

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 18, 2017

TO: Honorable Kelly Hancock, Chair, Senate Committee on Business & Commerce

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB2101 by Frullo (Relating to the issuance of a food and beverage certificate to holders of certain alcoholic beverage permits and licenses.), **Committee Report 2nd House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would amend the Alcoholic Beverage Code to allow the Texas Alcoholic Beverage Commission (TABC) to issue a food and beverage certificate to certain permit holders if the commission finds that total receipts from the sale of alcoholic beverages for the premises are 60 percent or less of the total receipts for the location.

The bill would also eliminate the commission's ability to impose a fine on the holder of a wine and beer retailer's permit or a retail dealer's on-premise license for not operating as a food service establishment.

The bill would also allow certain license and permit holders whose food and beverage certificates have been canceled or who are denied renewal of certificates to apply for new certificates no earlier than the day after the first anniversary of the date the certificates were canceled or the renewal of the certificates were denied.

The bill would also eliminate the requirement for TABC to renew a mixed beverage permit or a private club permit, upon certification from the Comptroller that the permit holder is in compliance with the allowed amount of alcohol sales.

The bill would repeal Section 411.204(e), Government Code, which exempts a business that has a food and beverage certificate issued under the Alcoholic Beverage Code from displaying a sign at the business entrance giving notice that it is unlawful for a person licensed under this Chapter 411, Subchapter H, Government Code, to carry a handgun on the premises.

The Comptroller of Public Accounts reports that although the bill's provisions could increase fee revenue associated with more businesses qualifying for a food and beverage certificate, and could reduce collections from fines, the amounts in the aggregate cannot be determined.

It is assumed the administrative costs to implement the provisions of the bill could be absorbed within existing resources.

The bill would take effect September 1, 2017.

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

LBB Staff: UP, CL, AI, FR