



TEXAS ALCOHOLIC BEVERAGE COMMISSION

Texans Helping Businesses & Protecting Communities

ANNUAL REPORT OF NONFINANCIAL DATA FOR FISCAL YEAR 2018

KEVIN J. LILLY, Presiding Officer
IDA LOUISE STEEN, Member
VACANT, Member
A. BENTLEY NETTLES, Executive Director



TEXAS ALCOHOLIC BEVERAGE COMMISSION

Texans Helping Businesses & Protecting Communities

Kevin J. Lilly
Presiding Officer – Houston

Ida Clement Steen
Member – San Antonio

Commission Member
Vacant

A. Bentley Nettles
Executive Director

December 31, 2018

The Honorable Greg Abbott, Governor
Lisa R. Collie, First Assistant State Auditor
Sarah Keyton, Acting Director, Legislative Budget Board
John McGeady, Acting Director, Legislative Budget Board

Dear Sirs and Madams:

We are pleased to submit the Texas Alcoholic Beverage Commission's *Annual Report of Nonfinancial Data* for the fiscal year ending August 31, 2018, in compliance with TEX. GOV'T CODE ANN. § 2101.0115, and in accordance with the instructions for completing the Annual Report of Nonfinancial Data.

The accompanying report has not been audited and is considered to be independent of the agency's *Annual Financial Report*.

If you have any questions, please contact Chief Financial Officer, Vanessa Mayo, at (512) 206-3290.

Sincerely,

A handwritten signature in black ink, appearing to read "A. Bentley Nettles". The signature is fluid and cursive.

A. Bentley Nettles
Executive Director

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**TEXAS ALCOHOLIC BEVERAGE COMMISSION
ANNUAL REPORT OF NONFINANCIAL DATA
For the Fiscal Year Ending August 31, 2018**

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I. SCHEDULES

I. SCHEDULES

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Environmentally Sensitive Purchases

UNAUDITED

TEXAS ALCOHOLIC BEVERAGE COMMISSION (458)

SCHEDULE 1
APPROPRIATION ITEM TRANSFERS*
For the Fiscal Year Ending August 31, 2018

ITEM OF APPROPRIATION - AY 2018

	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Net Transfers</u>
	\$	\$	\$
A. Goal: Regulate Distribution Strategy			
A.1.1 13016 Public Enforcement	263,293	(1,036,758)	(773,465)
Total, Goal A: Regulate Distribution	<u>263,293</u>	<u>(1,036,758)</u>	<u>(773,465)</u>
B. Goal: Process TABC Applications Strategy			
B.1.1 13017 Business Compliance	0	(88,481)	(88,481)
Total, Goal B: Process TABC Applications	<u>0</u>	<u>(88,481)</u>	<u>(88,481)</u>
C. Goal: Collect Fees and Taxes Strategy			
C.1.1 13018 Inspections and Compliance	52,000	(33,267)	18,733
C.2.1 13007 Ports of Entry	0	(205,571)	(205,571)
Total, Goal C: Collect Fees and Taxes	<u>52,000</u>	<u>(238,838)</u>	<u>(186,838)</u>
D. Goal: Indirect Administration Strategies			
D.1.1 13800 Central Administration	800	(78,361)	(77,561)
D.1.2 13801 Information Resources	0	(1,270,962)	(1,270,962)
D.1.3 13802 Other Support Services	10,000	(8,537)	1,463
Total, Goal D: Indirect Administration	<u>10,800</u>	<u>(1,357,860)</u>	<u>(1,347,060)</u>
Capital Budget Appropriations			0
55001 PC Replacements & Tablet Computers	250,323	0	250,323
55002 Hardware/Software Acquisitions	339,292	0	339,292
55003 Fleet Acquisition - Replacement Vehicles	699,525	0	699,525
55004 Public Safety Equipment - Replacement	161,773	0	161,773
55005 CAPPs Implementation	72,365	0	72,365
55150 Data Center Consolidation	872,566	0	872,566
Total, Capital Budget Appropriations	<u>2,395,844</u>	<u>0</u>	<u>2,395,844</u>
Contingency Appropriations			
24803 CAPPs Deployment	0	0	0
24802 Salary Increase	0	0	0
24705 Schedule C Pay Raise	0	0	0
Total, Contingency Appropriations	<u>0</u>	<u>0</u>	<u>0</u>
NET APPROPRIATION ITEM TRANSFERS	<u><u>2,721,937</u></u>	<u><u>(2,721,937)</u></u>	<u><u>0</u></u>

*This schedule does not include Benefit Replacement Pay Transfers.

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TEXAS ALCOHOLIC BEVERAGE COMMISSION (458)

**SCHEDULE 2
HUB STRATEGIC PLAN PROGRESS REPORT
For the Fiscal Year Ending August 31, 2018**

CATEGORY	Actual for FY 2017*	Actual for FY 2018*	Goal for FY 2018**
Heavy construction other than building contracts	0.00%	0.00%	11.20%
Building construction	0.00%	0.00%	21.10%
Special trade construction contracts	0.00%	0.00%	32.90%
Professional services contracts	100.00%	100.00%	23.70%
Other services contracts	7.97%	12.46%	26.00%
Commodities contracts	28.63%	23.60%	21.10%

*Actual = Percent spent with HUBs from Comptroller's HUB report. The agency had no spending for Heavy Construction or Building Construction in either FY 2017 or FY 2018.

**Goal = Strategic Plan HUB goals

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TEXAS ALCOHOLIC BEVERAGE COMMISSION (458)

SCHEDULE 3
INDIRECT COSTS

For the Fiscal Year Ending August 31, 2018

Payroll Related Costs

FICA Employer Matching Contribution	\$2,718,501
Payroll Retirement Contribution	168,118
Group Health Insurance	4,850,869
Payroll Health Insurance Contribution	322,189
Retirement	3,320,034
Retirement-Other	59,618
Unemployment	54,735

Total Payroll Related Costs

\$11,494,064

Benefit Replacement Pay (BRP)	\$35,792
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Total Benefit Replacement Pay

\$35,792

Indirect Costs - Statewide Full Cost Allocation Plan

Building Depreciation	\$39,571
(304) CPA Administration	260,964
CPA Fiscal and ITD	184,408
CPA Purchasing & Support (TPASS)	13,737
CPA Rebates	(40,766)
TFC Planning & Real Estate Management	36,033
OOG Budget, Policy, & Planning Division	2,070
(101) State Senate	1,135
(102) House of Representatives	1,490
(103) Legislative Council	1,243
(104) Legislative Budget	10,415
(105) Reference Library	1,302
(116) Sunset Advisory Brd	1,696

Total Indirect Costs - Statewide Full Cost Allocation Plan

\$513,298

TOTAL INDIRECT COSTS

\$12,043,154

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TEXAS ALCOHOLIC BEVERAGE COMMISSION (458)

**SCHEDULE 4
PROFESSIONAL, CONSULTING FEES AND LEGAL SERVICE FEES
For the Fiscal Year Ended August 31, 2018**

NAME	TYPE OF SERVICE RENDERED	AMOUNT
Ambonare Inc	Computer Programming	\$45,500
CPS HR Consulting	Employee Testing	\$2,626
Gray Schrupp & Associates PLLC	Witness Fees	\$12,652
Jackson Walker LLP	Legal Services	\$19,523
Kudelski Security Inc	Computer Programming	\$6,198
Loblolly Consulting LLC	Independent Assessment ITD	\$49,800
Micropact Global Inc	Computer Programming	\$6,920
Monday Rufus	Financial Accounting Services - Internal Audit	\$7,450
Neubus	Computer Programming	\$65,286
Presidio	Computer Programming	\$864
Sense Corp	IT Assessments & Planning	\$49,000
SHI Government Solutions Inc	Security Awareness Training	\$18,774
Southlake Capital Advisors Inc	Witness Fees	\$13,875
Texas A&M Engineering Extension Service	Educational/Training Services	\$200,000
Texas A&M Transportation Institute	Focus Group	\$38,682
Texas Department of Information Resources	Data Center Services	\$778,388
UT Austin School of Social Work	Employee Surveying	\$3,736
Wendorf Beward & Partners LLC	Consultant Fees	\$32,963
Workers Assistance Program Inc.	Professional Fees - Client Visits	\$7,550
Total Professional / Consulting Fees	EXH II - AFR	\$1,340,263
Total Legal Fees	EXH II - AFR	\$19,523
Total Professional / Consulting and Legal Fees	EXH II - AFR	\$1,359,786

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TEXAS ALCOHOLIC BEVERAGE COMMISSION (458)

SCHEDULE 5A
 SPACE OCCUPIED - STATE OWNED BUILDINGS
 For the Fiscal Year Ending August 31, 2018

Space occupied in state owned buildings by the Commission as of August 31, 2018, was as follows:

LOCATION	ADDRESS	SQ FT
Austin- Warehouse	4044 Promontory Point, Austin, TX 78744	6,200.00
El Paso- BOTA Bridge	3600 E. Paisano Dr, El Paso, TX 79905	447.25
El Paso- Paso Del Norte Bridge	1000 S. El Paso St, El Paso, TX 79901	634.00
El Paso- State Tax Office	401 E. Franklin Ave, Suite 120, El Paso, TX 79901	2,884.00
El Paso- Ysleta Cargo Entry	797 S. Zaragoza Rd, El Paso, TX 79907	71.12
Laredo- Convent Bridge	100 Zaragoza St, Laredo, TX 78040	203.23
Laredo- Juarez Lincoln Bridge	700 Lincoln St, Laredo, TX 78040	171.24
San Angelo- Enforcement Office	622 S. Oakes Street, San Angelo, TX 76903	425.00

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TEXAS ALCOHOLIC BEVERAGE COMMISSION (458)

SCHEDULE 5B
SPACE OCCUPIED - FREE SPACE
For the Fiscal Year Ending August 31, 2018

The free space occupied by the Commission as of August 31, 2018, was as follows:

Location (TX)	Building	Address	Sq. Ft.
Belton	Belton Annex Building	550 E. 2nd Street, Belton, TX 76513	640
Brazoria	Brazoria Police Department	202 S. Main St., Brazoria, TX 77422	188
Brownwood	Law Enforcement Center	1050 W. Commerce, Brownwood, TX 76801	100
San Benito	Cameron County Building	1390 W. Expressway 83, San Benito, TX 78586	300
Cleburne	Johnson County Sheriff's Office	1102 E. Kilpatrick, Cleburne, TX 76031	140
Del Rio	Del Rio Police Academy	1505 E. Gibbs St., Del Rio, TX 78440	200
Denton	Denton County Annex	750 S. Mayhill, Suite B116, Denton, TX 76208	800
Dickinson	City Hall	4403 Highway 3, STE A, Dickinson, TX 77539	50
Floresville	Wilson County Sheriff's Office	800 10th Street, Box 9, Floresville, TX 78114	95
Ft. Davis	Prude Community Building	103 Court Avenue, Ft. Davis, TX 79734	50
Georgetown	Williamson County Courthouse	517 Pine St., Georgetown, TX 78626	200
Greenville	Hunt County Criminal Justice Center	2801 Stuart St., Greenville, TX 75401	150
Hondo	Medina County Courthouse	801 Avenue Y, Hondo, TX 78861	65
Huntsville	Huntsville Police Department	1220 11th St., Huntsville, TX 77340	100
La Grange	Police Department	243 S. College, La Grange, TX 78945	100
Laredo	Laredo PD Substation	1601 Ortiz Street, Laredo, TX 78041	864
Llano	Llano County Sheriff's Office	2001 N. State Hwy 16, Suite A, Llano, TX 78643	190
Longview	Gregg County Adult Probation	103 W. Whaley Street, Suite 22, Longview, TX 75601	300
Lufkin	Angelina County Sheriff's Office	2311 E. Lufkin Ave., Lufkin, TX 75901	400
McKinney	McKinney County Annex - McKinney Plaza	825 N. McDonald, Suite 180, McKinney, TX 75069	600
Mineral Wells	Palo Pinto County Annex	109 N. Oak, Mineral Wells, TX 76067	88
New Braunfels	Comal County Courthouse	1297 Church Hill Drive, New Braunfels, TX 78130	275
San Marcos	Hays County Courthouse	111 E San Antonio St., Ste. 100, San Marcos, TX 78666	570
Sealy	Austin County Courthouse	201 Atchison St., Sealy, TX 77474	300
Sherman	Grayson County Courthouse	100 W. Houston St., 3rd Floor, Sherman, TX 75090	300
Uvalde	Uvalde County Courthouse	100 N Getty St., 3rd Floor, Box 2, Uvalde, TX 78801	65
Wharton	Wharton County Sheriff's Office	315 E. Elm, Wharton, TX 77488	100

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TEXAS ALCOHOLIC BEVERAGE COMMISSION (458)

SCHEDULE 5C

SPACE OCCUPIED - LEASED SPACE

For the Fiscal Year Ended August 31, 2018

Rented space occupied by the Commission as of August 31, 2018, was as follows:

OFFICE	LOCATION	LESSOR	LEASE NO
Abilene Office	500 Chestnut Street, STE 1573	Abilene Tower LLC	ABC-066
Amarillo Office	3131 Bell Street	JSW Properties	ABC-078
Arlington Office	2225 E. Randol Mill Road	J & F Investments/Arlington Downs Twr	ABC-015
Austin HQ	5806 Mesa Drive	ASEM Properties	ABC-092
Austin Regional Office	7700 Chevy Chase Drive, Ste 1.200	Omninet Chase Park	ABC-053
Beaumont Office	3535 Calder Road, Ste 238	Mobiloil Credit Union	ABC-099
Brownsville POE	USBS B&M TABC Booth	General Services Admin	GS-07P-OTX02463
Brownsville POE	USBS Gateway Prim/Sec Insp	General Services Admin	GS-07P-OTX02462
Brownsville POE	USBS Los Tomates Admin Bldg	General Services Admin	GS-07P-OTX02467
Brownsville POE	USBS Los Tomates TABC Booth	General Services Admin	GS-07P-OTX02469
Bryan Office	1716 Briarcrest Drive, Ste 508	GGE LTD	ABC-073
Conroe Office	702 North Thompson	Five Star Interest	ABC-015
Corpus Christi Office	2820 S. Padre Island Drive, Ste 120	CJW Group LLC	ABC-069
Del Rio POE	USBS Del Rio New TABC Booth	General Services Admin	GS-07P-OTX02406
Donna Bridge POE	9000 International Blvd	City of Donna	ABC-091
Eagle Pass POE	USBS Eagle Pass II TABC Booth	General Services Admin	GS-07P-OTX02470
Eagle Pass POE	USBS Eagle Pass TABC Booth	General Services Admin	GS-07P-OTX02403
El Paso POE	USBS BOTA Bldg A Administration	General Services Admin	GS-07P-OTX02476
El Paso POE	USBS BOTA Bldg C Headhouse	General Services Admin	GS-07P-OTX02466
El Paso POE	USBS PDN (Paso Del Norte) Headhouse	General Services Admin	GS-07P-OTX02407
El Paso POE	USBS Ysleta Cargo Entry Canopy	General Services Admin	GS-07P-OTX02404
EL Paso- SIU Office	5450 Hurd Court Place	Mesa Hills Court LLC	ABC-098
Galveston Sea Port POE	2502 Harborside Drive, Terminal 1	Galveston Port Facilities Corp	ABC-096
Hidalgo Int'l Bridge POE	929 International Blvd	City of McAllen	ABC-055
Houston Regional Office	427 West 20th.	Heights Medical Tower	ABC-052
Laredo POE	USBS Convent	General Services Admin	GS-07P-OTX02400
Laredo POE	USBS J&L Bldg 3 Secondary Inspection	General Services Admin	GS-07P-OTX02386
Los Indios POE	USBS Los Indios TABC Booth	General Services Admin	GS-07P-OTX02399
Lubbock Office	612 W. Loop 289, Ste 100	Epic Sky Properties/Alliance Realty	ABC-079
McAllen Office	6521 North 10th Street # D	Eventide Ventures LLC	ABC-095
Mission POE	USBS Anzalduas TABC Booth	General Services Admin	GS-07P-OTX02420
Odessa Office	6010 E. Highway 191, Ste 234	Westwind/Haven Group	ABC-059
Pharr Int'l Bridge POE	9901 S. Cage Blvd	City of Pharr	ABC-095
Presidio Int'l Bridge POE	PO Box 2829	RCS	ABC-081P
Progreso Int'l Bridge POE	251 S. International Blvd	Sam R. Sparks LP (B&P)	ABC-049
Richmond Office	1521 Eugene Heinemann Circle	Fort Bend County	ABC-097
Roma POE	USBS Roma Admin Bldg	General Services Admin	GS-07P-OTX02405
San Angelo Office	622 S. Oakes Street	City of San Angelo	ABC-303-9918
San Antonio Regional Ofc.	4203 Woodcock Drive	Brass Centerview LLC	ABC-076
Tornillo POE	USBS T&G TABC Booth	General Services Admin	GS-07P-OTX02397
Tyler Office	3800 Paluxy Drive, Ste 501 & 502	Genecov Investments	ABC-062
Waco Office	900 Washington Street, 6st Floor	Texas Life Insurance Co	ABC-068A
Wichita Falls Office	624 Indiana Street	MWH Group PC	ABC-067

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TYPE	USABLE SQ FT	FTE'S	MO. RENTAL	COST/SQ FT	ANNUAL COST	COMMENTS
Office	2,395.00	5	\$2,993.75	\$1.25	\$35,925.00	Expires 08/31/2019
Office	542.00	5	\$2,700.00	\$4.98	\$32,400.00	Expires 08/31/2022
Office	14,666.00	57	\$21,082.38	\$1.44	\$252,988.56	Expires 12/31/2023
Office	38,003.00	169	\$67,423.66	\$1.78	\$809,083.92	Expires 08/31/2024
Office	5,378.00	24	\$11,954.35	\$2.22	\$143,452.20	Expires 08/31/2020
Office	1,266.75	5	\$2,150.23	\$1.70	\$25,802.76	Expires 08/31/2020
Tax Booth	148.37	3	\$346.93	\$2.34	\$4,163.16	Expires 12/31/2024
Tax Booth	246.26	3	\$490.06	\$1.99	\$5,880.72	Expires 12/31/2024
Tax Booth	126.34	4	\$385.49	\$3.05	\$4,625.88	Expires 04/16/2023
Tax Booth	138.88	3	\$181.78	\$1.31	\$2,181.36	Expires 04/16/2023
Office	1,673.00	5	\$3,050.85	\$1.82	\$36,610.20	Expires 08/31/2020
Office	2,414.00	8	\$2,966.01	\$1.23	\$35,592.12	Expires 08/31/2020
Office	2,996.00	8	\$3,035.00	\$1.01	\$36,420.00	Expires 08/31/2019
Tax Booth	165.00	7	\$524.15	\$3.18	\$6,289.80	Expires 12/22/2024
Office	877.00	1	\$2,250.00	\$2.57	\$27,000.00	Expires 12/14/2020
Tax Booth	97.11	4	\$127.42	\$1.31	\$1,529.04	Expires 10/31/2023
Tax Booth	162.08	4	\$177.75	\$1.10	\$2,133.00	Expires 03/31/2025
Tax Booth	112.00	1	\$134.50	\$1.20	\$1,614.00	Expires 06/30/2025
Tax Booth	305.05	1	\$286.24	\$0.94	\$3,434.88	Expires 08/31/2024
Tax Booth	634.00	21	\$1,796.33	\$2.83	\$21,555.96	Expires 04/30/2020
Tax Booth	71.12	1	\$68.63	\$0.96	\$823.56	Expires 03/31/2024
Office	1,200.00	4	\$1,930.62	\$1.61	\$23,167.46	Expires 08/31/2020
Office	181.00	4	\$494.46	\$2.73	\$5,933.52	Expires 08/31/2020
Office	650.00	15	\$2,306.27	\$3.55	\$27,675.24	Expires 08/31/2019
Office	9,787.00	61	\$12,723.00	\$1.30	\$152,676.00	Expires 08/31/2019
Tax Booth	162.27	26	\$859.66	\$5.30	\$10,315.92	Expires 09/30/2024
Tax Booth	166.00	1	\$173.95	\$1.05	\$2,087.40	Expires 09/30/2024
Tax Booth	79.32	2	\$162.61	\$2.05	\$1,951.32	Expires 08/31/2024
Office	3,000.00	12	\$4,565.17	\$1.52	\$54,782.04	Expires 08/31/2023
Office	4,553.00	49	\$7,182.25	\$1.58	\$86,187.00	Expires 08/31/2022
Tax Booth	86.00	1	\$1,104.56	\$12.84	\$13,254.72	Expires 11/30/2025
Office	2,615.00	5	\$3,522.62	\$1.35	\$42,271.44	Expires 08/31/2020
Office	198.00	2	\$550.00	\$2.78	\$6,600.00	Expires 08/31/2020
Office	24.00	3	\$450.00	\$18.75	\$5,400.00	Mo-Mo
Office	374.00	11	\$4,959.00	\$13.26	\$59,508.00	Expires 08/31/2022
Office	1,164.00	6	\$1,746.00	\$1.50	\$20,952.00	Expires 12/31/2018
Tax Booth	104.00	4	\$120.00	\$1.15	\$1,440.00	Expires 12/22/2024
Office	425.00	4	\$428.19	\$1.01	\$5,138.28	Expires 07/31/2019
Office	8,024.00	32	\$12,059.59	\$1.50	\$144,715.08	Expires 11/30/2021
Tax Booth	140.85	2	\$1,008.97	\$7.16	\$12,107.64	Expires 10/31/2024
Office	2,182.00	10	\$3,273.00	\$1.50	\$39,276.00	Expires 08/31/2020
Office	2,681.42	10	\$3,351.77	\$1.25	\$40,221.24	Expires 08/31/2021
Office	1,810.00	3	\$1,269.91	\$0.70	\$15,238.92	Expires 08/31/2023

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TEXAS ALCOHOLIC BEVERAGE COMMISSION (458)

**SCHEDULE 5D
SPACE OCCUPIED – FEDERAL LEASE AGREEMENTS
For the Fiscal Year Ending August 31, 2018**

As of August 31, 2018, the Commission holds the following license agreements for lease space at bridge sites into Mexico. General Services Administration of the Federal Government issues the licenses.

LICENSE NUMBER	LOCATION	MONTHLY FEE	LEASE EXPIRES
GS-07P-OTX02386	USBS J&L Bldg 3 Secondary Inspection	\$173.95	09/30/24
GS-07P-OTX02397	USBS T&G TABC Booth	\$1,008.97	10/31/24
GS-07P-OTX02399	USBS Los Indios TABC Booth	\$162.61	08/31/24
GS-07P-OTX02400	USBS Convent	\$859.66	09/30/24
GS-07P-OTX02403	USBS Eagle Pass TABC Booth	\$177.75	03/31/25
GS-07P-OTX02404	USBS Ysleta Cargo Entry Canopy	\$68.63	03/31/24
GS-07P-OTX02405	USBS Roma Admin Bldg	\$120.00	12/22/24
GS-07P-OTX02406	USBS Del Rio New TABC Booth	\$524.15	12/22/24
GS-07P-OTX02407	USBS PDN (Paso Del Norte) Headhouse	\$1,796.33	04/30/20
GS-07P-OTX02420	USBS Anzalduas TABC Booth	\$1,104.56	11/30/25
GS-07P-OTX02462	USBS Gateway Prim/Sec Insp	\$490.06	12/31/24
GS-07P-OTX02463	USBS B&M TABC Booth	\$346.93	12/31/24
GS-07P-OTX02466	USBS BOTA Bldg C Headhouse	\$286.24	08/31/24
GS-07P-OTX02467	USBS Los Tomates Admin Bldg	\$385.49	04/16/23
GS-07P-OTX02469	USBS Los Tomates TABC Booth	\$181.78	04/16/23
GS-07P-OTX02470	USBS Eagle Pass II TABC Booth	\$127.42	10/31/23
GS-07P-OTX02476	USBS BOTA Bldg A Administration	\$134.50	06/30/25

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TEXAS ALCOHOLIC BEVERAGE COMMISSION (458)

SCHEDULE 6
EXCEPTION LETTERS

For the Fiscal Year Ending August 31, 2018

During the fiscal year ending August 31, 2018, the Texas Alcoholic Beverage Commission prepared the following exception letters.

Vendor	Product	Justification	Amount
Callyo 2009 Corp	Phone Services	<p>Purchase order 18-40002</p> <p>The issuing office believes that the requested items in this request may be proprietary to one vendor under Government Code, 2155.067.</p> <p>Callyo 2009 Corp is the sole source vendor world-wide for the Callyo system. Callyo's specialized technology includes proprietary services for the investigators that are not offered in whole by any competing vendor. The package included 20 phone lines/ 4 Audio Accessories/ 4,000 Feature credits for MMS and VIP Call Monitoring/In-Person training.</p>	\$5,500.00
Taylor Communications FKA Standard Register Inc.	SMARTworks Internet Ordering Services	<p>Purchase order 18-40071</p> <p>The issuing office believes that the requested items in this request may be proprietary to one vendor under Government Code, 2155.067.</p> <p>State agencies are granted an exemption for the procurement of software maintenance, if the software maintenance is proprietary or is not available from one of the contracted vendors. State agencies are advised to check the website prior to the purchase as DIR adds new software titles on a regular basis. This exemption is valid for the IT Commodity acquired (920-45 - Software Maintenance/Support)</p> <p>Standard Register SMARTworks solution will provide the online ordering tool for the distributors and administration portal to the Commission office personnel. The online solution provides distributors a way to order TABC LP Stamps. Each distributor has a unique permit number for their distribution center and the need to order the stamps to place on product prior to distribution. The TABC will have the ability to track who is ordering the stamps and how much they are ordering.</p>	\$1,800.00

SCHEDULE 6 CONTINUED

Vendor	Product	Justification	Amount
Actionable Intelligence Technologies, Inc.	CFIS Version 8	<p>Purchase order 18-41067</p> <p>For the purchase is for the purchase of AIT's Comprehensive Financial Investigative Solution (CFIS™), which is currently the standard investigative tool in use by Federal, State and Local, Prosecutors, Law Enforcement, Regulatory Agencies and forensic accountants to investigate financial crimes. CFIS™ provides an unprecedented increase in productivity so essential to the financial investigator in the conduct of both large and small investigations. The CFIS™ has the capability to automatically process paper and electronic financial documents and record data into a centralized database. CFIS™ provides comprehensive data analysis, graphic visualization of financial transactional patterns, flow of funds tracing and analysis, and a full range of reporting capabilities. CFIS™ will increase the agency's ability to conduct large, complex investigations which will significantly increase detection of criminal violations, identification of co-conspirators, additional accounts, and development of investigative leads critical in successful asset forfeiture, arrests and successful prosecutions. The Texas Alcoholic Beverage Commission believes this requirement and purchase shall be justified and necessary to support and serve the TABC and the State of Texas.</p>	\$8,032.50

Schedule 6 continues on next page

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SCHEDULE 6 CONTINUED

Vendor	Product	Justification	Amount
Micro Focus Inc.	SaaS Retain to store and archive email for TABC. Software	<p>Purchase order 18-41052 The issuing office believes that the requested items in this request may be proprietary to one vendor under Government Code, 2155.067.</p> <p>Re: Sole Source Letter Micro Focus Software Inc. ("Micro Focus") is the manufacturer, intellectual property owner, and the sole vendor of the Retain and SaaS products that the Texas Alcoholic Beverage Commission wishes to purchase and/or renew to its use of said products. Micro Focus is also the sole entity who is entitled to provide support and the maintenance of the software behind these products.</p>	\$39,463.75

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TEXAS ALCOHOLIC BEVERAGE COMMISSION (458)

SCHEDULE 7

VEHICLE PURCHASES

For the Fiscal Year Ending August 31, 2018

During fiscal year 2018, the agency purchased 33 replacement vehicles.

Make & Model	Quantity	Purchase Price	Efficiency	Assigned Use
2017 Ford Escape SUV Series 659A	1	\$18,697.56	24-36 MPG	General Purpose
2018 Dodge Charger Series 476CLE	32	\$689,842.56	24-36 MPG	Law Enforcement

TEXAS ALCOHOLIC BEVERAGE COMMISSION (458)

**SCHEDULE 8
SCHEDULE OF STATE-OWNED VEHICLES
For the Fiscal Year Ended August 31, 2018**

Vehicles Assigned to Peace Officers

A Texas Alcoholic Beverage Commission vehicle is assigned to all agency commissioned peace officers. The officer's assigned vehicles are subject to call twenty-four hours a day, and their duties may require immediate response to situations affecting the safety and wellbeing of the citizens of this state.

Austin Headquarters Vehicle Assignments

Listed below are the names and positions of personnel assigned to the Austin headquarters whose duties require the assignment of a state vehicle on a full-time basis. All headquarters personnel with assigned vehicles are commissioned peace officers.

Department: Name, Title	Description
<p>Enforcement Robert Saenz, Deputy Executive Director- Enforcement Victor Kuykendoll, Chief of Law Enforcement Ronald Swenson, Major John Altum, Lieutenant Joe Garcia, Lieutenant</p> <p>Audit & Investigations Dexter Jones, Director</p> <p>Ports of Entry John Reney, Director</p> <p>Office of the Inspector General Peter Heller, Investigator</p> <p>Training Alberto Rodriguez, Captain (Director) Alejandra Nieto, Lieutenant</p>	<p>Vehicle assignments to headquarters personnel are limited to commissioned peace officers. Officers are subject to call twenty-four hours a day and job duties may require immediate response to situations affecting the safety and wellbeing of the public and the effective administration of the agency. Other headquarters employees may use agency pool vehicles that are properly marked for business related travel. There are approximately 30 employees that use a pool vehicle on a regular basis.</p>

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TEXAS ALCOHOLIC BEVERAGE COMMISSION (458)

SCHEDULE 9

SCHEDULE OF RECYCLED, REMANUFACTURED AND ENVIRONMENTALLY SENSITIVE PURCHASES

For the Fiscal Year Ended August 31, 2018

FY 2018 Agency Report of Recycled, Remanufactured and Environmentally Sensitive Purchases	
Agency No. 458	Agency Name: Texas Alcoholic Beverage Commission
Point of Contact:	Audrey Rosales, Procurement Manager
Phone Number:	(512) 206-3262
E-Mail Address:	audrey.rosales@tabc.texas.gov

E1, E2, or E3	Description	Non-Delegated	Delegated	Total
Total E1 Including 1 st Choice	Recycled	\$0	\$23,479.93	\$23,479.93
Total E2 Including 1 st Choice	Remanufactured	\$0	\$0	\$0
Total E3 Including 1 st Choice	Environmentally Sensitive	\$0	\$150.86	\$150.86
Total of E1, E2, and E3 includes Recycled 1st Choice Targeted Totals		\$0	\$23,630.79	\$23,630.79

FY 2018 1st Choice Targeted Commodities	Expenditures			% Spent on 1st Choice Products 100* [A/(A+B)]
	1 st Choice Products (A)	Virgin Counterpart (B)	Total (A+B)	
Motor Oil & Lubricants	\$0	\$0	\$0	0%
Toilet Paper, Toilet Seat Covers & Paper Towels	\$1,930.49	\$0	\$1,930.49	100%
Printing Paper, Copier Paper, & Computer Paper	\$17,660.61	\$0	\$17,660.61	100%
Business Envelopes	\$1,566.84	\$0	\$1,566.84	100%
Plastic Trash Bags	\$150.86	\$0	\$150.86	100%
Plastic Cover Binders	\$2,321.99	\$0	\$2,321.99	100%
Recycling Containers	\$0	\$0	\$0	0%
Photocopiers	\$0	\$0	\$0	0%
Total 1st Choice Targeted Commodities	\$23,630.79	\$0	\$23,630.79	100.0%

SCHEDULE 9 CONTINUED

Summary of Total Number of Justification Letters	Exception (1) Cost	Exception (2) Quality	Exception (3) Not Available	Exception (4) Other
Motor Oil & Lubricants	0	0	0	0
Toilet Paper, Toilet Seat Covers & Paper Towels	0	0	0	0
Printing Paper, Copier Paper, & Computer Paper	0	0	0	0
Business Envelopes	0	0	0	0
Plastic Trash Bags	0	0	0	0
Plastic Covered Binders	0	0	0	0
Recycling Containers	0	0	0	0
Photocopiers	0	0	0	0
Total Number(s)	0	0	0	0

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II. ADDENDA

ADDENDA

Addendum A..... Organization of the Texas Alcoholic Beverage Commission

Addendum B..... Organizational Chart

Addendum C..... Service Efforts and Accomplishments

Addendum C.1..... Service Efforts and Accomplishments – Business & Revenue Operations

Addendum C.2..... Service Efforts and Accomplishments – Enforcement

Addendum C.3..... Service Efforts and Accomplishments – Chief of Staff

Addendum C.4..... Service Efforts and Accomplishments – General Counsel & Legal Services

Addendum C.5..... Service Efforts and Accomplishments – Executive Division Offices

Addendum D..... Wet-Dry Status of Texas Counties

Addendum E..... Local Option Elections

Addendum F.1..... Detail Statement of Collections

Addendum F.2..... Per Capita Consumption

Addendum F.3..... Historical Summary of Revenue Collections

Addendum G..... Inventory of Confiscated Alcoholic Beverages

TEXAS ALCOHOLIC BEVERAGE COMMISSION (458)

ADDENDUM A

**ORGANIZATION OF THE TEXAS ALCOHOLIC BEVERAGE COMMISSION (458)
For the Fiscal Year Ended August 31, 2018**

Created as the Texas Liquor Control Board by H.B. 77, 44th Legislature, 2nd Called Session (1935), this Commission was organized and began functioning on November 16, 1935. The Texas Liquor Control Board remained the Commission's name until January 1, 1970, when H.B. 379, 61st Legislature, Regular Session (1969), became effective, re-designating its title to Texas Alcoholic Beverage Commission (the Commission).

The Commission is charged with the administration and enforcement of the Texas Alcoholic Beverage Code. As described in Title 2, Chapter 5, Subchapter B of the Alcoholic Beverage Code, the powers and duties of the Commission are as follows:

"Sec. 5.31. GENERAL POWERS AND DUTIES. The Commission may exercise all powers, duties and functions conferred by this code, and all powers incidental, necessary, or convenient to the administration of this code. It shall inspect, supervise, and regulate every phase of the business of manufacturing, importing, exporting, transporting, storing, selling, advertising, labeling and distributing alcoholic beverages, and the possession of alcoholic beverages for the purpose of sale or otherwise. It may prescribe and publish rules necessary to carry out the provisions of this code."

Article IX, Section 5.09 of the Appropriations Act adopted by the 83rd Legislature authorizes per diem for Commission members consisting of compensatory per diem at \$30 per day; actual expenses for meals and lodging at the rates specified in the Act for state employees; and transportation reimbursement at the rates specified in the Act for state employees.

The Commission members serving on August 31, 2018, are listed below:

Name	Designated Headquarters	Term Expires*
Kevin J. Lilly, Presiding Officer	Houston, TX	11-15-2021
Vacant		
Ida Steen, Member	San Antonio, TX	11-15-2019

*Commissioners continue to service following the expiration of their terms until replaced by the Governor.

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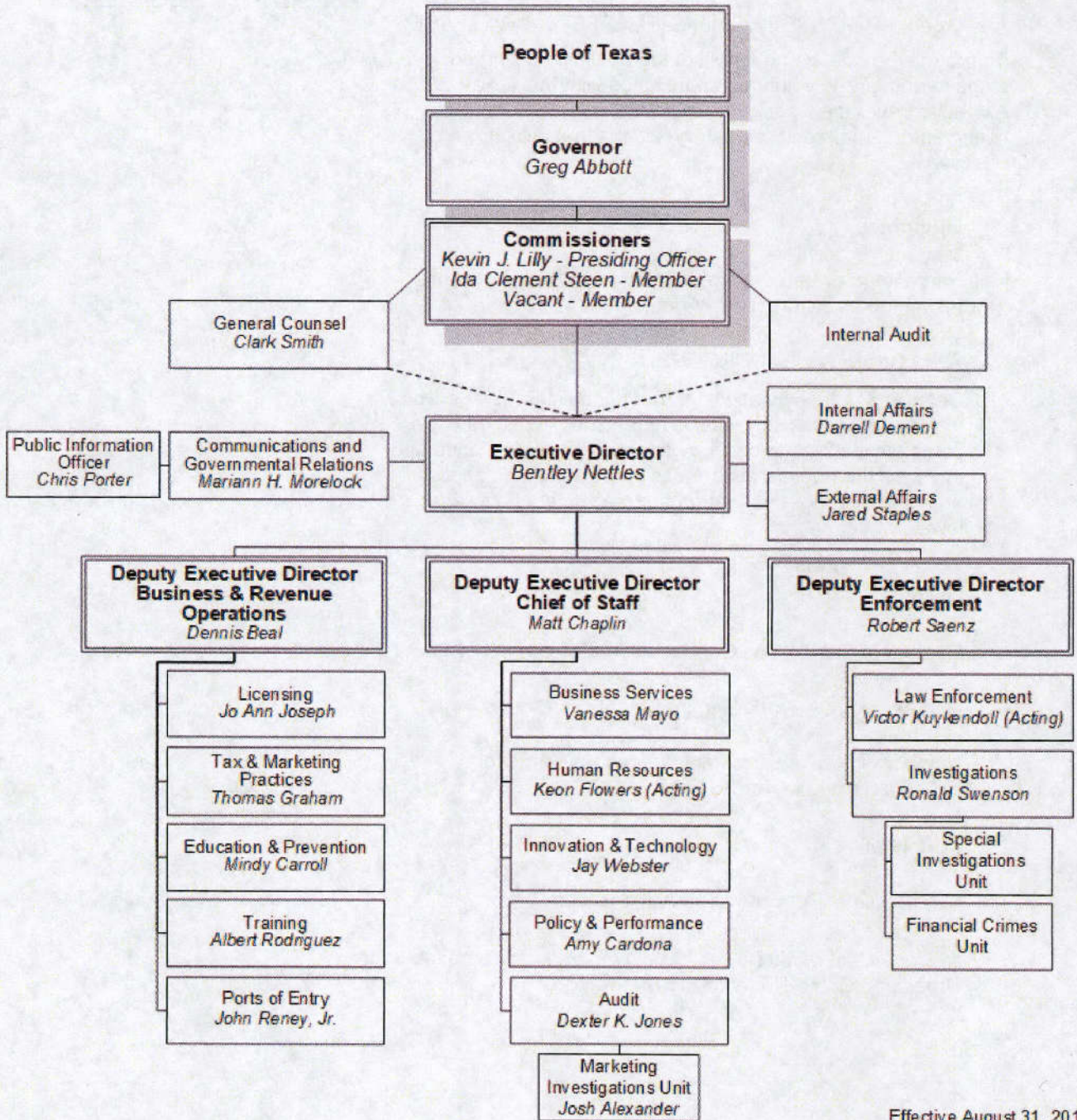
ADDENDUM A CONTINUED

An Executive Director, who is appointed by the Commissioners, is responsible for managing the Commission's daily operations. Mr. A. Bentley Nettles was named Executive Director by the Commission on August 2, 2017. The Commission's key personnel as of August 31, 2018, are listed below:

Name	Title
A. Bentley Nettles	Executive Director
Matt Chaplin	Deputy Executive Director - Chief of Staff
Robert Saenz	Deputy Executive Director - Enforcement
Dennis Beal	Deputy Executive Director - Business & Revenue Operations
Clark Smith	General Counsel
Jo Ann Joseph	Director – Licensing Division
Thomas Graham	Director – Tax & Marketing Practices Division
Vanessa Mayo	Director – Business Services Division (CFO)
Jay Webster	Director – Innovation & Technology
Keon Flowers	Interim Director – Human Resources Division
Mariann Morelock	Director – Governmental Relations
Darrell Dement	Director – Office of the Inspector General (Internal Affairs)
Mindy Carroll	Director – Education & Prevention Division
Jared Staples	Director – External Affairs
Albert Rodriguez	Director – Training Division
John Reney, Jr	Director - Ports of Entry
Dexter Jones	Director – Audit & Investigations Division
Victor Kuykendoll	Chief of Enforcement
Ron Swenson	Supervisor – Special Investigations & Financial Crimes
Amy Cardona	Director – Policy & Performance
Christopher Porter	Public Information Officer
Andrea Maceyra	Supervisor - Marketing Practices

TEXAS ALCOHOLIC BEVERAGE COMMISSION (458)

ADDENDUM B
ORGANIZATIONAL CHART
For Fiscal Year Ended August 31, 2018



Effective August 31, 2018

TEXAS ALCOHOLIC BEVERAGE COMMISSION (458)

ADDENDUM C

SERVICE EFFORTS AND ACCOMPLISHMENTS

For Fiscal year Ending August 31, 2018

For the Fiscal Years Ending
August 2017 August 2018

A. Goal: PROMOTE THE HEALTH, SAFETY & WELFARE

To protect the peace and safety of the public by taking positive steps to encourage voluntary compliance with the Texas Alcoholic Beverage Code and other state laws and by under taking enforcement and regulatory actions that are fair and effective.

Outcomes:

Percentage of Percentage of Priority Licensed Locations Inspected by Enforcement Agents	97.55%	76.95%
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A.1.1 Strategy: ENFORCEMENT

Deter and detect violations of the Alcoholic Beverage Code by inspecting licensed establishments, by investigating complaints and by providing or sponsoring compliance and increase the public's awareness of the state's alcoholic educational programs that promote voluntary beverage laws.

Outputs:

Number of Inspections Conducted by Enforcement Agents	84,312	68,752
Number of OCA/Trafficking Investigations Closed	122	158
Number of Multiagency Joint Operations Targeting OCA/Trafficking in Border Region	520	406

Efficiencies:

Average Cost Per Enforcement Inspection	\$296.40	\$362.74
Average Cost of Multi-Agency Join Operations Targeting Organized Crime & Trafficking Statewide	\$2,320.32	\$1,831.10

ADDENDUM C CONTINUED

For the Fiscal Years Ending
August 2017 August 2018

B. Goal: PROCESS APPLICATIONS & ISSUE ALCOHOLIC BEVERAGE LICENSES/PERMITS

Process alcoholic beverage license/permit applications and issue licenses/permits while ensuring compliance with the Alcoholic Beverage Code.

Outcomes:

Average Number of Days Required to Approve an Original Primary License or Permit	40.66	51.84
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B.1.1 Strategy: LICENSING

Issue licenses and permits while ensuring compliance with laws regarding ownership, performance, tax securities, and other regulatory requirements.

Outputs

Number of Licenses/Permits Issued	64,115	64,115
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Efficiencies

Average Cost Per License/Permit Processed	\$61.88	\$52.97
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C. Goal: ENSURE COMPLIANCE WITH TAXES & FEES

To ensure compliance with the Alcoholic Beverage Code in the manufacturing, importing, exporting, transporting, storing, selling serving, and distributing of alcoholic beverages.

Outcomes:

Percent of Audits Found to Be in Full Compliance	84.13%	85.71%
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Percent of Inspections Where Licensees Were in Full Compliance	96.3%	97.85%
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ADDENDUM C CONTINUED

For the Fiscal Years Ending
August 2017 August 2018

C.1.1 Strategy: CONDUCT INSPECTIONS & MONITOR COMPLIANCE

Inspect, investigate and analyze all segments of the alcoholic beverage industry, verify the accuracy and timeliness of tax reporting payments, and initiate any necessary compliance and/or administrative actions for failure to comply, while providing instruction to promote voluntary compliance.

Outputs:

Number of Audits Conducted by Field Auditors	1,600	1,575
Number of Inspections Conducted by Auditors	24,252	25,110

Efficiencies

Average Cost of Audits Conducted	\$261.10	\$387.32
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C.1.2 Strategy: PORTS OF ENTRY

Identify high traffic loads and strategically place personnel or equipment at ports of entry to more effectively regulate the personal importation of alcoholic beverages and cigarettes.

Outputs

Number of Alcoholic Beverage Containers Stamped	1,782,717	1,855,258
Number of Cigarette Packages Stamped	404,726	407,379

TEXAS ALCOHOLIC BEVERAGE COMMISSION (458)

ADDENDUM C.1

SERVICE EFFORTS AND ACCOMPLISHMENTS – BUSINESS & REVENUE OPERATIONS

For the Fiscal Year Ended August 31, 2018

The Deputy Executive Director for Business & Revenue Operations oversees the agency's revenue generating divisions—Licensing, Tax & Marketing Practices, Ports of Entry, Education & Prevention— and its Training Division. Key Service efforts and accomplishments for each of these divisions are described below.

LICENSING DIVISION

The Licensing Division investigates and processes applications for all phases of the alcoholic beverage industry, including the manufacture, sale, purchase, transportation, storage, and distribution of alcoholic beverages. The division must ensure that each applicant qualifies to hold such license/permit and adheres to all applicable regulatory requirements. Over the course of FY 2018, the Licensing Division processed a total of 90,872 original, renewal, and supplemental applications and issued a total of 76,105 licenses and permits. The state revenue from agency licensing fees and surcharges was approximately \$70,096,923.

The number of alcoholic beverage permits & licenses issued in FY 2018 in each license class were:

Licenses & Permits Issued – FY 2018

Class	Class Description	Nbr. Issued
A	Agent's Permit	6,179
AB	Airline Beverage Permit	16
AW	Manufacturer's Agent's Warehousing Permit	6
B	Brewer's Permit	53
BA	Manufacturer's License	34
BB	General Distributor's License	50
BC	Branch Distributor's License	48
BE	Beer Retailer's On Premise License	436
BF	Beer Retailer's Off Premise License	3,339
BG	Wine & Beer Retailer's On Premise Permit	5,547
BH	Temporary Beer License or Wine and Beer License (4 Day)	2,808
BI	Importer's License	98
BJ	Importer's Carrier's License	9
BK	Agent's Beer License	6,384
BL	Retailer's On Premise Late Hours	855
BP	Brewpub License	121
BQ	Wine & Beer Retailer's Off Premise Permit	11,718
BS	Non Resident Manufacturer's License	212
C	Carrier's Permit	259
CA	Temporary License - Charitable Auction Permit (5 Day)	323
CB	Caterer's Permit	949
D	Distiller's and Rectifier's Permit	68
DA	Self Distributor Permit	38

ADDENDUM C.1 CONTINUED

Licenses & Permits Issued – FY 2018 (Continued)

Class	Class Description	Nbr. Issued
DB	Self Distributor License	16
DK	Distiller's Agent's Permit	116
DS	Direct Shipper's Permit	747
E	Local Cartage Permit	902
ET	Local Cartage Transfer Permit	1
FB	Food and Beverage Certificate	5,655
FC	Forwarding Center Certificate	17
G	Winery Permit	242
GF	Winery Festival Permit	176
GS	Winery Storage Permit	1
HP	Temporary License - Special Wine and Beer Permit (4 Day)	12
I	Industrial Permit	71
J	Bonded Warehouse Permit	6
K	Public Storage Permit	16
L	Private Storage Permit	32
LB	Mixed Beverage Late Hours Permit	4,277
LI	Local Industrial Alcohol Manufacturer's Permit	3
LP	Local Distributor's Permit	484
LX	Local Class B Wholesaler's Permit	1
MB	Mixed Beverage Permit	6,363
MI	Minibar Permit	35
N	Private Club Registration Permit	461
NB	Private Club Beer & Wine Permit	23
NE	Private Club Exemption Certificate Permit	171
NL	Private Club Late Hours Permit	173
O	Private Carrier's Permit	467
P	Package Store Permit	1,608
PB	Passenger Bus Beverage Permit	0
PE	Beverage Cartage Permit	4,237
PR	Promotional Permit	51
PS	Package Store Tasting Permit	1,336
PT	Passenger Train Beverage Permit	1
Q	Wine Only Package Store Permit	1,759
RM	Mixed Beverage Restaurant Permit with FB	1,497
S	Non Resident Seller's Permit	1,483
SB	Temporary License - Special 3 Day Wine and Beer Permit	1,795
T	Manufacturer's Agent's Permit	765
TB	Daily Temporary Mixed Beverage Permit	1,088
TN	Daily Temporary Private Club Permit	60
U	Non Resident Brewer's Permit	244
V	Wine & Beer Retail Permit - Excursion Boat	4

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ADDENDUM C.1 CONTINUED

Licenses & Permits Issued – FY 2018 (Continued)

Class	Class Description	Nbr. Issued
W	Wholesaler's Permit	113
WP	Waterpark Permit	6
X	General Class B Wholesaler's Permit	39
Z	Wine Bottler's Permit	1
Total - All Licenses & Permits Issued		76,105

In addition to the licenses and permits enumerated above, Licensing personnel also issued 14,297 caterer's and wine festival certificates for temporary events.

The licenses and permits active on August 31, 2018 in each license class were:

Active Licenses & Permits – August 31, 2018

Class	Description	Total Active
A	Agent's Permit	14,960
AB	Airline Beverage Permit	28
AW	Agent's Manufacturing Warehousing Permit	14
B	Brewer's Permit	107
BA	Manufacturer's License	64
BB	General Distributor's License	85
BC	Branch Distributor's License	62
BE	Beer Retailer's On Premises License	790
BF	Beer Retailer's Off Premises License	5,623
BG	Wine and Beer Retailer's Permit	10,086
BI	Importer's License	139
BJ	Importer's Carrier's License	16
BK	Agent's Beer License	15,453
BL	Retail Dealer's On Premises Late Hours Permit	1,513
BP	Brewpub License	236
BQ	Wine and Beer Retailer's Off Premises Permit	19,279
BS	Nonresident Manufacturer's License	376
C	Carrier's Permit	536
CB	Caterer's Permit	1,851
D	Distiller's & Rectifier's Permit	139
DA	Brewer's Self-Distribution Permit	75
DB	Manufacturer's Self-Distribution License	33
DK	Distiller's Agent's Permit	207
DS	Direct Shipper's Permit	1,562
E	Local Cartage Permit	1,352
ET	Local Cartage Transfer Permit	3
FB	Food and Beverage Certificate	10,815
FC	Forwarding Center Authority	45

ADDENDUM C.1 CONTINUED

Licenses & Permits Active - August 31, 2018 (Continued)

Class	Description	Total Active
G	Winery Permit	489
GF	Winery Festival Permit	345
GS	Winery Storage Permit	2
I	Industrial Permit	137
J	Bonded Warehouse Permit	11
K	Public Storage Permit	23
L	Private Storage Permit	42
LB	Mixed Beverage Late Hours	8,145
LI	Local Industrial Alcohol Manufacturer's Permit	8
LP	Local Distributor's Permit	744
LX	Local Class B Wholesaler's Permit	2
MB	Mixed Beverage Permit	11,986
MI	Minibar Permit	71
N	Private Club Registration Permit	790
NB	Private Club Beer and Wine Permit	52
NE	Private Club Exception Certificate Permit	323
NL	Private Club Late Hours Permit	302
O	Private Carrier's Permit	920
P	Package Store Permit	2,612
PB	Passenger Bus Beverage Permit	2
PE	Beverage Cartage Permit	8,054
PR	Promotional Permit	92
PS	Package Store Tasting Permit	2,017
PT	Passenger Train Beverage Permit	3
Q	Wine Only Package Store Permit	2,802
RM	Mixed Beverage Permit with FB	2,928
S	Nonresident Seller's Permit	3,001
T	Manufacturer's Agent's Permit	1,641
U	Nonresident Brewer's Permit	428
V	Wine and Beer Retailer's Permit - Excursion Boat	7
W	Wholesaler's Permit	214
WP	Water Park Permit	4
X	General Class B Wholesaler's Permit	76
Z	Wine Bottler's Permit	1
Grand Total		133,723

TAX & MARKETING PRACTICES DIVISION

The agency's Tax & Marketing Practices Division consists of three units— Excise Tax Reporting, Marketing Practices, and Label Approvals & Chemical Analyses.

ADDENDUM C.1 CONTINUED

Excise Tax Reporting

The Excise Tax Reporting unit is responsible for processing and reviewing excise tax payments and reports as well as other reports that are periodically due from members of the wholesale and manufacturing tiers of the alcoholic beverage industry. In FY 2018, assigned personnel processed \$236,426,959 in gross excise tax revenues and reviewed 61,911 tax and non-tax reports during the fiscal year. These reviews were conducted to verify the accuracy of the reports received and resulted in the collection of \$187,645 in tax underpayments and late fees.

Excise Tax Rates on Alcoholic Beverages

Type of Alcoholic Beverage	Tax Rate
Distilled Spirits	\$ 2.40 per gallon
Wine containing alcohol not more than 14% by volume	\$ 0.204 per gallon
Wine containing alcohol over 14%, but not more than 24% by volume	\$ 0.408 per gallon
Sparkling Wine	\$ 0.516 per gallon
Malt Liquor containing alcohol in excess of 4% by weight	\$ 0.198 per gallon
Beer containing not more than 4% alcohol by weight	\$ 6.00 per barrel

Revenue Collections

(These revenue figures do not include Ports of Entry Excise Stamp Sales. Excise tax figures reflect gross revenue collected. Net excise tax revenues would be approximately 2% less, assuming that all filers qualified for the 2% discount provided by statute for timely filing.)

Type of Revenue	Amount Collected
Excise Tax - Distilled Spirits	96,350,891
Excise Tax - Wine	17,289,624
Excise Tax - Malt Liquor	\$14,964,195
Excise Tax - Beer	\$107,822,249
Subtotal	\$236,426,959
Excise Tax - Collections from Report Verifications	\$187,645
Private Club Temporary Membership Fees	\$76,950
Total Collections – All Taxes & Fees	\$236,691,554

Marketing Practices

The Marketing Practices Section aids in the enforcement of laws regulating the marketing of alcoholic beverage products and marketing relationships among alcoholic beverage retailers, wholesalers, and manufacturers. During FY 2018, as part of her duties, the Marketing Practices Supervisor reviewed 492 advertising proposals submitted by various members of the alcoholic beverage industry and approved 312 of those proposals.

Label Approvals & Chemical Analyses

This unit processes and approves applications for product label approval and conducts product chemical testing as required for evidentiary purposes. During FY 2018, agency personnel reviewed and took action on product label applications as follows:

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ADDENDUM C.1 CONTINUED

Labels Approved for Malt Beverages	3,465
Labels Approved for Distilled Spirits	2,931
Labels Approved for Wine	13,627
Total, All Approved Labels	20,023
Disapproved/Withdrawn Labels	677

The unit's chemist also conducted various analyses on beverage samples submitted for testing during FY 2018. A summary of analyses conducted and determinations made is as follows:

Number of analytical determinations made:	
Distilled Spirits	0
Malt Liquor	1,071
Beer	347
Miscellaneous	148
Total analytical determinations made	1,566

PORTS OF ENTRY DIVISION

Personnel of the Ports of Entry Division monitor compliance with the personal importation laws of the State of Texas along the Texas-Mexico border and at cruise ship terminals in Galveston. Taxpayer compliance officers with the program verify that persons importing alcoholic beverages meet all legal requirements regarding importation for personal consumption and collect the appropriate fees and taxes due. Through an agreement with the Comptroller of Public Accounts, Ports of Entry personnel are also responsible for determining compliance with the state laws governing the personal importation of cigarettes and the collection of any taxes due on these importations.

During Fiscal Year 2018, Ports of Entry taxpayer compliance officers stamped and collected taxes and fees for 2,262,637 alcoholic beverage and cigarette containers. In the course of these duties, tax compliance officers also disallowed and observed the destruction of 16,194 alcoholic beverage and cigarette containers that were determined to have been imported in violation of state law. The containers were disallowed for the following reasons: Attempted importations by persons under 21 years of age, attempted importations by intoxicated persons, importations in excess of the legal limits, refusal to pay the taxes and fees owed on the alcoholic beverage and/or tobacco products imported, or when the product is illegally packaged or otherwise illicit.

Also during FY 2018, Ports of Entry taxpayer compliance officers conducted a short-term pilot test at Austin-Bergstrom International (ABI) Airport to test methods and to gather data for a possible expansion of the Ports of Entry program to international flights arriving at the state's major airports. While pilot test results were positive, an expansion of the nature contemplated would require additional staffing and could not be undertaken without legislative support. Consequently, no action beyond the pilot test has been undertaken by the agency.

Program staffing is currently maintained through seven Ports of Entry district offices, which, in turn, monitor 28 international crossings along the Texas-Mexico border and 2 cruise ship terminals servicing Galveston Bay. Personnel are assigned to the Galveston Seaport and 21 major border crossings. The remaining 7 border crossings are either strictly commercial/commuter traffic or considered low-volume and are monitored on a random basis to determine if traffic volume has increased and if full time staffing is warranted.

ADDENDUM C.1 CONTINUED

Employees collect an administrative fee of \$3.00 per container on personal importations of alcoholic beverages in addition to the excise taxes due on the alcoholic beverages imported. This administrative fee totaled \$5,565,744 for the 2018 fiscal year. Total gross revenue for the fiscal year from all fees and taxes collected for the personal importation of alcoholic beverages and cigarettes was \$7,357,936.

The total amounts of these fees and taxes collected by each ports-of-entry district and from the ABI pilot test are detailed below.

Brownsville	\$ 554,848
Eagle Pass	833,099
El Paso	851,766
Galveston	657,070
Hidalgo	709,755
Laredo	2,565,384
Progreso	1,179,714
<u>ABI Pilot Test</u>	<u>6,300</u>
Total	\$7,357,936

EDUCATION & PREVENTION DIVISION

The agency's Education & Prevention Division consists three operating units—Grants, Program Development, and Seller Training,

Grants

The Grants section finds, secures, and manages grant funding for the agency's law enforcement, public information, and prevention education initiatives. During FY 2018, the Grants section developed and submitted five grant proposals, secured \$615,981.33 in awards as a result of two of those proposals, and oversaw \$548,839.94 in spending for grant related programs.

Program Development

The Program Development section creates the materials and curriculum used in the agency's public information/education initiatives. In FY 2018, 65 different promotional and educational items were created which resulted in 406,623 pieces being distributed statewide.

Seller Training

The Seller Training section oversees the activities of 68 private seller/server training schools that provide agency approved instruction to retail clerks and servers. In FY 2018, unit personnel reviewed and approved six new seller training programs, licensed or relicensed 28 training entities, and oversaw the delivery of instruction to 417,322 Texas retail clerks and servers. FY 2018 revenues from the agency's seller training program totaled to \$849,850.

ADDENDUM C.1 CONTINUED

TRAINING DIVISION

The Training Division is responsible for enhancing the professionalism within the agency by providing ongoing training and education to all employees. All employees are encouraged to participate in a wide variety of courses ranging from customer service training to legislatively mandated law enforcement classes.

During FY 2018, the Training Division:

1. Planned, facilitated, instructed, and coordinated an 11 week Agent Trainee Academy
2. Planned, facilitated, instructed and coordinated a 4 week Auditors Academy
3. Planned, facilitated, and coordinated the Best of the Best Competition
4. Planned, facilitated, and coordinated Auditors In-service training
5. Planned, facilitated, instructed, and coordinated the Commissioned Peace Officer in-service training throughout the stated
6. Planned and instructed Active Shooter Response training for Texas Military Security Personnel
7. Assisted with the development of the Physical Readiness Policy and Program
8. Assist in the development of the Active Shooter Response policy for the agency commissioned personnel and training for non-commissioned
9. Implemented new Target Solution Learning Management System (LMS)
10. Uploaded the mandatory Governor's Human Trafficking video for TABC employees on LMS

TEXAS ALCOHOLIC BEVERAGE COMMISSION (458)

ADDENDUM C.2

SERVICE EFFORTS AND ACCOMPLISHMENTS – ENFORCEMENT

For the Fiscal Year Ended August 31, 2018

The Deputy Executive Director for Enforcement oversees the operation of the agency's Law Enforcement Division and its Special Investigations & Financial Crimes Unit.

LAW ENFORCEMENT DIVISION

The Law Enforcement Division is agency's largest and most visible operating unit. Staffing consists of a Chief of Law Enforcement, five majors, and 218 additional commissioned peace officers. The division's primary mission is to detect and deter administrative and criminal violations which can occur licensed premises that pose a threat to the safety of patrons and the general public.

Organizational Structure

For the purposes of law enforcement operations, the LE Division has divided the state into five regions. Each region is supervised by a major who oversees all law enforcement operations within the region. Two or more lieutenants, a number of sergeants, and in some regions, a captain assist the major in the day-to-day management of regional operations.

Other personnel are assigned to each region on the basis of need, with need largely defined by the number of licensed premises located within the geographic confines of the region.

Listed below are the agency's Law Enforcement Regions, the counties that are served by each, and the offices from which those counties are served.

Region 1 - Lubbock

The regional office is located in Lubbock. Personnel are also stationed in Abilene, Amarillo, El Paso, Odessa, and San Angelo. This region serves the following Texas counties: Andrews, Armstrong, Bailey, Borden, Brewster, Briscoe, Brown, Callahan, Carson, Castro, Childress, Cochran, Coke, Coleman, Collingsworth, Comanche, Concho, Cottle, Crane, Crockett, Crosby, Culberson, Dallam, Dawson, Deaf Smith, Dickens, Donley, Eastland, Ector, El Paso, Fisher, Floyd, Foard, Gaines, Garza, Glasscock, Gray, Hale, Hall, Hansford, Hardeman, Hartley, Haskell, Hemphill, Hockley, Howard, Hudspeth, Hutchinson, Irion, Jeff Davis, Jones, Kent, Kimble, King, Knox, Lamb, Lipscomb, Loving, Lubbock, Lynn, Martin, McCulloch, Menard, Midland, Mitchell, Moore, Motley, Nolan, Ochiltree, Oldham, Parmer, Pecos, Potter, Presidio, Randall, Reagan, Reeves, Roberts, Runnels, Schleicher, Scurry, Shackelford, Sherman, Stephens, Sterling, Stonewall, Sutton, Swisher, Taylor, Terrell, Terry, Tom Green, Upton, Ward, Wheeler, Winkler, and Yoakum.

Region 2 - Arlington

The regional office is located in Arlington. Personnel are also stationed in Denton, Greenville, McKinney, Tyler, and Wichita Falls. This region serves the following Texas counties: Anderson, Archer, Baylor, Bowie, Camp, Cass, Cherokee, Clay, Collin, Cooke, Dallas, Delta, Denton, Ellis, Erath, Fannin, Franklin, Grayson, Gregg, Harrison, Henderson, Hood, Hopkins, Hunt, Jack, Johnson, Kaufman, Lamar, Marion, Montague, Morris, Navarro, Palo Pinto, Panola, Parker, Rains, Red River, Rockwall, Rusk, Smith, Somervell, Tarrant, Throckmorton, Titus, Upshur, Van Zandt, Wichita, Walbarger, Wise, Wood, and Young.

ADDENDUM C.2 CONTINUEDRegion 3 - Houston

The regional office is located in Houston. Personnel are also stationed in Beaumont, Brazoria, Conroe, Huntsville, Lufkin, Richmond, and Wharton. This region serves the following Texas counties: Angelina, Brazoria, Chambers, Colorado, Fort Bend, Galveston, Hardin, Harris, Houston, Jasper, Jefferson, Leon, Liberty, Madison, Matagorda, Montgomery, Nacogdoches, Newton, Orange, Polk, Sabine, San Augustine, San Jacinto, Shelby, Trinity, Tyler, Walker, Waller, and Wharton.

Region 4 - Austin

The regional office is located in Austin. Personnel are also stationed in Belton, Bryan, Georgetown, Llano, New Braunfels, San Marcos, and Waco. This region serves the following Texas counties: Austin, Bastrop, Bell, Blanco, Bosque, Brazos, Burleson, Burnet, Caldwell, Comal, Coryell, Falls, Fayette, Freestone, Gillespie, Grimes, Guadalupe, Hamilton, Hays, Hill, Kendall, Kerr, Lampasas, Lee, Limestone, Llano, Mason, McLennan, Milam, Mills, Robertson, San Saba, Travis, Washington, and Williamson,

Region 5 – San Antonio

The regional office is located in San Antonio. Personnel are also stationed in Corpus Christi, Del Rio, Floresville, Hondo, Laredo, McAllen, and San Benito. This region serves the following Texas counties: Aransas, Atascosa, Bandera, Bee, Bexar, Brooks, Calhoun, Cameron, DeWitt, Dimmitt, Duval, Edwards, Frio, Goliad, Gonzales, Hidalgo, Jackson, Jim Hogg, Jim Wells, Karnes, Kenedy, Kinney, Kleberg, La Salle, Lavaca, Live Oak, Maverick, McMullen, Medina, Nueces, Real, Refugio, San Patricio, Starr, Uvalde, Val Verde, Victoria, Webb, Willacy, Wilson, Zapata, and Zavalla.

Enforcement Agent Activities in FY 2018

During the course of FY 2018, enforcement agents conducted 68,752 inspections in order to verify compliance with the state's alcoholic beverage laws. Of these, 16,181 were either minor stings or some other form of undercover operation, and more than half (35,601) targeted priority locations, retailers that were either within the first two years of operation, or that were, at the time of the inspection, the subject of an investigation involving allegations of public safety offenses, or that had a history of past public safety offenses. In addition to inspections, agency enforcement personnel also conducted and completed 5,909 complaint investigations involving 9,018 alleged violations of state alcoholic beverage laws. The allegations investigated came from the general public, elected officials, other public agencies, law enforcement agencies, agency licensees, and even the agency's own employees.

**Administrative Enforcement Actions Initiated
By Enforcement Agents in FY 2018**

Enforcement agents issued 476 warnings, initiated 39 protests of original or renewal license applications, and filed 2,193 cases for administrative violations of the Alcoholic Beverage Code in FY 2018. Of the cases filed, 1,932 have been docketed to date (October 15, 2018). Of the docketed cases, 94 cases are yet to be resolved and 658 have been "restrained" as per the requirements of Section 106.14 of the Texas Alcoholic Beverage Code. As for the remainder, 1,122 have resulted in suspension of licensing privileges or payment of civil penalties in lieu of suspension, 23 have resulted in cancellation, and 35 were dismissed. Civil penalty payments received to date as a consequence of the administrative cases filed by Enforcement agents in FY 2018 total to \$1,544,400.

ADDENDUM C.2 CONTINUED

Docketed Enforcement Administrative Cases Originating in FY 2018	
Pending (No Disposition)	94
Restrained (Section 106.14)	658
Suspension or Civil Penalty Payment	1,122
Cancellation	23
Dismissed	35
Other Dispositions	0
Total Docketed Cases	1,932

**Criminal Enforcement Actions Initiated
By Enforcement Agents in FY 2018**

Enforcement agents issued 231 criminal warnings in FY 2018 and filed 1,684 criminal cases.

FY 2018 Still Seizures

Enforcement agents seized two stills in FY 2018.

The first still was seized on December 14, 2017, in Williamson County and had a cooker capacity of 10 gallons. In addition to the still, five gallons of mash were seized and destroyed at the site, and approximately one gallon of moonshine whiskey was confiscated and then destroyed at a later date.

The second still seizure occurred on June 26, 2018, in Cherokee County. The seized still, which was inactive at the time of the seizure, had a cooker capacity of approximately 4 gallons. While no mash was found at the site, 0.72 gallons of moonshine whiskey was confiscated and later destroyed.

**SPECIAL INVESTIGATIONS
& FINANCIAL CRIMES UNIT**

Twenty-nine peace officers and an analyst are assigned to the agency's Special Investigations and Financial Crimes Unit (SIU/FCU). SIU/FCU personnel are strategically stationed in various agency offices across the state and work together, often in conjunction with local, federal, and other state law enforcement agencies, to investigate allegations of organized criminal activity with a nexus to the alcoholic beverage industry.

The SIU/FCU team reports to a Major, who in turn reports directly to the Chief of Law Enforcement.

SIU/FCU Law Enforcement Activities

In FY 2018, SIU/FCU investigators completed and closed 158 long-term investigations involving allegations of drug trafficking, human trafficking, money laundering, and street gang control of licensed businesses, and in conjunction with local, state, and federal law enforcement partners, conducted 718 joint operations to gather evidence and execute warrants, with the majority of the activities occurring in Texas counties bordering Mexico and/or the Inter-coastal waterway.

ADDENDUM C.2 CONTINUED

**Administrative Enforcement Actions
Initiated by SIU/FCU in FY 2018**

In FY 2018, SIU/FCU law enforcement personnel issued two warnings; initiated 4 protests of pending license applications, and filed 103 administrative cases for violations of the alcoholic beverage code observed and documented during the course of their investigations and joints operations. To date (October 15, 2018), seven of the administrative cases filed by SIU/FCU investigators in FY 2018 have resulted in license cancellations. The others remain open pending final disposition.

**Criminal Enforcement Actions
Initiated by SIU/FCU in FY 2018**

SIU/FCU investigators filed 23 criminal cases in FY 2018, most involving felony offenses such as money laundering and the sell or possession of narcotics or other dangerous drugs.

TEXAS ALCOHOLIC BEVERAGE COMMISSION (458)

ADDENDUM C.3

SERVICE EFFORTS AND ACCOMPLISHMENTS – CHIEF OF STAFF

For the Fiscal Year Ended August 31, 2018

The agency's Chief of Staff, who is also a Deputy Executive Director, oversees the operation of the Audit & Investigations Division and most of the agency's support services divisions, including Business Services, Innovation & Technology, Human Resources, and Policy & Performance.

AUDIT & INVESTIGATIONS DIVISION

Agency auditors conduct tax, financial, and investigative audits; inspections of licensed and proposed licensed locations; and applicant interviews during the initial phases of the licensing process. They also monitor cash law and credit law compliance, deal with local marketing practices issues, and often assist enforcement agents with their investigations. In addition, Auditors are also in large part responsible for the delivery of the agency's educational programs for licenses and permittees, high school and college students, and the general public. In addition, auditors manage the seized liquor and evidence rooms in agency field offices.

Organizational Structure – Audit & Investigations Division

Audit operations are managed by the Director of the Audit & Investigations Division, aided by an Assistant Director, and five Regional Audit Supervisors.

The Regional Audit Supervisors oversee division activities in their respective regions. As seen below, these regions cover the same geographic areas as the agency's Law Enforcement regions, and auditors share many of the same offices occupied by the agency's enforcement agents. At the end of FY 2018, there were 48 budgeted field auditor positions, and they were allocated to the various the regions based on the geographic distribution of auditable accounts and other licensed businesses.

In addition, to the auditors who work under the direction of regional audit supervisors, there is also a specialized six auditor Marketing Investigations Unit (MIU) that investigates complaints involving three tier violations within the alcoholic beverage industry. These investigations are often highly complex and involve in depth analysis of accounting and financial records, contracts, and related business records. The unit includes a supervisor/team lead who reports directly to the Director of Auditing & Investigations.

The agency's Audit & Investigations regions, the counties that are served by each, and the offices from which those counties are served are listed below.

Region 1 - Lubbock

The regional office is located in Lubbock. Personnel are also stationed in Abilene, Amarillo, El Paso, and Odessa. This region serves the following Texas counties: Andrews, Armstrong, Bailey, Borden, Brewster, Briscoe, Brown, Callahan, Carson, Castro, Childress, Cochran, Coke, Coleman, Collingsworth, Comanche, Concho, Cottle, Crane, Crockett, Crosby, Culberson, Dallam, Dawson, Deaf Smith, Dickens, Donley, Eastland, Ector, El Paso, Fisher, Floyd, Foard, Gaines, Garza, Glasscock, Gray, Hale, Hall, Hansford, Hardeman, Hartley, Haskell, Hemphill, Hockley, Howard, Hudspeth, Hutchinson, Irion, Jeff Davis, Jones, Kent, Kimble, King, Knox, Lamb, Lipscomb, Loving, Lubbock, Lynn, Martin, McCulloch, Menard, Midland, Mitchell, Moore, Motley, Nolan, Ochiltree, Oldham, Parmer, Pecos, Potter, Presidio, Randall, Reagan, Reeves, Roberts, Runnels, Schleicher, Scurry, Shackelford, Sherman, Stephens, Sterling, Stonewall, Sutton, Swisher, Taylor, Terrell, Terry, Tom Green, Upton, Ward, Wheeler, Winkler, and Yoakum.

ADDENDUM C.3 CONTINUED

Region 2 - Arlington

The regional office is located in Arlington. Personnel are also stationed in Tyler. This region serves the following Texas counties: Anderson, Archer, Baylor, Bowie, Camp, Cass, Cherokee, Clay, Collin, Cooke, Dallas, Delta, Denton, Ellis, Erath, Fannin, Franklin, Grayson, Gregg, Harrison, Henderson, Hood, Hopkins, Hunt, Jack, Johnson, Kaufman, Lamar, Marion, Montague, Morris, Navarro, Palo Pinto, Panola, Parker, Rains, Red River, Rockwall, Rusk, Smith, Somervell, Tarrant, Throckmorton, Titus, Upshur, Van Zandt, Wichita, Walbarger, Wise, Wood, and Young.

Region 3 - Houston

The regional office is located in Houston. Personnel are also stationed in Beaumont, Conroe, and Richmond. This region serves the following Texas counties: Angelina, Brazoria, Chambers, Colorado, Fort Bend, Galveston, Hardin, Harris, Houston, Jasper, Jefferson, Leon, Liberty, Madison, Matagorda, Montgomery, Nacogdoches, Newton, Orange, Polk, Sabine, San Augustine, San Jacinto, Shelby, Trinity, Tyler, Walker, Waller, and Wharton.

Region 4 - Austin

The regional office is located in Austin. Personnel are also stationed in Bryan, San Marcos, and Waco. This region serves the following Texas counties: Austin, Bastrop, Bell, Blanco, Bosque, Brazos, Burleson, Burnet, Caldwell, Comal, Coryell, Falls, Fayette, Freestone, Gillespie, Grimes, Guadalupe, Hamilton, Hays, Hill, Kendall, Kerr, Lampasas, Lee, Limestone, Llano, Mason, McLennan, Milam, Mills, Robertson, San Saba, Travis, Washington, and Williamson,

Region 5 - San Antonio

The regional office is located in San Antonio. Personnel are also stationed in Corpus Christi, Laredo, and McAllen. This region serves the following Texas counties: Aransas, Atascosa, Bandera, Bee, Bexar, Brooks, Calhoun, Cameron, DeWitt, Dimmitt, Duval, Edwards, Frio, Goliad, Gonzales, Hidalgo, Jackson, Jim Hogg, Jim Wells, Karnes, Kenedy, Kinney, Kleberg, La Salle, Lavaca, Live Oak, Maverick, McMullen, Medina, Nueces, Real, Refugio, San Patricio, Starr, Uvalde, Val Verde, Victoria, Webb, Willacy, Wilson, Zapata, and Zavalla.

Auditor Activities

Auditors perform a wide range of activities to fulfill the division's goals. During FY 2018, auditors conducted 25,110 inspections of licensed or proposed licensed locations, performed 1,575 audits, and recovered \$33,114 in delinquent fees and taxes. In addition, auditors also provided information or instruction related to the Alcoholic Beverage Code to 60,912 persons.

Auditor Administrative Enforcement Actions

During the course of their duties in FY 2018, auditors issued 1,603 administrative warnings and filed 334 administrative cases for various violations of the Alcoholic Beverage Code and Rules. 177 of the administrative cases filed by auditors in FY 2018 have been docketed to date (October 15, 2018). Of the docketed cases, ten cases are yet to be resolved and one has been "restrained" as per the requirements of Section 106.14 of the Texas Alcoholic Beverage Code. As for the remainder, 159 have resulted in suspension of licensing privileges or payment of civil penalties in lieu of suspension, five have resulted in cancellation, and two were dismissed. Civil penalty payments received to date as a consequence of the administrative cases filed by auditors in FY 2018 total to \$148,700.

ADDENDUM C.3 CONTINUED

Docketed Auditing Administrative Cases Originating in FY 2018	
Pending (No Disposition)	10
Restrained (Section 106.14)	1
Suspension or Civil Penalty Payment	159
Cancellation	5
Dismissed	2
Other Dispositions	0
Total Docketed Cases	177

BUSINESS SERVICES DIVISION

The Business Services Division (BSD) is responsible for all fiscal operations of the agency, including revenue processing, accounts payable, payroll, time and leave accounting, maintenance of the general ledger, research and planning; as well as preparation and oversight of the agency's legislative appropriations request, annual financial report, and performance reports. Other responsibilities assigned to the division include purchasing, contract management, coordination of the agency's historically underutilized business (HUB) program, management of the agency's property inventory, facilities leasing, and mail center operations

The division is managed by a Director with the aid of an Assistant Director and has a staff of 24, including the three managers.

In FY 2018, Business Services personnel processed almost \$318 million in revenue and expenditures totaling to more than \$49.3 million.

INNOVATION & TECHNOLOGY DIVISION

The Innovation & Technology Division (ITD) develops and maintains the agency's core technology applications and infrastructure. It is also charged with the responsibility of identifying new technologies that might solve existing and future agency business problems and determining how those new technologies can be best applied. The division has 22 budgeted positions, including its Director and Assistant Director.

In FY 2018, ITD personnel assisted with the implementation of DocuSign's web based digital signature solution, outsourced the printing of Licenses/Permits to the State of Texas Data Center Service Print Mail contractor, and assisted with the redesign of the award winning 2young2drink.com website.

HUMAN RESOURCES DIVISION

The Human Resources Division (HRD) manages employment-related activities, including recruitment, selection, benefits and compensation, employee relations, classification, risk management, and implementation of the agency's equal employment opportunity program, and also ensures compliance with HR-related reporting requirements. The division has a staff of seven, including its director.

During FY 2018, HRD oversaw the hiring of 108 new agency employees, facilitated the departure (voluntary or otherwise) of 80 employees, and processed 21 Workers' Compensation Claims. Its personnel also participated in the development and delivery of employee training programs involving specific HR topics

ADDENDUM C.3 CONTINUED

OFFICE OF POLICY & PERFORMANCE

The Office of Policy & Performance reports to the Chief of Staff and provides advice, analysis, and recommendations to TABC leadership to improve the agency's efficiency and performance. The office also plans and manages strategic agency projects requiring cross-divisional collaboration and oversees development and periodic review of agency policies and procedures. In FY 2018, the Office of Policy & Performance managed the agency's Sunset review and made a multitude of recommendations to TABC leadership, such as improvements to the agency's planning, coordination, and communication processes.

TEXAS ALCOHOLIC BEVERAGE COMMISSION (458)

ADDENDUM C.4

**SERVICE EFFORTS AND ACCOMPLISHMENTS – GENERAL COUNSEL & LEGAL SERVICES
For the Fiscal Year Ended August 31, 2018**

OFFICE OF THE GENERAL COUNSEL

The General Counsel provides legal advice related to agency business to the agency's commissioners and executive team, oversees the development and adoption of administrative rules and administrative rule revisions, manages the agency's response to open records requests, and directs the operation of the TABC's Legal Services Division. The Office of the General Counsel is based at the agency's Austin headquarters and consists of the General Counsel, a Deputy General Counsel, two additional attorneys and three legal assistants.

LEGAL SERVICES DIVISION

The Legal Services Division is responsible for negotiation, preparation and prosecution of contested administrative cases that are not settled by Field Enforcement, Auditing, and Licensing Supervisors. The Division also reviews protests submitted and provides legal advice regarding the Alcoholic Beverage Code and Rules to local county and municipal authorities, members of the industry and the general public.

Legal Services personnel are stationed at the agency's Austin headquarters and in its Houston and Arlington regional offices. In addition to a Deputy General Counsel, the division's staff consists of eight attorneys, three legal assistants, and one legal secretary.

A summary of the contested administrative cases and protests referred to the Legal Services Division in FY 2018 is found on the following page.

UNAUDITED

ADDENDUM C.4 CONTINUED

CONTESTED CASES & PROTESTS REFERRED TO LEGAL SERVICES IN FY 2018

Month	Number of Cases/Protests Docketed	Number of Violations Charged	Number of Hearings	Civil Penalties Collected	Suspension Days Assessed
September 2017	8	12	1	\$125,400	112
October 2017	26	39	3	\$22,500	77
November 2017	17	19	2	\$24,000	8
December 2017	6	7	1	\$24,000	0
January 2018	9	9	2	\$39,000	0
February 2018	18	24	6	\$10,500	65
March 2018	21	25	6	\$189,500	132
April 2018	34	38	3	\$41,100	152
May 2018	11	12	1	\$46,200	163
June 2018	31	36	0	\$10,500	50
July 2018	21	25	5	\$43,100	35
August 2018	22	25	1	\$36,000	73
Total	224	271	31	\$611,800	867

TEXAS ALCOHOLIC BEVERAGE COMMISSION (458)

ADDENDUM C.5

SERVICE EFFORTS AND ACCOMPLISHMENTS – EXECUTIVE DIVISION OFFICES

For the Fiscal Year Ended August 31, 2018

Three specialized offices within the Executive Division report directly to the agency's Executive Director, and in the case of the Office of the Inspector General, report both to the TABC's Commissioners and to the Executive Director. In addition to the Office of the Inspector General, these include the Office of Communications and Governmental Relations and the Office for External Affairs.

OFFICE OF THE INSPECTOR GENERAL

The Mission of the Office of the Inspector General (OIG), formerly the Office of Professional Responsibility (OPR) is to detect and prevent fraud, waste and abuse as well as to promote efficient and effective use of public resources in order to safeguard public trust in our agency.

The OIG is led by the Inspector General (IG). The directorate is comprised of the office of Internal Affairs (IA) and the newly established office of Oversight & Review (O&R). § 5.58 of the Texas Alcoholic Beverage Code specifies the powers and duties of IA.

Throughout FY 2018 IA received a total of 79 complaints against agency personnel. As of August 31, 2018, 51 of these had been closed and 28 remained open and under investigation.

The OIG provided training to the executive staff covering the topic of complex ill-structured problem solving through a formalized collaborative process. The IG works directly with the Director of Policy and Performance to improve and codify the agency's planning process.

Additionally, the OIG provided training to the executive staff covering strength, weakness, opportunity and threat (SWOT) analysis and the use of 'Futuring' to help drive strategy development.

Throughout the year the IG worked to strengthen the partnership between the commission and the Texas Department of Emergency Management (TDEM) during heavy rain and wide-spread flood events. Finally, the OIG continually strives to improve the agency's internal processes and vigilantly investigate allegations of employee misconduct.

**OFFICE OF COMMUNICATIONS &
GOVERNMENTAL RELATIONS**

The Office of Communications and Governmental Relations includes three employees who interact with the media, the Texas Legislature, Governor's Office, and numerous other state, local, and federal agencies. The office fields information requests from reporters, legislators, and industry stakeholders including but not limited to, reports on agency activities, license application status, and fiscal notes.

During a Legislative session, the Governmental Relations Director and Legislative Liaison track any and all proposed legislation with a direct or indirect impact on the Alcoholic Beverage Code and agency operations. They ensure agency personnel are made available to testify or meet with legislators; respond to questions on legislation throughout the process, and oversee the development of analyses for legislation. During the interim, the office produces and edits a revised version of the Alcoholic Beverage Code, coordinates the production of the agency's Strategic Plan, and is involved in the development of numerous other statewide reports and activities such as the Sunset Self-Evaluation Report.

ADDENDUM C.5 CONTINUED

The office includes a Public Information Officer (PIO) who serves as the public face of the agency and is responsible for all interactions between TABC and members of the public, particularly the news media. The PIO writes, edits and publishes all agency press releases and media materials and is made available for interviews with the press across a variety of platforms such as print, broadcast and online. The PIO also oversees the agency's external communications policy and provides training on media interactions for public-facing employees.

OFFICE OF EXTERNAL AFFAIRS

The mission of TABC's Office of External Affairs is to ensure the agency takes a coordinated approach to appropriately engage all of its external stakeholders. External Affairs' mission is accomplished by collaborating with all divisions of the TABC to develop and execute outreach initiatives for the alcoholic beverage industry, operating as a liaison for stakeholders on agency and legislative matters, and representing the TABC at external events.

FY 2018 Highlights

- Industry Roundtables – TABC began hosting meetings in various locations around Texas to bring together local alcohol industry and legislative representatives to discuss policy and process improvements.
 - Conducted 11 roundtables in 8 cities.
 - These events were attended by 171 representatives from the alcohol industry and 84 representatives from the Texas Legislature.
- Industry Newsletters – TABC publishes industry articles on current events, agency initiatives, and FAQs as they arise in order to better inform industry and explain agency actions.
 - Produced 6 industry newsletters.
- TABC Talks – an education program that began in August 2018 in which a TABC division will conduct a live online lesson during the lunch hour each month on a topic relevant to stakeholders. Each lesson is recorded and placed on TABC's YouTube channel so that industry stakeholders can also view the lessons at their own convenience.
 - Conducted 1 lesson (August 2018).
- Human Trafficking Training Initiative – TABC is training alcoholic beverage industry personnel who frequently enter TABC licensed and permitted locations in which human trafficking could occur. The training informs industry on how to identify and anonymously report suspected human trafficking activities.

TEXAS ALCOHOLIC BEVERAGE COMMISSION (458)

ADDENDUM D

WET-DRY STATUS OF TEXAS COUNTIES

For the Fiscal Year Ended August 31, 2018

+The sale of mixed beverages is legal in all or part of county as is the sale of distilled spirits for off-premises consumption. (191)

+¹The sale of mixed beverages in restaurants by holders of FB certificates is legal in all or part of the county but the county is "dry" for the sale of distilled spirits for off-premises consumption. (6)

*County "wet" throughout for the sale of distilled spirits for off premises consumption (78). Note: 148 counties are "wet" in part for the sale of distilled spirits for off-premises consumption.

COUNTIES IN WHICH DISTILLED SPIRITS ARE LEGAL: 232

Anderson+	Cherokee+	Fannin+	Hood+	Live Oak+	Polk+	Travis+
Andrews+ ¹	Childress+*	Fayette+*	Hopkins+	Llano+	Potter+	Trinity*
Angelina+ ¹	Clay+*	Fisher+*	Houston+ ¹	Lubbock+*	Presidio+*	Tyler+
Aransas+*	Cochran	Floyd+	Howard+	Lynn+	Rains+	Upshur+
Archer	Coleman+	Foard+*	Hudspeth+*	Madison+ ¹	Randall+	Upton*
Armstrong*	Collin+	Fort Bend+*	Hunt+	Marion+	Reagan*	Uvalde+
Atascosa+	Collingsworth+*	Franklin+ ¹	Hutchinson+	Matagorda+	Real+	Val Verde+*
Austin+*	Colorado+*	Freestone+	Jack+	Maverick+	Red River	Van Zandt+
Bailey+	Comal+*	Frio+	Jackson+	McCulloch+	Reeves+*	Victoria+*
Bandera+	Comanche+	Galveston+	Jasper+	McLennan+	Refugio*	Walker+
Bastrop+*	Cooke+	Garza+	Jeff Davis+	Medina+	Robertson+	Waller+*
Bee+	Coryell+	Gillespie+	Jefferson+	Menard*	Rockwall+	Ward*
Bell+	Cottle+*	Goliad+*	Jim Hogg+*	Midland+*	Runnels+	Washington+*
Bexar+*	Crane*	Gonzales+*	Jim Wells+	Milam+	Rusk+	Webb+*
Blanco+	Crockett*	Gray+	Johnson+	Mills+	Sabine+	Wharton+*
Bosque+	Crosby+*	Grayson+	Jones+	Mitchell+*	San Augustine	Wheeler+
Bowie+	Culberson+*	Gregg+	Karnes+*	Montague+	San Jacinto	Wichita+
Brazoria+	Dallam*	Grimes+	Kaufman+	Montgomery+	San Patricio+	Wilbarger+*
Brazos+*	Dallas+	Guadalupe+*	Kendall+*	Moore+*	San Saba+*	Willacy+
Brewster+*	Dawson+	Hale+	Kenedy+*	Morris+	Schleicher*	Williamson+
Briscoe	Deaf Smith*	Hall+	Kerr+	Motley+	Scurry+*	Wilson+
Brooks+*	Denton+	Hamilton+	Kimble*	Nacogdoches+	Shackelford	Winkler*
Brown+	DeWitt+	Hansford+	King	Navarro+	Shelby	Wise+
Burleson+	Dickens	Hardeman+*	Kinney+*	Newton	Sherman+*	Wood+
Burnet+*	Dimmitt+*	Hardin+	Kleberg+*	Nolan+*	Smith+	Yoakum+
Caldwell+	Donley+*	Harris+	Knox	Nueces+*	Star+*	Young
Calhoun+	Duval+*	Harrison+	Lamar+	Ochiltree+*	Stonewall	Zapata+*
Callahan+	Eastland+	Hartley	Lamb+	Oldham+	Sutton+*	Zavala+*
Cameron+*	Ector+*	Haskell+	Lampasas+	Orange+	Swisher	
Camp+	Edwards	Hays+	La Salle+*	Palo Pinto+	Tarrant+	
Carson+	El Paso+*	Henderson+	Lavaca+	Panola+ ¹	Taylor+	
Cass+	Ellis+	Hidalgo+*	Lee+*	Parker+	Terrell*	
Castro	Erath	Hill+	Leon+	Parmer	Titus+	
Chambers+	Falls+	Hockley+	Liberty+	Pecos+	Tom Green+	

ADDENDUM D CONTINUED

COUNTIES IN WHICH ONLY 4% BEER IS LEGAL: 4

Some counties are only partially wet.

Baylor Irion Mason Stephens

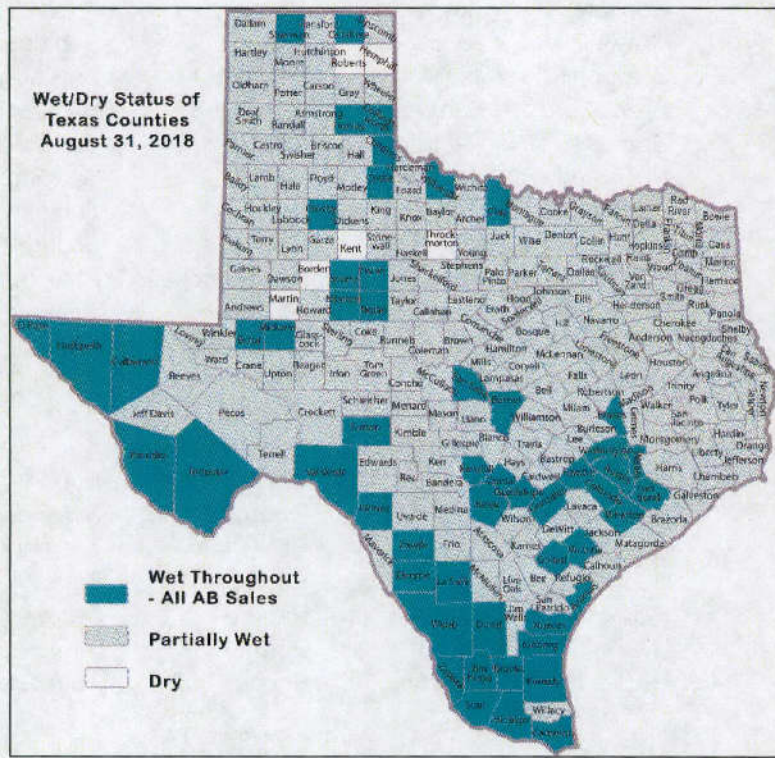
COUNTIES IN WHICH 14% - 17% OR LESS ALCOHOLIC BEVERAGES ARE LEGAL: 12

Some counties are only partially wet.

Coke Glasscock McMullen
 Concho Limestone Somervell
 Gaines Lipscomb Sterling
 Delta Loving Terry

COUNTIES ENTIRELY DRY: 6

Borden Kent Roberts
 Hemphill Martin Throckmorton



TEXAS ALCOHOLIC BEVERAGE COMMISSION (458)**ADDENDUM E
LOCAL OPTION ELECTIONS
For the Fiscal Year Ended August 31, 2018**

Thirty-five (35) local option elections were held for thirty-five (35) jurisdictions in FY 2018. Twenty-nine (29) of the election issues passed. Six (6) failed to win voter approval. Of the jurisdictions holding elections, eight (8) became "wet" for the first time as a result of the elections, twenty-one (21) expanded the area of alcoholic beverage sales or authorized additional sales, and six (6) retained their previous wet/dry status. Issues for which elections were held included "the legal sale of beer and wine" (1 ea.), "the legal sale of beer and wine for off-premises consumption only" (7 ea.), "the legal sale of all alcoholic beverages for off-premises consumption only" (6 ea.), "the legal sale of all alcoholic beverages including mixed beverages" (18 ea.), "the legal sale of mixed beverages" (1 ea.), and "the legal sale of mixed beverages in restaurants by food and beverage certificate holders only" (2 ea.). A summary of each election held and its outcome is provided below.

Elections Held November 7, 2017

An election was held for the City of Rogers, Bell County, on November 7, 2017, on the issue of "the legal sale of all alcoholic beverages including mixed beverages." The issue PASSED by a vote of 25 FOR and 7 AGAINST. The City of Rogers, Bell County, was "wet" only for the sale of beer and wine for off-premises consumption before the election and after the election is now "wet" for the sale of all alcoholic beverages including mixed beverages.

An election was held for the City of Mont Belvieu, Chambers County, on November 7, 2017, on the issue of "the legal sale of mixed beverages in restaurants by food and beverage certificate holders only." The issue PASSED by a vote of 441 FOR and 90 AGAINST. The City of Mont Belvieu, Chambers County, was "wet" only for the sale of all alcoholic beverages for off-premises consumption before the election and after the election remains wet for such sales, while also "wet" for the sale of mixed beverages in restaurants by food and beverage certificate holders.

A countywide election was held for Clay County, on November 7, 2017, for a countywide election on the issue of "the legal sale of all alcoholic beverages including mixed beverages." The issue PASSED by a vote of 726 FOR and 370 AGAINST. Clay County was "wet" in part for all alcoholic beverage sales including mixed beverage before the election and after the election is "wet" throughout for such sales, except in the City of Petrolia which remains "wet" only for the sale of beer and wine for off-premises consumption due to a previous municipal election.

An election was held for the City of Jolly, Clay County, on November 7, 2017, on the issue of "the legal sale of all alcoholic beverages including mixed beverages." The issue PASSED by a vote of 30 FOR and 29 AGAINST. The City of Jolly, Clay County, was "dry" for all alcoholic beverage sales before the election and after the election is now "wet" for the sale of all alcoholic beverages including mixed beverages.

An election was held for the City of Sachse, Collin and Dallas Counties, on November 7, 2017, on the issue of "the legal sale of all alcoholic beverages for off-premises consumption." The issue PASSED by a vote of 883 FOR and 404 AGAINST. Before the election, the City of Sachse, Collin and Dallas Counties, was "wet" only for the sale of beer and wine for off-premises consumption and for the sale in mixed beverages in restaurants by food and beverage certificate holders. After the election, the City of Sachse, Collin and Dallas Counties, is now "wet" for the sale of all alcoholic beverages for off-premises consumption only as well as and for the sale in mixed beverages in restaurants by food and beverage certificate holders.

A countywide election was held for Collingsworth County on November 7, 2017, on the issue of "the legal sale of all alcoholic beverages including mixed beverages." The issue PASSED by a vote of 410 FOR and 308 AGAINST. Collingsworth County was "dry" for all alcoholic beverage sales before the election and after the election is now "wet" for all alcoholic beverages including mixed beverages.

ADDENDUM E CONTINUED

An election was held for the City of O'Donnell, Dawson and Lynn Counties, on November 7, 2017, on the issue of "the legal sale of all alcoholic beverages including mixed beverages." The issue PASSED by a vote of 119 FOR and 25 AGAINST. The City of O'Donnell, Dawson and Lynn Counties, was "dry" for all alcoholic beverage sales before the election and after the election is now "wet" for all alcoholic beverages including mixed beverages.

An election was held for the City of Pilot Point, Denton County, on November 7, 2017, on the issue of "the legal sale of all alcoholic beverages for off-premises consumption only." The issue PASSED by a vote of 186 FOR and 77 AGAINST. Before the election, the City of Pilot Point, Denton County, was "wet" only for the sale of beer and wine for off-premises consumption and for the sale in mixed beverages in restaurants by food and beverage certificate holders. After the election, the City of Pilot Point, Denton County is now "wet" for the sale of all alcoholic beverages for off-premises consumption only as well as and for the sale in mixed beverages in restaurants by food and beverage certificate holders.

An election was held for the City of Marlin, Falls County, on November 7, 2017, on the issue of "the legal sale of all alcoholic beverages including mixed beverages." The issue PASSED by a vote of 123 FOR and 29 AGAINST. The City of Marlin, Falls County, was "wet" for the sale of beer and wine and for all alcoholic beverages for off-premises consumption before the election and after the election is now "wet" for the sale of all alcoholic beverages including mixed beverages.

An election was held for the City of Savoy, Fannin County, on November 7, 2017, on the issue of "the legal sale of beer and wine for off-premises consumption only." The issue FAILED by a vote of 37 FOR and 42 AGAINST. The City of Savoy, Fannin County, was "dry" for all alcoholic beverage sales before the election and after the election remains "dry" for all alcoholic beverage sales.

An election was held for the City of Tioga, Grayson County, on November 7, 2017, on the issue of "the legal sale of all alcoholic beverages including mixed beverages." The issue PASSED by a vote of 46 FOR and 14 AGAINST. The City of Tioga, Grayson County was "wet" only for the sale of all alcoholic beverages for off-premises consumption before the election and after the election is now "wet" for the sale of all alcoholic beverages including mixed beverages.

An election was held for the City of Galena Park, Harris County, on November 7, 2017, on the issue of "the legal sale of all alcoholic beverages including mixed beverages." The issue FAILED by a vote of 277 FOR and 488 AGAINST. The City of Galena Park, Harris County, was "dry" for all alcoholic beverage sales before the election and after the election remains "dry" for all alcoholic beverage sales.

An election was held for the former City of Houston Heights as it existed on February 19, 1918, Harris County, on November 7, 2017, on the issue of "the legal sale of mixed beverages." The issue PASSED by a vote of 1,479 FOR and 960 AGAINST. The former City of Houston Heights as it existed on February 19, 1918, Harris County, was "wet" only for the sale of beer and wine for off-premises consumption before the election and after the election remains "wet" for such sales while also "wet" for the sale of mixed beverages.

An election was held for the City of Leona, Leon County, on November 7, 2017, on the issue of "the legal sale of all alcoholic beverages for off-premises consumption only." The issue PASSED by a vote of 35 FOR and 22 AGAINST. The City of Leona, Leon County was "dry" before the election and after the election is now "wet" for the sale of all alcoholic beverages for off-premises consumption only."

An election was held for Justice of the Peace Precinct 4, Montgomery County, on November 7, 2017, on the issue of "the legal sale of all alcoholic beverages including mixed beverages." The issue PASSED by a vote of 1,859 FOR and 701 AGAINST. Justice of the Peace Precinct 4, Montgomery County, was "wet" in part for the sale of all alcoholic beverages including mixed beverages and is now "wet" throughout for such sales.

ADDENDUM E CONTINUED

An election was held for the City of Garrison, Nacogdoches County, on November 7, 2017, on the issue of "the legal sale of all alcoholic beverages including mixed beverages." The issue FAILED by a vote of 86 FOR and 107 AGAINST. The City of Garrison, Nacogdoches County, was "dry" for all alcoholic beverage sales before the election and after the election remains "dry" for all such sales.

An election was held for Justice of the Peace Precinct 1, Randall County, on November 7, 2017, on the issue of "the legal sale of beer and wine for off-premises consumption only." The issue PASSED by a vote of 717 FOR and 437 AGAINST. Justice of the Peace Precinct 1, Randall County, was "wet" in part for the sale of beer and wine for off-premises consumption before the election and after the election is now "wet" throughout for such sales.

An election was held for the City of Ballinger, Runnels County, on November 7, 2017, on the issue of "the legal sale of all alcoholic beverages including mixed beverages." The issue PASSED by a vote of 310 FOR and 140 AGAINST. The City of Ballinger, Runnels County, was "wet" only for the sale of all alcoholic beverages for off-premises consumption before the election and after the election is now "wet" for the sale of all alcoholic beverages including mixed beverages.

An election was held for the City of Arp, Smith County, on November 7, 2017, on the issue of "the legal sale of all alcoholic beverages including mixed beverages." The issue PASSED by a vote 79 FOR and 61 AGAINST. The City of Arp, Smith County, was "dry" for all alcoholic beverage sales before the election and after the election is "wet" throughout for the sale of all alcoholic beverages including mixed beverages.

An election was held for the City of Euless, Tarrant County, on November 7, 2017, on the issue of "the legal sale of all alcoholic beverages for off-premises consumption only." The issue PASSED by a vote of 1,292 FOR and 672 AGAINST. The City of Euless, Tarrant County, was "wet" only for the sale of beer and wine for off-premises consumption and mixed beverages before the election and after the election is now "wet" for the sale of all alcoholic beverages for off-premises consumption, while also remaining "wet" for the sale of mixed beverages.

An election was held for Justice of the Peace Precinct 3, Uvalde County, on November 7, 2017, on the issue of "the legal sale of beer and wine." The issue FAILED by a vote of 157 FOR and 167 AGAINST. Justice of the Peace Precinct 3, Uvalde County, was "dry" for all alcoholic beverage sales before the election and after the election remains "dry" for all alcoholic beverage sales.

An election was held for the City of Sabinal, Uvalde County, on November 7, 2017, on the issue of "the legal sale of all alcoholic beverages including mixed beverages." The issue PASSED by a vote of 114 FOR and 34 AGAINST. The City of Sabinal, Uvalde County, was "wet" only for the sale of beer for off-premises consumption before the election and after the election is now "wet" for the sale of all alcoholic beverages including mixed beverages.

An election was held for the City of New Waverly, Walker County, on November 7, 2017, on the issue of "the legal sale of all alcoholic beverages including mixed beverages." The issue PASSED by a vote of 128 FOR and 56 AGAINST. The City of New Waverly, Walker County, was "wet" only for the sale of beer and wine for off-premises consumption before the election and after the election is now "wet" for the sale of all alcoholic beverages including mixed beverages.

An election was held for Justice of Peace Precinct 2, Yoakum County, on November 7, 2017, on the issue of "the legal sale of all alcoholic beverages including mixed beverages." The issue PASSED by a vote of 218 FOR and 192 AGAINST. Justice of the Peace Precinct 2 Yoakum County was "wet" only for the sale of beer and wine for off-premises consumption before the election and after the election is now "wet" for sale of all alcoholic beverages including mixed beverages.

ADDENDUM E CONTINUED

An election was held for the City of Denver City, Yoakum County, on November 7, 2017, on the issue of "the legal sale of all alcoholic beverages including mixed beverages." The issue FAILED by a vote of 113 FOR and 124 AGAINST. The City of Denver City, Yoakum County, was "wet" only for the sale of beer and wine for off-premises consumption and after the election remains "wet" only for such sales.

Elections Held on May 5, 2018

An election was held for the City of Hooks, Bowie County, on May 5, 2018, on the issue of "the legal sale of beer and wine for off-premises consumption only." The issue PASSED by a vote of 188 FOR and 55 AGAINST. The City of Hooks, Bowie County, was "dry" for all alcoholic beverage sales before the election and after the election is now "wet" for the sale of beer and wine for off-premises consumption only.

An election was held for the City of Bangs, Brown County, on May 5, 2018, on the issue of "the legal sale of beer and wine for off-premises consumption only." The issue PASSED by a vote of 106 FOR and 44 AGAINST. The City of Bangs, Brown County, was "dry" for all alcoholic beverage sales before the election and after the election is now "wet" for the sale of beer and wine for off-premises consumption.

An election was held for the City of New Summerfield, Cherokee County, on May 5, 2018, on the issue of "the legal sale of all alcoholic beverages for off-premises consumption only." The issue PASSED by a vote of 29 FOR and 8 AGAINST. The City of New Summerfield, Cherokee County, was "wet" for the sale of beer and wine for off-premises consumption before the election and after the election is now "wet" for the sale of all alcoholic beverages for off-premises consumption.

An election was held for the City of Sunnyvale, Dallas County, on May 5, 2018, on the issue of "the legal sale of mixed beverages in restaurants by food and beverage certificate holders only." The issue PASSED by a vote of 1,210 FOR and 536 AGAINST. The City of Sunnyvale, Dallas County, was "wet" for the sale of beer and wine for off-premises consumption and after the election is now also "wet" for the sale of mixed beverages in restaurants by food and beverage certificate holders.

An election was held for the City of Tom Bean, Grayson County, on May 5, 2018, on the issue of "the legal sale of all alcoholic beverages for off-premises consumption only." The issue PASSED by a vote of 78 FOR and 32 AGAINST. The City of Tom Bean, Grayson County, was "dry" for all alcoholic beverage sales before the election and after the election is now "wet" for the sale of all alcoholic beverages for off-premises consumption.

An election was held for the City of Bedias, Grimes County, on May 5, 2018, on the issue of "the legal sale of all alcoholic beverages for off-premise consumption only." The issue PASSED by a vote of 59 FOR and 42 AGAINST. The City of Bedias, Grimes County, was "wet" for the sale of beer and wine for off-premises consumption before the election and after the election is now "wet" for the sale of all alcoholic beverages for off-premises consumption.

An election was held for the City of Keene, Johnson County, on May 5, 2018, on the issue of "the legal sale of beer and wine for off-premises consumption only." The issue FAILED by a vote of 194 FOR and 516 AGAINST. The City of Keene, Johnson County, was "dry" for all alcoholic beverage sales before the election and after the election remains "dry" for all alcoholic beverage sales.

An election was held for the City of Knox City, Knox County, on May 5, 2018, on the issue of "the legal sale of beer and wine for off-premises consumption only." The issue PASSED by a vote of 25 FOR and 13 AGAINST. The City of Knox City, Knox County, was, for the most part, "wet" for the sale of beer and wine for off-premises consumption before the election and after the election is now "wet" throughout for the sale of beer and wine for off-premises consumption.

ADDENDUM E CONTINUED

An election was held for the City of Bay City, Matagorda County, on the issue of "the legal sale of all alcoholic beverages including mixed beverages." The issue PASSED by a vote of 299 FOR and 81 AGAINST. The City of Bay City, Matagorda County, was, for the most part, "wet" for the sale of all alcoholic beverages including mixed beverages before the election, and after the election is "wet" throughout for such sales.

An election was held for the City of Fate, Rockwall County, on May 5, 2018, on the issue of "the legal sale of all alcoholic beverages including mixed beverages." The issue PASSED by a vote of 494 FOR and 200 AGAINST. Before the election, the City of Fate, Rockwall County, was "wet" for the sale of beer and wine off-premises consumption and the sale of mixed beverages in restaurants by food and beverage certificate holders only, and after the election it is now "wet" for the sale of all alcoholic beverages including mixed beverages.

UNAUDITED

TEXAS ALCOHOLIC BEVERAGE COMMISSION (458)

ADDENDUM F.1

DETAIL STATEMENT OF COLLECTIONS

For the Fiscal Years Ended August 31, 2017 and August 31, 2018

	2017	2018	Increase (Decrease)
LICENSE & PERMIT FEES			
Alcoholic Beverage Permits	\$64,643,515	\$76,096,923	\$11,453,408
TAXES			
Collected on Audits	\$5,172	\$191,740	\$186,568
Direct Liquor Tax	0	0	0
Excise Tax-Distilled Spirits	90,458,725	96,385,719	5,926,994
Excise Tax-Wine	16,298,580	15,334,513	(964,067)
Excise Tax-Malt Liquor	14,934,727	14,509,894	(424,833)
Excise Tax-Beer	104,476,058	104,354,490	(121,568)
Airline Beverage Tax	0	0	0
TOTAL TAXES	226,173,262	230,776,356	4,603,094
CONFISCATED LIQUOR SALES	\$270	\$39,569	\$39,299
MISCELLANEOUS			
Fines	\$3,015,300	\$2,320,400	(\$694,900)
Admin Fees-Ports	5,401,955	5,487,107	85,152
Admin Fees-Licensing	32,800	82,525	49,725
Server Training Fees	853,206	849,850	(3,356)
Label Approval	615,512	640,830	25,318
Bond Forfeitures	235,000	151,709	(83,291)
Other Miscellaneous Revenue	138,716	306,003	167,287
TOTAL MISCELLANEOUS	\$10,292,489	\$9,838,424	(\$454,065)
Unassigned Revenue*	\$809,023	\$448,418	(\$360,605)
TOTAL REVENUE	\$301,918,559	\$317,199,690	\$15,281,131
Cigarette Tax	614,466	608,778	(5,688)
TOTAL REVENUE COLLECTED	\$302,533,025	\$317,808,468	\$15,275,443

TEXAS ALCOHOLIC BEVERAGE COMMISSION (458)

**ADDENDUM F.2
PER CAPITA CONSUMPTION
For Fiscal Year Ending August 31, 2018**

	Total Tax Collections	Total Gallons	Per Capita Consumption
Distilled Spirits	\$96,350,891	40,146,205	1.34
Wine	17,289,624	65,687,559	2.19
Malt Liquor	14,964,195	75,576,742	2.52
Beer	107,822,249	557,082,734	18.60
Total	\$236,426,959	738,493,240	24.65

NOTE: Statistics based on tax collections by the Tax Section and population estimates from the Texas Department of State Health Services for fiscal year 2018 of 29,948,091 Texas inhabitants.

**ADDENDUM F.3
HISTORICAL SUMMARY OF REVENUE COLLECTIONS
For the Fiscal Year Ending August 31, 2018**

Fiscal Year	Revenue
1935 -2009	\$10,084,961,683
2010	260,218,836
2011	254,313,326
2012	279,502,043
2013	271,319,662
2014	290,913,091
2015	289,415,513
2016	306,266,319
2017	302,533,024
2018	317,808,468
TOTAL REVENUE	\$12,657,251,965

UNAUDITED

TEXAS ALCOHOLIC BEVERAGE COMMISSION (458)

ADDENDUM G
INVENTORY OF CONFISCATED ALCOHOLIC BEVERAGES
 For Fiscal Year Ending August 31, 2018

ENFORCEMENT OFFICES	Distilled Spirits					Wine		Malt Liquor		Beer		
	200 ml	375 ml	750 ml	Liter	Other	750 ml or Less	Other	12 oz	Other	12 oz	16 oz	Other
Amarillo	0	0	0	0	0	0	0	0	1	18	0	7
Lubbock	0	0	4	0	1	1	0	6	0	215	0	2
Abilene	1	0	4	1	11	0	1	0	0	240	0	9
Arlington	0	1	94	58	64	11	7	5	1	300	3	33
El Paso	0	0	2	1	1	14	9	0	4	192	0	6
Odessa	0	0	4	4	2	0	0	0	0	0	0	0
Austin	58	2	94	25	42	66	0	96	2	706	5	3
Waco	0	0	22	5	2	9	0	0	5	97	0	2
Bryan	0	0	1	0	0	0	0	0	1	34	0	0
San Antonio	0	3	14	25	49	4	3	0	7	703	0	1
Houston	0	0	59	111	123	9	0	0	3	222	12	66
Beaumont	0	0	2	0	0	1	0	0	1	85	24	2
Conroe	0	0	2	0	1	0	0	0	0	0	0	2
Corpus Christi	0	1	3	15	1	0	0	0	0	0	0	5
McAllen	0	0	10	17	12	7	0	0	11	133	0	0
Tyler	0	5	0	1	2	5	0	0	12	60	0	21
Total	59	12	315	263	311	127	20	107	48	3,005	44	159

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**TEXAS ALCOHOLIC
BEVERAGE COMMISSION**

Texans Helping Businesses & Protecting Communities

Please visit our web site at www.tabc.texas.gov for more information about the Texas Alcoholic Beverage Commission.