

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

April 4, 2019

TO: Honorable John Zerwas, Chair, House Committee on Appropriations

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: HB1243 by Ashby (Relating to the allocation of certain revenue from mixed beverage gross receipts and sales taxes.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1243, As Introduced: a negative impact of (\$19,600,000) through the biennium ending August 31, 2021.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2020	(\$9,700,000)
2021	(\$9,900,000)
2022	(\$10,200,000)
2023	(\$10,500,000)
2024	(\$10,600,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from <i>General Revenue Fund</i> 1	Probable Revenue Gain/(Loss) from <i>Drug Court</i> 5174
2020	(\$9,700,000)	\$9,700,000
2021	(\$9,900,000)	\$9,900,000
2022	(\$10,200,000)	\$10,200,000
2023	(\$10,500,000)	\$10,500,000
2024	(\$10,600,000)	\$10,600,000

Fiscal Analysis

The bill would amend Section 183.051 of the Tax Code regarding disposition of certain Mixed Beverage Tax revenue.

The bill would require the Comptroller to deposit 10.1743 percent of all mixed beverage tax collections received from outside of an incorporated municipality to the credit of GR Account 5174-Drug Court in the General Revenue Fund. Currently, that revenue is deposited to the

unrestricted portion of the General Revenue Fund 0001.

Methodology

This analysis was based on the 2020-21 Biennial Revenue Estimate and recent Mixed Beverage Tax Reimbursements. As unincorporated areas that contain mixed beverage permittees are annexed or become incorporated, fewer taxpayers are left in unincorporated areas. Consequently, the portion of mixed beverage tax revenues allocable to the drug court would grow more slowly than total mixed beverage tax revenues.

Note: This legislation would do one or more of the following: create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either in, with, or outside of the Treasury, or create a dedicated revenue source. The fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: WP, KK, SD, SMad