

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

**FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION**

**April 15, 2015**

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

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

**IN RE:** **HB409** by Turner, Chris (Relating to liability insurance or other proof of financial responsibility for persons holding certain alcoholic beverage permits; adding a provision that is subject to a criminal penalty; authorizing a fee.), **Committee Report 1st House, Substituted**

**No significant fiscal implication to the State is anticipated.**

The bill would amend the Alcoholic Beverage Code to require persons who hold certain alcoholic beverage permits to establish financial responsibility as described by the bill, which includes maintaining a liability insurance policy or filing a bond, in lieu of insurance, with the Texas Alcoholic Beverage Commission (TABC). Under the provisions of the bill, a fee as prescribed and approved by TABC would accompany the filing of a bond. The bill would also require TABC to adopt rules necessary to implement the changes made by the bill no later than December 31, 2015.

TABC indicates four additional full-time-equivalent positions would be needed to implement the provisions of the bill, at a cost of \$200,967 in fiscal year 2016 and \$192,391 in fiscal year 2017. TABC reports four License and Permit Specialists would be necessary to insure permit holders submit and maintain the appropriate insurance coverage as described in the bill, review submitted bonds to ensure compliance with the bill's provisions, and complete filing requirements with county clerks as required by the bill.

Although the number of bonds that would be submitted to TABC is indeterminate, this analysis assumes all costs associated with the filing of bonds would be offset by the fee authorized by the bill.

The bill would take effect September 1, 2015.

**Local Government Impact**

There may be administrative costs to counties; however, the fiscal impact would vary depending on the number of bonds filed and the county's resources.

**Source Agencies:** 458 Alcoholic Beverage Commission

**LBB Staff:** UP, CL, AI, JN, KVe