

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: SB517 by Eltife (Relating to the distribution of beer by certain manufacturers.),
Committee Report 1st House, Substituted

Estimated Two-year Net Impact to General Revenue Related Funds for SB 517, 1st Cmte Rep, Sub: a positive impact of \$17,250 through the biennium ending August 31, 2013.
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General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2014	\$17,250
2015	\$0
2016	\$17,250
2017	\$0
2018	\$17,250

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain from General Revenue Fund 1
2014	\$17,250
2015	\$0
2016	\$17,250
2017	\$0
2018	\$17,250

Fiscal Analysis

The bill would amend Chapter 62 of the Alcoholic Beverage Code to allow a manufacturer 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 Manufacturer'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 and malt liquor to retailers and allow small brewers to sell beer and ale to ultimate consumers.

Methodology

The Alcoholic Beverage Commission (TABC) estimates that there are 23 manufacturers in the state that would be eligible for this new permit. The agency assumes that all 23 eligible manufacturers will obtain the new permit, which requires a \$250 fee and \$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 \$17,250 (23 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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