

SUBJECT: Allowing two-year permits and licenses issued by TABC

COMMITTEE: Licensing and Administrative Procedures — favorable, without amendment

VOTE: 5 ayes — Geren, Hamilton, Miles, Quintanilla, Thompson
0 nays
4 absent — Flores, Isett, Goolsby, Jones

SENATE VOTE: On final passage, May 1 — 31-0, on Local and Uncontested Calendar

WITNESSES: No public hearing

BACKGROUND: Alcoholic Beverage Code, sec 5.50 requires the Texas Alcoholic Beverage Commission (TABC) to collect surcharges on an annual basis from holders of certificates, permits, or licenses issued by the commission. In addition, sec. 6.02 prohibits the commission from authorizing a license or permit for a period longer than one year.

Alcoholic Beverage Code, ch. 11 governs provisions generally applicable to permits, and ch. 61 governs provisions generally applicable to licenses. Sec. 11.09 and sec. 61.03 stipulate that a permit or license, respectively, expires one year after it is issued, except as otherwise provided under the code.

DIGEST: SB 1217 would require TABC to collect surcharges on all applicants for an original or renewal certificate, permit, or license at the time of application. The bill also would allow TABC to issue a license or permit for a period of two years or less, and the amount of fees and surcharges would be doubled for such licenses and permits.

The bill would amend sec. 11.09 and sec. 61.03 to require that a permit or license — other than a branch, importer's, importer's carrier's, or temporary license — expire on the second anniversary of the date it was issued, except as provided by another provision of the Alcoholic Beverage Code or under the following circumstances:

- TABC could issue a one-year permit or license due to the holder's violation history; and
- TABC could issue a permit or license for a period shorter than two years as necessary to maintain reasonable annual distribution of renewal application review work and fees, in which case TABC would prorate the permit or license fee on a monthly basis so that the permit or license holder paid only that portion of the fee that was allocable to the number of months during which the permit or license was valid.

A secondary permit or license that required the holder to obtain another permit or license, including a late hours or temporary permit or license, would expire on the same date as the basic or primary permit or license, and TABC could not prorate or refund any part of the fee for the secondary permit or license if it expired in less than two years.

The bill would take effect September 1, 2007, and would apply to a permit or license issued or renewed on or after that date.

**SUPPORTERS
SAY:**

SB 1217 would reduce paperwork for the alcohol industry and ease the process of complying with state law by increasing license and permit terms to a maximum period of two years instead of one year under current law. TABC still would retain rulemaking authority and could opt to issue a permit or license for less than two years if an applicant had a violation history. The increase to two years would pay for itself because TABC would double the fees for such licenses and permits to assure that the bill had no fiscal impact to the state.

**OPPONENTS
SAY:**

No apparent opposition.