legislation that becomes law and amends the Alcoholic Beverage Code to allow small brewers to sell ale to retailers and allow small brewers to sell beer and ale to ultimate consumers.

## **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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