



TEXAS ALCOHOLIC BEVERAGE COMMISSION

Texans Helping Businesses & Protecting Communities

ANNUAL REPORT OF NONFINANCIAL DATA FOR FISCAL YEAR 2019

KEVIN J. LILLY, Presiding Officer
IDA LOUISE STEEN, Member
JASON E. BOATRIGHT, Member
SCOTT ADKINS, Member
DEBORAH GRAY MARINO, Member
A. BENTLEY NETTLES, Executive Director



TEXAS ALCOHOLIC BEVERAGE COMMISSION

Texans Helping Businesses & Protecting Communities

P.O. Box 13127
Austin, Texas 78711-3127
(512) 206-3333
www.tabc.texas.gov

December 31, 2019

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

Dear Sirs and Madam,

We are pleased to submit the Texas Alcoholic Beverage Commission's *Annual Report of Nonfinancial Data* for the fiscal year ending August 31, 2019, in compliance with the 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. Bentley Nettles
Executive Director

THIS PAGE INTENTIONALLY LEFT BLANK

**TEXAS ALCOHOLIC BEVERAGE COMMISSION
ANNUAL REPORT OF NONFINANCIAL DATA
For the Fiscal Year Ending August 31, 2019**

TABLE OF CONTENTS

I. SCHEDULES

Schedule 1 – Appropriation Item Transfers	2
Schedule 2 – HUB Strategic Plan Progress Report.....	3
Schedule 3 – Indirect Costs.....	4
Schedule 4 – Professional, Consulting Fees and Legal Service Fees.....	5
Schedule 5 – Space Occupied	
5A – State-Owned Buildings.....	6
5B – Free Space	7
5C – Leased Space	8
5D – Federal Lease Agreements.....	10
Schedule 6 – Exception Letters	11
Schedule 7 – Vehicle Purchases	12
Schedule 8 – State-Owned Vehicles	13
Schedule 9 – Schedule of Recycled, Remanufactured and Environmentally Sensitive Purchases.....	14

II. ADDENDA

Addendum A – Organization of the Texas Alcoholic Beverage Commission.....	18
Addendum B – Organizational Chart	20
Addendum C – Service Efforts and Accomplishments	21
1. Business and Revenue Operations	24
2. Enforcement.....	31
3. Chief of Staff.....	35
4. General Counsel and Legal Services	39
5. Other Agency Operating Units	41
Addendum D – Wet-Dry Status of Texas Counties.....	45
Addendum E – Local Option Elections	47
Addendum F – Statement of Collections	
1. Detail Statement of Collections	53
2. Per Capita Consumption	54
3. Historical Summary of Revenue Collections.....	54
Addendum G – Inventory of Confiscated Alcoholic Beverages.....	55

I. SCHEDULES

I. SCHEDULES

- Schedule 1.....Appropriation Item Transfers
- Schedule 2.....HUB Strategic Plan Progress Report
- Schedule 3.....Indirect Costs
- Schedule 4.....Professional, Consulting Fees and Legal Service Fees
- Schedule 5.....Space Occupied
- Schedule 6.....Exception Letters
- Schedule 7.....Vehicle Purchases
- Schedule 8.....Personal Use of State Vehicles
- Schedule 9.....Schedule of Recycled, Remanufactured and
Environmentally Sensitive Purchases

UNAUDITED

TEXAS ALCOHOLIC BEVERAGE COMMISSION (458)

SCHEDULE 1
APPROPRIATION ITEM TRANSFERS*
For the Fiscal Year Ending August 31, 2019

ITEM OF APPROPRIATION - AY 2019

	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Net Transfers</u>
A. Goal: Regulate Distribution Strategy	\$	\$	\$
A.1.1 13016 Public Enforcement	0	(2,030,560)	(2,030,560)
Total, Goal A: Regulate Distribution	<u>0</u>	<u>(2,030,560)</u>	<u>(2,030,560)</u>
B. Goal: Process TABC Applications Strategy			
B.1.1 13017 Business Compliance	0	(119,688)	(119,688)
Total, Goal B: Process TABC Applications	<u>0</u>	<u>(119,688)</u>	<u>(119,688)</u>
C. Goal: Collect Fees and Taxes Strategy			
C.1.1 13018 Inspections and Compliance	100,000	(33,267)	66,733
C.2.1 13007 Ports of Entry	150,000	(8,071)	141,929
Total, Goal C: Collect Fees and Taxes	<u>250,000</u>	<u>(41,338)</u>	<u>208,662</u>
D. Goal: Indirect Administration Strategies			
D.1.1 13800 Central Administration	0	(156,361)	(156,361)
D.1.2 13801 Information Resources	0	(1,402,532)	(1,402,532)
D.1.3 13802 Other Support Services	28,000	(2,537)	25,463
Total, Goal D: Indirect Administration	<u>28,000</u>	<u>(1,561,430)</u>	<u>(1,533,430)</u>
Capital Budget Appropriations			
55001 PC Replacements & Tablet Computers	285,323	(8,831)	276,492
55002 Hardware/Software Acquisitions Fleet Acquisition - Replacement	424,115	0	424,115
55003 Vehicles	865,409	0	865,409
55004 Public Safety Equipment - Replacement	206,419	0	206,419
55005 CAPPs Implementation	78,155	0	78,155
55006 Headquarters Office Consolidation	881,677	0	881,677
55150 Data Center Consolidation	966,767	(224,018)	742,749
Total, Capital Budget Appropriations	<u>3,707,865</u>	<u>(232,849)</u>	<u>3,475,016</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>3,985,865</u></u>	<u><u>(3,985,865)</u></u>	<u><u>0</u></u>

*This schedule does not include Benefit Replacement Pay Transfers.

UNAUDITED

TEXAS ALCOHOLIC BEVERAGE COMMISSION (458)

SCHEDULE 2
HUB STRATEGIC PLAN PROGRESS REPORT
For the Fiscal Year Ending August 31, 2019

CATEGORY	Actual for FY 2018*	Actual for FY 2019*	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%	2.31%	32.90%
Professional services contracts	100.00%	0.00%	23.70%
Other services contracts	12.46%	14.97%	26.00%
Commodities contracts	23.60%	26.17%	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 2018 or FY 2019.

**Goal = Strategic Plan HUB goals

UNAUDITED

TEXAS ALCOHOLIC BEVERAGE COMMISSION (458)

**SCHEDULE 3
INDIRECT COSTS**

For the Fiscal Year Ending August 31, 2018

	Payroll Related Costs		
7043	FICA Employer Matching Contribution	\$2,745,695	
7040	Payroll Retirement Contribution	174,108	
7041	Group Health Insurance	4,990,887	
7042	Payroll Health Insurance Contribution	335,236	
7032	Retirement	3,411,835	
7033	Retirement-Other	80,514	
7984	Unemployment	11,273	
	Total Payroll Related Costs		<u>\$11,749,548</u>
7050	Benefit Replacement Pay (BRP)	\$26,505	
	Total Benefit Replacement Pay		<u>\$26,505</u>

Indirect Costs - Statewide Full Cost Allocation Plan

- Building Depreciation
- (304) CPA Administration
- CPA Fiscal and ITD
- CPA Purchasing and Support (TPASS)
- CPA Rebates
- TFC Planning and Real Estate Management
- OOG Budget, Policy and Planning Division
- (101) State Senate
- (102) House of Representatives
- (103) Legislative Council
- (104) Legislative Budget
- (105) Reference Library
- (116) Sunset Advisory Board

Total Indirect Costs - Statewide Full Cost Allocation Plan **\$0**

TOTAL INDIRECT COSTS **\$11,776,053**

Still awaiting publication of Statewide Full Cost Allocation Plan

UNAUDITED

TEXAS ALCOHOLIC BEVERAGE COMMISSION (458)

**SCHEDULE 4
PROFESSIONAL, CONSULTING FEES AND LEGAL SERVICE FEES
For the Fiscal Year Ended August 31, 2019**

NAME	TYPE OF SERVICE RENDERED	AMOUNT
Texas A&M Transportation Institute	Focus Group	\$4,052
Next Thought LLC	Video Production	\$47,500
Bryan Anaya	Artwork Creation	(\$180)
Castleview Productions	Video Services	(\$93,703)
Critical Start INC/LLC	Information Technology Services	\$22,791
Loblolly Consulting LLC	Independent Assessment ITD	\$49,500
Systems Application Engineering INC	Software Maintenance	\$4,625
SHI Government Solutions Inc	Training E-Learning	\$3,176
Alfredo Alvarez E190483	CE Solutions Training	\$100
CPS HR Consulting	Employee Testing	\$3,916
Sandersen & Scheffer PLLC	Auditing Services	\$60,861
Occupational Health Centers of the SW PA	Medical Services	\$232
Architectural Habitat of Austin Inc	Installation	(\$75)
ASEM Properties	Locksmith Services	(\$64)
Bob Daemmrich Photography	Photography/Framing	(\$810)
Communication by Hand	Interpreter Services	(\$116)
CPS HR Consulting	Employee Testing	(\$2,626)
Griffects	Art/Design Services	\$50
Joe East Enterprises Inc	Locksmith Services	(\$149)
Longhorn Trophies	Engraving Services	(\$47)
Mary Calderon	Photography/Framing	(\$225)
National Archive Trust Fund	Archive Legal Documents	(\$103)
NMS Labs	Toxicology Report	\$75
Convergent Technologies	Security System Monitoring	(\$484)
Workers Assistance Program Inc.	Professional Fees - Client Visits	\$6,950
ASEM Properties	Architectural/Engineering Services	\$6,977
Ambonare Inc	Computer Programming/Redesign	\$4,000
Micropact Global Inc	Computer Programming	\$2,870
Neubus	Computer Programming	\$54,783
Presidio	Computer Programming	\$2,827
Red River Consulting Services INC	Information Technology Services	\$5,000
Texas Department of Information Resources	Data Center Services	\$826,111
Total Professional / Consulting Fees	EXH II - AFR	\$1,007,814
Total Legal Fees	EXH II - AFR	\$0
Total Professional / Consulting and Legal Fees	EXH II - AFR	\$1,007,814

Negative values represent a reclassification of prior year expenditures to the correct comptroller object code. The adjustments are included to tie to TABC's FY2019 Annual Financial Report Exhibit II.

UNAUDITED

TEXAS ALCOHOLIC BEVERAGE COMMISSION (458)

SCHEDULE 5A

SPACE OCCUPIED – STATE-OWNED BUILDINGS

For the Fiscal Year Ending August 31, 2019

Space occupied by the Commission in state-owned buildings as of August 31, 2019, was as follows:

Location	Address	Sq. Ft.
Austin - Warehouse	4044 Promontory Point, Austin, TX 78744	6,200
El Paso - State Tax Office	401 E. Franklin Ave, Suite 120, El Paso, TX 79901	2,884
San Angelo - Enforcement Office	622 S. Oakes Street, San Angelo, TX 76903	425

UNAUDITED

TEXAS ALCOHOLIC BEVERAGE COMMISSION (458)

SCHEDULE 5B
 SPACE OCCUPIED - FREE SPACE
 For the Fiscal Year Ending August 31, 2019

Free space occupied by the Commission as of August 31, 2019, was as follows:

Location (TX)	Building	Address	Sq. Ft.
Austin	Warehouse	4044 Promontory Point, Austin, TX 78744	6,200
Belton	Belton Annex Building	550 E. 2nd Street, Belton, TX 76513	640
Brazoria	Brazoria Police Department	202 S. Main St., Brazoria, TX 77422	188
Cameron County	Cameron County Building	1390 W. Expressway 83, San Benito, TX 78586	300
Del Rio	Del Rio PD Training Academy	1505 E. Gibbs, Del Rio, TX 78840	300
Denton	Denton County Annex	750 S. Mayhill Road, Suite B116, Denton, TX 76208	1,200
Dickinson	City Hall	4403 Highway 3, Dickinson, TX 77539	50
El Paso	State Tax Office	401 E. Franklin Ave, Suite 120, El Paso, TX 79901	2,884
Huntsville	Huntsville Police Department	1220 11th St., Huntsville, TX 77340	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	300
McKinney	McKinney County Annex - McKinney Plaza	825 N. McDonald, Suite 180, McKinney, TX 75069	600
New Braunfels	Comal County Annex Building	1297 Church Hill Drive, New Braunfels, TX 78130	275
San Marcos	Hays County Annex Building	111 East San Antonio St., Ste 100, San Marcos, TX 78666	570
Sealy	Austin County Courthouse	201 Atchison St., Sealy, TX 77474	100
Sherman	Grayson County Courthouse	100 W. Houston St., 3rd Floor, Sherman, TX 75090	300
Wharton	Wharton County Sheriff's Office	315 E. Elm, Wharton, TX 77488	100

UNAUDITED

TEXAS ALCOHOLIC BEVERAGE COMMISSION (458)

**SCHEDULE 5C
SPACE OCCUPIED – LEASED SPACE
For Fiscal Year Ended August 31, 2019**

Rent space occupied by the Commission as of August 31, 2019, 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 Regional 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-060
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-016
Corpus Christi Office	2820 S. Padre Island Drive, Ste 120	Zeba 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	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
Laredo POE	USBS Convent Laredo TABC Booth	General Services Admin	GS-07P-OTX00351
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 Heimann 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
Tyler Office	3800 Paluxy Drive, Ste 501 & 502	Genecov Investments	ABC-062
Waco Office	900 Washington Street, 6st Floor	Brazos River Capital TLIC LLC	ABC-068A
Wichita Falls Office	624 Indiana Street	MWH Group PC	ABC-067

UNAUDITED

TYPE	USABLE SQ FT	FTE'S	MO. RENTAL	COST/SQ FT	ANNUAL COST	COMMENTS
Office	2,395.00	5	\$3,093.54	\$1.29	\$37,122.48	Expires 08/31/2023
Office	542.00	5	\$2,700.00	\$4.98	\$32,400.00	Expires 08/31/2022
Office	14,666.00	56	\$21,082.38	\$1.44	\$252,988.56	Expires 12/31/2023
Office	38,003.00	169	\$68,772.13	\$1.81	\$825,265.56	Expires 08/31/2024
Office	5,378.00	12	\$12,233.49	\$2.27	\$146,801.88	Expires 08/31/2020
Office	1,266.75	4	\$2,214.74	\$1.75	\$26,576.88	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	6	\$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	10	\$3,035.00	\$1.01	\$36,420.00	Expires 08/31/2019
Tax Booth	165.00	5	\$524.15	\$3.18	\$6,289.80	Expires 12/22/2024
Tax Booth	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	5	\$134.50	\$1.20	\$1,614.00	Expires 06/30/2025
Tax Booth	305.05	5	\$286.24	\$0.94	\$3,434.88	Expires 08/31/2024
Tax Booth	634.00	5	\$1,796.33	\$2.83	\$21,555.96	Expires 04/30/2020
Tax Booth	71.12	5	\$68.63	\$0.96	\$823.56	Expires 03/31/2024
Office	1,200.00	5	\$1,975.70	\$1.65	\$23,708.40	Expires 08/31/2020
Tax Booth	181.00	3	\$509.29	\$2.81	\$6,111.48	Expires 08/31/2020
Tax Booth	650.00	12	\$2,306.27	\$3.55	\$27,675.24	Expires 08/31/2019
Office	9,787.00	66	\$12,723.00	\$1.30	\$152,676.00	Expires 08/31/2019
Tax Booth	162.27	26	\$1,328.41	\$8.19	\$15,940.92	Expires 09/30/2024
Tax Booth	166.00	2	\$426.66	\$2.57	\$5,119.92	Expires 09/30/2024
Tax Booth	37.00	2	\$218.91	\$5.92	\$2,626.92	Expires 06/30/2023
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	48	\$7,326.61	\$1.61	\$87,919.32	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	6	\$3,522.62	\$1.35	\$42,271.44	Expires 08/31/2020
Tax Booth	198.00	2	\$550.00	\$2.78	\$6,600.00	Expires 08/31/2020
Tax Booth	24.00	2	\$450.00	\$18.75	\$5,400.00	Mo-Mo
Tax Booth	374.00	11	\$4,959.00	\$13.26	\$59,508.00	Expires 08/31/2022
Office	1,390.00	8	\$2,085.00	\$1.50	\$25,020.00	Expires 12/31/2022
Tax Booth	104.00	4	\$120.00	\$1.15	\$1,440.00	Expires 12/22/2024
Office	425.00	3	\$428.19	\$1.01	\$5,138.28	Expires 07/31/2024
Office	8,024.00	33	\$12,421.38	\$1.55	\$149,056.56	Expires 11/30/2021
Office	2,182.00	8	\$3,273.00	\$1.50	\$39,276.00	Expires 08/31/2020
Office	2,681.42	8	\$3,351.77	\$1.25	\$40,221.24	Expires 08/31/2021
Office	1,033.00	2	\$750.00	\$0.73	\$9,000.00	Expires 08/31/2023

UNAUDITED

TEXAS ALCOHOLIC BEVERAGE COMMISSION (458)

SCHEDULE 5D
SPACE OCCUPIED – FEDERAL LEASE AGREEMENTS
For the Fiscal Year Ending August 31, 2019

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

Number	Location	Monthly Fee	Lease Expires
GS-07P-OTX02386	USBS J&L Bldg 3 Secondary Inspection	\$426.66	09/30/24
GS-07P-OTX02399	USBS Los Indios TABC Booth	\$162.61	08/31/24
GS-07P-OTX02400	USBS Convent	\$1,328.41	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-OTX00351	USBS Convent Laredo TABC Booth	\$218.91	06/30/23
GS-07P-OTX02476	USBS BOTA Bldg A Administration	\$134.50	06/30/25

The license agreements above allow the Commission to operate at federal sites. The monthly fee is based on the cost of utilities, new construction amortization, and/or rental fees associated with providing space to the agency by the General Services Administration. The fees may be adjusted based on increases in utilities, maintenance, and construction costs.

UNAUDITED

TEXAS ALCOHOLIC BEVERAGE COMMISSION (458)

SCHEDULE 6

EXCEPTION LETTERS

For the Fiscal Year Ending August 31, 2019

During the fiscal year ending August 31, 2019, the Texas Alcoholic Beverage Commission prepared the following exception letters.

Vendor	Product	Justification	Amount
Callyo 2009 Corp	Phone Services	Purchase order 18-40780 The issuing office believes that the requested items in this request may be proprietary to one vendor under Government Code, 2155.067. 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.	\$8,682.00
CodeTwo	Subscription Services	Purchase order 19-40420 The issuing office based this on the Cooperative Contracts blanket exemption thru DIR Under Publication – Subscription Services Exemptions. Electronic Publications, Database or Library Subscription service not offered under any current DIR contract for class code 715-35, 915-51, 956-35, 920-02,920-03 or 920-46.	\$2,788.50
Thermo Electron North America LLC	Equipment/Maintenance Services	Purchase order 19-41089 The issuing office agrees that the requested maintenance in this request is proprietary to one vendor under Government Code, 2155.067	\$33,040.80
Anton Paar USA, INC.	Equipment/Maintenance Services	Purchase order 19-40907 The issuing office agrees that the requested maintenance in this request is proprietary to one vendor under Government Code, 2155.067	\$10,944.00

UNAUDITED

TEXAS ALCOHOLIC BEVERAGE COMMISSION (458)

SCHEDULE 7

VEHICLE PURCHASES

For the Fiscal Year Ending August 31, 2019

During fiscal year 2019, the agency purchased 21 replacement vehicles.

Make and Model	Quantity	Purchase Price	Efficiency	Assigned Use
2018 Ram 1500 Truck 864C	1	\$24,976.10	20-27 MPG	General Purpose
2018 Silverado 1500 Truck 864C	1	\$23,490.00	18-24 MPG	General Purpose
2019 Dodge Charger Series 476CLE	12	\$283,650.24	24-36 MPG	Law Enforcement
2019 Dodge Durango Pursuit 466BLE	7	\$202,191.05	19-26 MPG	Law Enforcement

TEXAS ALCOHOLIC BEVERAGE COMMISSION (458)

**SCHEDULE 8
SCHEDULE OF STATE-OWNED VEHICLES
For the Fiscal Year Ended August 31, 2019**

Vehicles Assigned to Peace Officers

A Texas Alcoholic Beverage Commission vehicle is assigned to all agency commissioned peace officers. The officers with assigned vehicles are subject to call twenty-four hours a day, and their duties may require an 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, Captain</p> <p>Ports of Entry John Reney, Director</p> <p>Training Alberto Rodriguez, Captain 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 an 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>

UNAUDITED

TEXAS ALCOHOLIC BEVERAGE COMMISSION (458)

SCHEDULE 9

SCHEDULE OF RECYCLED, REMANUFACTURED AND ENVIRONMENTALLY SENSITIVE PURCHASES

For the Fiscal Year Ended August 21, 2019

FY 2019 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	\$23,867.00	\$23,867.00
Total E2 Including 1 st Choice	Remanufactured	\$0	\$0	\$0
Total E3 Including 1 st Choice	Environmentally Sensitive	\$0	\$4,736.00	\$4,736.00
Total of E1, E2, and E3 includes Recycled 1st Choice Targeted Totals		\$0	\$28,603.00	\$28,603.00

FY 2019 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 and Lubricants	\$0	\$0	\$0	0%
Toilet Paper, Toilet Seat Covers and Paper Towels	\$2,588.00	\$0	\$2,588.00	100%
Printing Paper, Copier Paper and Computer Paper	\$19,507.00	\$0	\$19,507.00	100%
Business Envelopes	\$3,009.00	\$0	\$3,009.00	100%
Plastic Trash Bags	\$2,148.00	\$0	\$2,148.00	100%
Plastic Cover Binders	\$1,351.00	\$0	\$1,351.00	100%
Recycling Containers	\$0	\$0	\$0	0%
Photocopiers	\$0	\$0	\$0	0%
Total 1st Choice Targeted Commodities	\$28,603.00	\$0	\$28,603.00	100.0%

UNAUDITED

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 and Lubricants	0	0	0	0
Toilet Paper, Toilet Seat Covers and Paper Towels	0	0	0	0
Printing Paper, Copier Paper, and 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

UNAUDITED

II. ADDENDA

UNAUDITED

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 and 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 and 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, 2019

Created as the Texas Liquor Control Board by H.B. 77, 44th Legislature, 2nd Called Session (1935), the agency was organized and began functioning on November 16, 1935. The Texas Liquor Control Board remained the agency's name until January 1, 1970, when H.B. 379, 61st Legislature, Regular Session (1969) became effective, changing the name of the agency to the 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 5.07 of the Appropriations Act adopted by the 86th 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, 2019, are listed below:

Name	Designated Headquarters	Term Expires*
Kevin J. Lilly, Presiding Officer	Houston, TX	11-15-2021
Jason E. Boatright	Dallas, TX	11-15-2023
Ida Steen, Member	San Antonio, TX	11-15-2019

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

UNAUDITED

TEXAS ALCOHOLIC BEVERAGE COMMISSION (458)

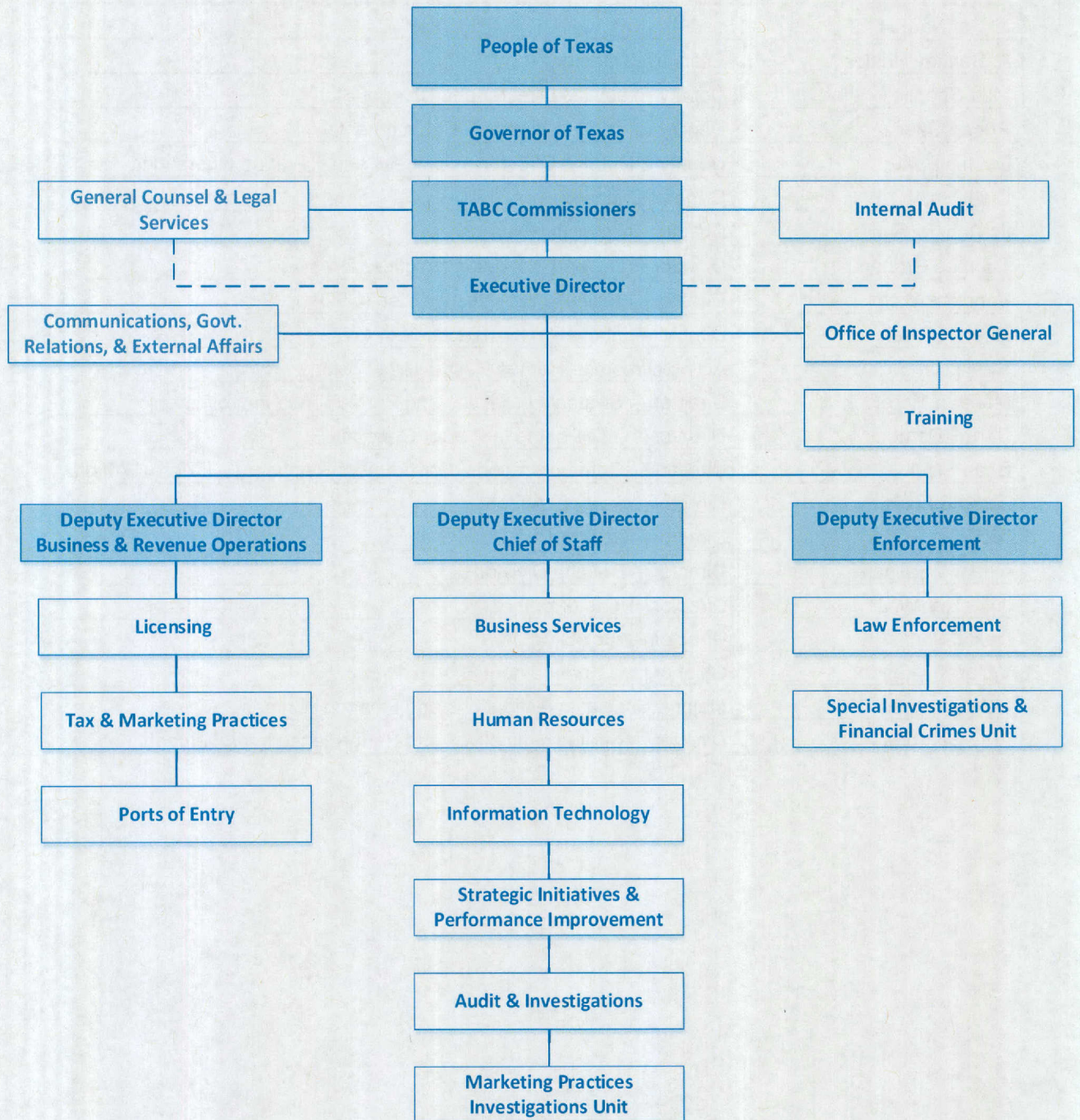
ADDENDUM A CONTINUED

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, 2019, are listed below:

Name	Title
A. Bentley Nettles	Executive Director
Matt Chaplin	Deputy Executive Director and Chief of Staff
Robert Saenz	Deputy Executive Director – Enforcement
Dennis Beal	Deputy Executive Director – Business and Revenue Operations
Clark Smith	General Counsel
Jo Ann Joseph	Director – Licensing Division
Thomas Graham	Director – Tax and Marketing Practices Division
Vanessa Mayo	Director – Business Services Division (CFO)
Rheda Moseley	Director – Innovation and Technology
Sylvia Banda	Acting Director – Human Resources Division
Mariann Morelock	Director – Strategic Initiatives and Performance Improvement
Darrell Dement	Director – Office of the Inspector General
Brian Black	Director – Communications, Government Relations, & External Affairs
Jared Staples	Director – External Affairs
Nick Raymond	Director – Government Relations
Orlando Salinas	Director – Training Division
John Reney, Jr	Director - Ports of Entry
Dexter Jones	Director – Audit Division
Victor Kuykendoll	Chief of Law Enforcement
Ron Swenson	Major – Special Investigations and Financial Crimes
Amy Cardona	Director – Strategic Initiatives and Performance Improvement

TEXAS ALCOHOLIC BEVERAGE COMMISSION (458)

ADDENDUM B
ORGANIZATIONAL CHART
For the Fiscal Year Ended August 31, 2019



UNAUDITED

TEXAS ALCOHOLIC BEVERAGE COMMISSION (458)

ADDENDUM C

SERVICE EFFORTS AND ACCOMPLISHMENTS

For the Fiscal year Ending August 31, 2019

For the Fiscal Years Ending
August 2018 August 2019

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	76.95%	38.90%
---	--------	--------

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	68,752	55,613
Number of OCA/Trafficking Investigations Closed	158	138
Number of Multiagency Joint Operations Targeting OCA/Trafficking in Border Region	406	599

Efficiencies:

Average Cost Per Enforcement Inspection	\$362.74	\$431.06
Average Cost of Multi-Agency Join Operations Targeting Organized Crime & Trafficking Statewide	\$1,831.10	\$1,095.52

UNAUDITED

ADDENDUM C CONTINUED

For the Fiscal Years Ending
August 2018 August 2019

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	51.84	51.13
--	-------	-------

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	76,105	80,835
-----------------------------------	--------	--------

Efficiencies

Average Cost Per License/Permit Processed	\$52.97	\$51.58
---	---------	---------

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	85.71%	83.84%
--	--------	--------

Percent of Inspections Where Licensees Were in Full Compliance	97.85%	99.71%
--	--------	--------

UNAUDITED

ADDENDUM C CONTINUED

For the Fiscal Years Ending
August 2018 August 2019

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	1,575	2,085
Number of Inspections Conducted by Auditors	25,110	6,205

Efficiencies

Average Cost of Audits Conducted	\$387.32	\$552.48
----------------------------------	----------	----------

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	1,855,258	1,872,208
Number of Cigarette Packages Stamped	407,379	409,504

TEXAS ALCOHOLIC BEVERAGE COMMISSION (458)

ADDENDUM C.1

SERVICE EFFORTS AND ACCOMPLISHMENTS – BUSINESS AND REVENUE OPERATIONS

For the Fiscal Year Ended August 31, 2019

The Deputy Executive Director for Business and Revenue Operations oversees the agency's revenue generating divisions; Licensing, Tax and Marketing Practices, and Ports of Entry. 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 2019, the Licensing Division processed a total of 97,909 original, renewal, and supplemental applications and also issued a total of 80,835 licenses and permits. The state revenue from agency licensing fees and surcharges was approximately \$69,707,952.

The number of alcoholic beverage permits and licenses issued in FY 2019 in each license class were:

Licenses and Permits Issued – FY 2019

Class	Class Description	Number Issued
A	Agent's Permit	6,525
AB	Airline Beverage Permit	11
AW	Manufacturer's Agent's Warehousing Permit	5
B	Brewer's Permit	83
BA	Manufacturer's License	43
BB	General Distributor's License	42
BC	Branch Distributor's License	17
BE	Beer Retailer's On Premise License	403
BF	Beer Retailer's Off Premise License	3,140
BG	Wine and Beer Retailer's On Premise Permit	5,801
BH	Temporary Beer License or Wine and Beer License (4 Day)	2,313
BI	Importer's License	46
BJ	Importer's Carrier's License	8
BK	Agent's Beer License	6,621
BL	Retailer's On Premise Late Hours	790
BP	Brewpub License	180
BQ	Wine and Beer Retailer's Off Premise Permit	9,960

UNAUDITED

ADDENDUM C.1 CONTINUED

Licenses and Permits Issued – FY 2019 (Continued)

Class	Class Description	Number Issued
BS	Non Resident Manufacturer's License	212
C	Carrier's Permit	328
CA	Temporary License - Charitable Auction Permit (5 Day)	393
CB	Caterer's Permit	1,284
D	Distiller's and Rectifier's Permit	90
DA	Self Distributor Permit	57
DB	Self Distributor License	23
DK	Distiller's Agent's Permit	70
DS	Direct Shipper's Permit	986
E	Local Cartage Permit	1,153
ET	Local Cartage Transfer Permit	2
FB	Food and Beverage Certificate	7,065
FC	Forwarding Center Certificate	29
G	Winery Permit	348
GF	Winery Festival Permit	245
GS	Winery Storage Permit	0
HP	Temporary License - Special Wine and Beer Permit (4 Day)	12
I	Industrial Permit	107
J	Bonded Warehouse Permit	10
K	Public Storage Permit	16
L	Private Storage Permit	28
LB	Mixed Beverage Late Hours Permit	5,410
LI	Local Industrial Alcohol Manufacturer's Permit	2
LP	Local Distributor's Permit	438
LX	Local Class B Wholesaler's Permit	0
MB	Mixed Beverage Permit	7,815
MI	Minibar Permit	58
N	Private Club Registration Permit	405
NB	Private Club Beer and Wine Permit	28
NE	Private Club Exemption Certificate Permit	179
NL	Private Club Late Hours Permit	165
O	Private Carrier's Permit	634
P	Package Store Permit	1,485
PB	Passenger Bus Beverage Permit	3

ADDENDUM C.1 CONTINUED

Licenses and Permits Issued – FY 2019 (Continued)

Class	Class Description	Number Issued
PE	Beverage Cartage Permit	5,176
PR	Promotional Permit	41
PS	Package Store Tasting Permit	1,212
PT	Passenger Train Beverage Permit	2
Q	Wine Only Package Store Permit	1,557
RM	Mixed Beverage Restaurant Permit with FB	1,990
S	Non Resident Seller's Permit	1,725
SB	Temporary License - Special 3 Day Wine and Beer Permit	1,856
T	Manufacturer's Agent's Permit	588
TB	Daily Temporary Mixed Beverage Permit	1,150
TN	Daily Temporary Private Club Permit	62
U	Non Resident Brewer's Permit	239
V	Wine and Beer Retail Permit - Excursion Boat	3
W	Wholesaler's Permit	121
WP	Waterpark Permit	1
X	General Class B Wholesaler's Permit	43
Z	Wine Bottler's Permit	1
Total - All Licenses and Permits Issued		80,835

In addition to the licenses and permits enumerated above, Licensing personnel also issued 9,751 caterer's and wine festival certificates for temporary events.

The licenses and permits active on August 31, 2019, in each license class were:

Active Licenses and Permits – August 31, 2019

Class	Description	Total Active
A	Agent's Permit	13,408
AB	Airline Beverage Permit	26
AW	Agent's Manufacturing Warehousing Permit	11
B	Brewer's Permit	127
BA	Manufacturer's License	71
BB	General Distributor's License	87
BC	Branch Distributor's License	64
BE	Beer Retailer's On Premises License	769
BF	Beer Retailer's Off Premises License	5,881

UNAUDITED

ADDENDUM C.1 CONTINUED

Licenses and Permits Active - August 31, 2019 (Continued)

Class	Description	Total Active
BG	Wine and Beer Retailer's Permit	10,535
BI	Importer's License	139
BJ	Importer's Carrier's License	16
BK	Agent's Beer License	13,816
BL	Retail Dealer's On Premises Late Hours Permit	1,451
BP	Brewpub License	279
BQ	Wine and Beer Retailer's Off Premises Permit	19,451
BS	Nonresident Manufacturer's License	8
C	Carrier's Permit	401
CB	Caterer's Permit	545
D	Distiller's and Rectifier's Permit	1,933
DA	Brewer's Self-Distribution Permit	154
DB	Manufacturer's Self-Distribution License	83
DK	Distiller's Agent's Permit	37
DS	Direct Shipper's Permit	190
E	Local Cartage Permit	1,665
ET	Local Cartage Transfer Permit	1,762
FB	Food and Beverage Certificate	2
FC	Forwarding Center Authority	11,539
G	Winery Permit	42
GF	Winery Festival Permit	552
GS	Winery Storage Permit	383
I	Industrial Permit	169
J	Bonded Warehouse Permit	14
K	Public Storage Permit	26
L	Private Storage Permit	52
LB	Mixed Beverage Late Hours	8,453
LI	Local Industrial Alcohol Manufacturer's Permit	5
LP	Local Distributor's Permit	758
LX	Local Class B Wholesaler's Permit	1
MB	Mixed Beverage Permit	12,472
MI	Minibar Permit	80
N	Private Club Registration Permit	752
NB	Private Club Beer and Wine Permit	47

ADDENDUM C.1 CONTINUED

Licenses and Permits Active – August 31, 2019 (Continued)

Class	Description	Total Active
NE	Private Club Exception Certificate Permit	316
NL	Private Club Late Hours Permit	294
O	Private Carrier's Permit	1,029
P	Package Store Permit	2,694
PB	Passenger Bus Beverage Permit	3
PE	Beverage Cartage Permit	8,279
PR	Promotional Permit	88
PS	Package Store Tasting Permit	2,225
PT	Passenger Train Beverage Permit	3
Q	Wine Only Package Store Permit	2,992
RM	Mixed Beverage Permit with FB	3,027
S	Nonresident Seller's Permit	3,109
T	Manufacturer's Agent's Permit	1,412
U	Nonresident Brewer's Permit	451
V	Wine and Beer Retailer's Permit - Excursion Boat	7
W	Wholesaler's Permit	225
WP	Water Park Permit	4
X	General Class B Wholesaler's Permit	77
Z	Wine Bottler's Permit	1
Grand Total of Active Licenses and Permits – August 31, 2019		134,492

TAX AND MARKETING PRACTICES DIVISION

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

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 2019, assigned personnel processed \$236,272,560 in gross excise tax revenues and reviewed 61,105 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 \$41,163.63 in tax underpayments and late fees.

ADDENDUM C.1 CONTINUED

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	\$99,306,160
Excise Tax - Wine	16,871,327
Excise Tax - Malt Liquor	15,097,196
Excise Tax - Beer	104,997,877
Subtotal	\$236,272,560
Excise Tax - Collections from Report Verifications	41,163.63
Private Club Temporary Membership Fees	64,950
Total Collections – All Taxes and Fees	\$236,378,674

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 2019, as part of those duties, the Marketing Practices Supervisor reviewed 526 advertising proposals submitted by various members of the alcoholic beverage industry and approved 397.

Label Approvals and Chemical Analyses

This unit processes and approves applications for product label approval and conducts product chemical testing as required for evidentiary purposes. During FY 2019, agency personnel reviewed and took action on product label applications as follows:

Labels Approved for Malt Beverages	4,962
Labels Approved for Distilled Spirits	3,358
Labels Approved for Wine	14,187
Total - All Approved Labels	22,507
Labels Disapproved or Withdrawn	715

UNAUDITED

ADDENDUM C.1 CONTINUED

The unit's chemist also conducted various analyses on beverage samples submitted for testing during FY 2019. A summary of analyses conducted and determinations made is as follows:

Distilled Spirits	0
Malt Liquor	1,034
Beer	337
Miscellaneous	127
Total	1,498

PORTS OF ENTRY DIVISION (POE)

Personnel of the POE monitor compliance with the personal importation laws of the State of Texas along the Texas-Mexico border and at cruise ship terminals in Galveston. Regulatory compliance officers verify that people 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 state laws governing the personal importation of cigarettes and the collection of any taxes due.

During Fiscal Year 2019, POE regulatory compliance officers stamped and collected taxes and fees due on 2,281,712 alcoholic beverage and cigarette containers. In the course of these duties, regulatory compliance officers also disallowed and observed the destruction of 23,853 alcoholic beverage and cigarette containers that were determined to have been imported in violation of state law.

The containers were disallowed due to: attempted importation by people under 21 years of age; attempted importations by intoxicated people; importations in excess of legal limits; refusal to pay the taxes and fees owed on the products imported; and products illegally packaged or otherwise illicit.

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

Employees collect an administrative fee of \$3.00 per container on personally imported alcoholic beverages in addition to any excise taxes due. The administrative fees totaled \$5,616,624 for fiscal year 2019, and gross revenue for the fiscal year from all fees and taxes collected for personally imported items totaled \$7,434,921.

The total fees and taxes collected by each POE district are detailed below.

Brownsville	\$ 580,647
Eagle Pass	849,500
El Paso	760,844
Galveston	632,399
Hidalgo	703,218
Laredo	2,778,104
Progreso	1,130,209
Total	\$7,434,921

TEXAS ALCOHOLIC BEVERAGE COMMISSION (458)

ADDENDUM C.2

SERVICE EFFORTS AND ACCOMPLISHMENTS – ENFORCEMENT

For the Fiscal Year Ended August 31, 2019

The Deputy Executive Director for Enforcement oversees the operation of the agency's Enforcement Division which includes the agency's Special Investigations and Financial Crimes Unit and Criminal Intelligence Unit.

ENFORCEMENT DIVISION

The Enforcement Division is the agency's largest and most visible operating component. Staffing consists of a Chief of Law Enforcement, 6 majors, and 216 additional commissioned peace officers (CPO) which includes 38 peace officers assigned to the Special Investigations and Financial Crimes Unit (SIU/FCU). The division's primary mission is to detect and deter administrative and criminal violations occurring on TABC 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 Enforcement 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, and several sergeants assist the major in the day-to-day management of regional operations.

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

Listed below are the agency's 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 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 in Arlington. Personnel are also stationed in Denton, 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, Wilbarger, Wise, Wood, and Young.

ADDENDUM C.2 CONTINUED**Region 3 - Houston**

The regional office is 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 in Austin. Personnel are also stationed in Belton, Bryan, 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 in San Antonio. Personnel are also stationed in Corpus Christi, Del Rio, 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 2019

During FY 2019, enforcement agents conducted 55,613 inspections in order to verify compliance with the state's alcoholic beverage laws. Of these, 15,840 were either underage compliance operations or some other form of undercover operation. Almost two-thirds of the operations, or 36,693, targeted priority locations, which are retailers that were either within their first two years of operation, or at the time of the inspection were the subject of an investigation involving allegations of public safety offenses, or had a history of past public safety offenses. In addition to inspections, agency enforcement personnel also completed 6,197 complaint investigations involving 9,703 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 2019**

Enforcement agents issued 301 warnings, initiated 17 protests of original or renewal license applications, and filed 2,052 cases for administrative violations of the Alcoholic Beverage Code in FY 2019. Of the cases filed, 1,831 have been docketed to date (October 23, 2019). Of the docketed cases, 42 cases are yet to be resolved, 657 have been "restrained" as per the requirements of Section 106.14 of the Texas Alcoholic Beverage Code, and 68 have been combined and settled together with another case. The remaining 1,012 have resulted in a suspension of licensing privileges or payment of a civil penalty in lieu of suspension, 18 resulted in cancellation, and 34 were dismissed.

Civil penalty payments received to date pursuant to administrative cases filed by Enforcement agents in FY 2019 totaled \$1,475,700.

ADDENDUM C.2 CONTINUED

Docketed Enforcement Administrative Cases Originating in FY 2019	
Pending (No Disposition)	42
Restrained (Section 106.14)	657
Suspension or Civil Penalty Payment	1,012
Cancellation	18
Dismissed	34
Combined and Settled with Another Case	68
Total Docketed Cases	1,831

Criminal Enforcement Actions Initiated By Enforcement Agents in FY 2019

Enforcement agents issued 183 criminal warnings in FY 2019 and filed 1,632 criminal cases.

FY 2019 Still Seizures

Enforcement agents seized one still in FY 2019. The still was seized on April 24 in Hood County, and had a cooker capacity of five gallons. In addition to the still, 55 gallons of mash were seized and destroyed at the site, and approximately 2.5 gallons of moonshine whiskey was confiscated and later destroyed.

SPECIAL INVESTIGATIONS AND FINANCIAL CRIMES UNIT

Thirty-eight peace officers and one 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 2019, SIU/FCU investigators completed and closed 138 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 1776 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 2019**

In FY 2019, SIU/FCU law enforcement personnel issued two warnings, initiated 10 protests of pending license applications, and filed 111 administrative cases for violations of the alcoholic beverage code observed and documented during their investigations and joints operations. To date (October 23, 2019), one protest has been settled and resulted in the denial of the license or permit sought by the applicant, and 59 administrative cases have been combined into 10 cases that produced 8 license/permit cancellations and 2 suspensions or payments of civil penalties.

The others administrative cases and protests initiated by SIU/FCU personnel in FY 2019 remain open pending final disposition.

**Criminal Enforcement Actions
Initiated by SIU/FCU in FY 2019**

SIU/FCU investigators filed 19 criminal cases in FY 2019, most involving felony offenses such as money laundering, human trafficking, or the sell or possession of narcotics or other dangerous drugs.

UNAUDITED

TEXAS ALCOHOLIC BEVERAGE COMMISSION (458)

ADDENDUM C.3

SERVICE EFFORTS AND ACCOMPLISHMENTS – CHIEF OF STAFF

For the Fiscal Year Ended August 31, 2019

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

AUDIT AND 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 and Investigations Division

Audit operations are managed by the Director of the Audit and 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 2019, there were 49 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 five 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 and Investigations.

The agency's Audit and 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, Wilbarger, 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 2019, auditors conducted 6,205 inspections of licensed or proposed licensed locations, concluded 2,833 complaint investigations, and performed 2,085 audits. In the course of their audit activities, Auditors audited and verified \$15,423,909.00 of tax revenue and fees and collected \$330,604 in delinquent taxes and fees. \$176,739.39 of the FY 2019 collections were the result of collection activities targeting delinquencies from prior fiscal years and \$153,865 were from FY 2019 audits. Auditors also provided information or instruction related to the Alcoholic Beverage Code to 52,450 persons.

Auditor Administrative Enforcement Actions

During the course of their duties in FY 2019, auditors issued 1,572 administrative warnings and filed 468 administrative cases for various violations of the Alcoholic Beverage Code and Rules. 347 of the administrative cases filed have been docketed to date (October 23, 2019). Of the docketed cases, 18 remain open pending final disposition and 95 have been combined and settled together with another case. As for the remainder, 228 have resulted in suspension of licensing privileges or payment of civil penalties in lieu of suspension, 4 have resulted in cancellation, and 2 were dismissed. Civil penalty payments received to date as a consequence of the administrative cases filed by auditors in FY 2019 total to \$250,800.00.

ADDENDUM C.3 CONTINUED

Docketed Auditing Administrative Cases Originating in FY 2019	
Pending (No Disposition)	18
Suspension or Civil Penalty Payment	228
Cancellation	4
Dismissed	2
Combined and Settled with Another Case	95
Total Docketed Cases	347

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, grants management, 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 25, including three managers.

In FY 2019, Business Services personnel processed almost \$315 million in revenue and expenditures totaling more than \$50 million.

INNOVATION AND TECHNOLOGY DIVISION

The Innovation and 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 29 budgeted positions, including its Director and Assistant Director.

In FY 2019, ITD personnel completed the following major projects:

Reorganization of ITD to better serve the current and future needs of TABC;

Standardization of all Xerox workstations and all-in-one printers;

Standardization of technology displays in all conference rooms;

Standardization of smart phone technology throughout agency based on employee role;

Modernization of existing infrastructure at State of Texas Data Center Services;

Implemented multiple enterprise technologies for contracting, project portfolio management, open records management, employee performance, emergency messaging to employees, and CAPPs HR / Payroll;

Completed phases 1 and 2 of the Compliance Reporting application for industry partners; and

Completed phases 1 and 2 of the contracting and procurement requirements for the FY20-21TABC Transformation Initiative for Technology capital projects.

ADDENDUM C.3 CONTINUED

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 eight, including its director.

During FY 2019, HRD oversaw the hiring of 55 new agency employees, facilitated the departure (voluntary or otherwise) of 77 employees, and processed 9 Workers' Compensation Claims. Its personnel also participated in the development and delivery of employee training programs involving specific HR topics. Together with BSD, HRD implemented the HR/Payroll module of the Centralized Accounting Payroll and Personnel System (CAPPS) to manage time and labor activities, payroll and personnel changes.

STRATEGIC INITIATIVES AND PERFORMANCE IMPROVEMENT DIVISION

Strategic Initiatives and Performance Division 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 2019, the division managed TABC's Sunset review process through the legislative session, began Sunset implementation planning, implemented a new policy and procedure review process, and managed development of a leadership development curriculum and delivery to all TABC supervisors.

TEXAS ALCOHOLIC BEVERAGE COMMISSION (458)

ADDENDUM C.4

SERVICE EFFORTS AND ACCOMPLISHMENTS – GENERAL COUNSEL AND LEGAL SERVICES

For the Fiscal Year Ended August 31, 2019

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, manages external litigation, 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 two legal assistants.

LEGAL SERVICES DIVISION

The Legal Services Division is responsible for negotiation, preparation, mediation, and prosecution of contested administrative cases that are not settled by Field Enforcement, Auditing, and Licensing Supervisors. The Division also reviews all protests and responds to questions regarding the Alcoholic Beverage Code and Rules posed by 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 2019 is found on the following page.

ADDENDUM C.4 CONTINUED

CONTESTED CASES AND PROTESTS REFERRED TO LEGAL SERVICES IN FY 2019

Month	Number of Cases/Protests Docketed	Number of Violations Charged	Number of Hearings	Civil Penalties Collected	Suspension Days Assessed
September 2018	9	12	1	\$0	12
October 2018	29	38	3	\$17,700	96
November 2018	19	32	4	\$46,900	10
December 2018	6	7	0	\$72,900	35
January 2019	16	18	4	\$31,500	10
February 2019	7	9	2	\$21,600	10
March 2019	20	31	0	\$14,400	30
April 2019	12	12	0	\$26,100	5
May 2019	6	6	3	\$0	192
June 2019	7	7	3	\$23,000	118
July 2019	5	11	0	\$29,700	82
August 2019	9	14	8	\$23,700	50
Total	145	197	28	\$307,500	650

UNAUDITED

TEXAS ALCOHOLIC BEVERAGE COMMISSION (458)

ADDENDUM C.5

SERVICE EFFORTS AND ACCOMPLISHMENTS – OTHER AGENCY OPERATING UNITS

For the Fiscal Year Ended August 31, 2019

Two specialized units within the Executive Division, the Office of the Inspector General and the Communications, Government Relations, and External Affairs 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.

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 and Review (O&R). § 5.58 of the Texas Alcoholic Beverage Code specifies the powers and duties of IA.

Throughout FY 2019 IA received a total of 40 complaints against agency personnel. As of August 31, 2019, 29 of these had been closed and 11 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.

Training Division

The Texas Alcoholic Beverage Commission Training Division identifies innovative initiatives to address and sustain all-inclusive education, training, research, leadership development, Alcoholic Beverage Code, human trafficking and other law enforcement, auditing, licensing training in our agency. The challenges we face in a rapidly evolving and asymmetric threat environment and the increasing population in our state, demands our leaders be adept in art and science of leadership practices in a 21st century interagency environment. The Training Division conducts a new agent Academy and all training provided to Commission Peace Officers complies with the Texas Commission on Law Enforcement training standards.

The Training Division is also responsible for the TABC's Seller/Server Certification Program, which oversees the activities of 73 private seller/server training schools that provide TABC approved instruction to retail clerks and servers. In FY 2019, unit personnel reviewed and approved 11 new seller training programs, licensed or relicensed 21 training entities, and oversaw the delivery of instruction to 445,709 Texas retail clerks and servers. FY 2019 revenues from the agency's seller training program totaled to \$915,430.

ADDENDUM C.5 CONTINUED

FY 19 Training Highlights:

1. TABC Agent Trainee Academy
 - a. Graduated 18 new agents
2. Conducted in service training for Auditing, Licensing Ports of Entry and Law Enforcement.
 - a. TABC Leadership Essentials Training for new and aspiring Supervisors
 - b. 3737 First Line Supervisor Course
 - c. Basic Instructor Course
 - d. LMS Training
 - e. Recommended TABC Reading List
3. Provided training on Opioid overdose and issued Narcan to all TABC CPO's to counter Opioid Overdose
4. Executed the 2019 TX DOT Grant and successfully applied for the 2020 TX DOT grant.
 - a. Underage Drinking
 - b. TRACE Enhancement
 - c. Education Expositions
5. Executed the Senior Leader Offsite Training.
 - a. Identified the Executive Directors FY2020 top priorities
6. Created the Consumer Delivery Draft curriculum.
7. Collaborated with TEEX on the following new Curriculum:
 - a. Financial Crimes
 - b. Human Trafficking
 - c. Undercover Training

The Training Division is managed by a director who reports to the agency's Inspector General.

COMMUNICATIONS, GOVERNMENTAL RELATIONS, AND EXTERNAL AFFAIRS DIVISION

The Communications and External Relations Division is TABC's centralized division responsible for directing media, government, stakeholder, and community relations. The team produces videos, social media posts, industry alerts, legislative reports, agency-related publications and graphics, and performs media interviews.

The office is responsible for developing communications strategies to inform all Texans how TABC and its dedicated staff are committed to helping businesses and protecting communities.

The division includes ten 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.

The division is also charged with a coordinated approach to engage all its external stakeholders. The team collaborates with all divisions of 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 agency at external events.

ADDENDUM C.5 CONTINUED

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.

The division includes a Public Information Officer 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.

Communications

Produced and launched "Be the One" Human Trafficking awareness video featuring Texas First Lady Cecilia Abbott. The video was part of larger statewide campaign urging residents to recognize warning signs of trafficking within TABC-licensed businesses and report them to the agency. Since the video was launched, it has been viewed more than 1,400 times.

Developed and launched statewide campaign promoting TABC's new TRACE (Target Responsibility for Alcohol-Connected Emergencies). Worked with the Enforcement division and agency leadership to arrange TRACE press conference in December 2018 along with statewide media coverage.

Social media: TABC's Facebook followers increased by more than 1,400 during FY2019, while overall Twitter impressions, the number of users who viewed TABC content, increased from an average of 20,600 per month in FY2018 to 64,100 per month in 2019. This is due to an increased posting schedule and more engaging content directed at multiple audiences.

Government Relations

Developed and nurtured strong relationships with multiple state officials, authorities, and stakeholders. Reestablished trust amongst the executive and legislative branches and effectively communicated the agencies priorities while rebranding the agency.

Provided guidance and direction for 95 Bills directly impacting the Alcoholic Beverage Code.

Notable legislation

- HB 1545- Sunset Review
- HB 1- Appropriations
- HCR 168- Control Label Study
- SB 72- Human Trafficking Council
- Successfully in preserving the agency's PEO department

Received major investment from the Legislature

- \$15,859,154 + 37 FTEs in exceptional item funding for FY2020-2021
- \$9.9M + 7 FTEs for technology projects (TABC Transformation Initiative)
 - Program Management Oversight
 - Alcohol Industry Management System (AIMS)
 - Enterprise Data Solution
 - Excise Tax
 - Mobile Self-Inspection
 - POETCS
 - Public Website Redesign

ADDENDUM C.5 CONTINUED

- \$5.6M + 29 FTEs to Enforcement for human trafficking
- \$300,270 to support Employee Retention Plan for Licensing and Audit personnel
- \$150,482 + 1 FTE for CAPPs

External Affairs

Stakeholder Meetings: scheduled and held over 203 meetings with stakeholders, which included all three tiers of the alcoholic beverage industry, government partners, and various other stakeholder groups.

Stakeholder Inquiries: received and answered over 357 inquiries from stakeholders, which included all three tiers of the alcoholic beverage industry, government partners, and various other stakeholder groups.

TABC Events: conducted more than 6 events across the state in order to better engage with all tiers of the alcoholic beverage industry and ensure TABC understands and addresses issues impacting regulated businesses.

- Roundtables: 4 roundtables in 3 different cities, attended by 157 representatives from the alcohol industry and 19 representatives from the Texas Legislature.
- Executive Summits: 2 roundtables in 2 different cities, attended by 61 representatives from the alcohol industry and 18 other stakeholders from elected officials to academic representatives.

Industry Notices: published 32 industry notices (via email) regarding stakeholder meetings on agency rules, agency advisories and guidance documents, office closures, commission meetings, new laws and rules taking effect, new agency processes and programs, etc.

UNAUDITED

TEXAS ALCOHOLIC BEVERAGE COMMISSION (458)

ADDENDUM D

WET-DRY STATUS OF TEXAS COUNTIES

For the Fiscal Year Ended August 31, 2019

+The sale of mixed beverages is legal in all or part of county as is the sale of distilled spirits for off-premises consumption. (194)

+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: 149 counties are wet in part for the sale of distilled spirits for off-premises consumption.

COUNTIES IN WHICH DISTILLED SPIRITS ARE LEGAL: 233

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

ADDENDUM D (Continued)

COUNTIES IN WHICH ONLY 4% BEER IS LEGAL: 3

Some counties are only partially wet.

Baylor Irion Mason

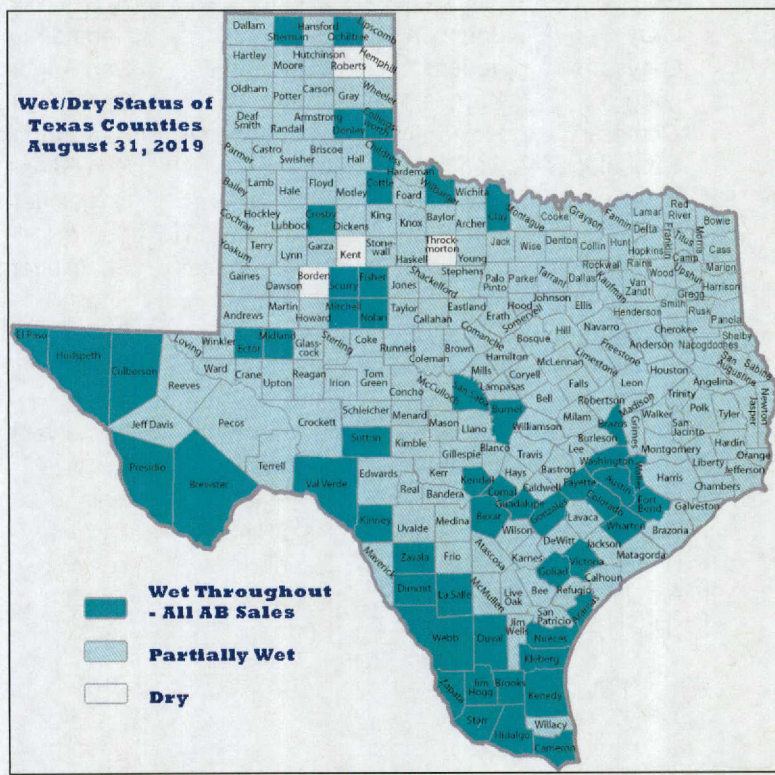
COUNTIES IN WHICH 14% - 17% OR LESS ALCOHOLIC BEVERAGES ARE LEGAL: 13

Some counties are only partially wet.

Coke Limestone McMullen Terry
 Concho Lipscomb Somervell
 Gaines Loving Stephens
 Delta Martin Sterling

COUNTIES ENTIRELY DRY: 5

Borden Kent Throckmorton
 Hemphill Roberts



TEXAS ALCOHOLIC BEVERAGE COMMISSION (458)**ADDENDUM E****LOCAL OPTION ELECTIONS****For the Fiscal Year Ended August 31, 2019**

Forty-one (41) local option elections were held for thirty-nine (39) jurisdictions in FY 2019. Forty (40) of the election issues passed. One (1) failed to win voter approval. Of the jurisdictions holding elections, seventeen (17) 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 one (1) retained their previous wet/dry status. Issues for which elections were held included "the legal sale of beer and wine" (2 ea.), "the legal sale of beer and wine for off-premises consumption only" (8 ea.), "the legal sale of wine on the premises of a holder of a winery permit" (1 ea.), "the legal sale of all alcoholic beverages for off-premises consumption only" (7 ea.), "the legal sale of all alcoholic beverages except mixed beverages" (1 ea.), "the legal sale of all alcoholic beverages including mixed beverages" (19 ea.), and "the legal sale of mixed beverages in restaurants by food and beverage certificate holders only" (3 ea.). A summary of each election held and its outcome is provided below.

Elections Held November 6, 2018

An election was held for the City of Lakeside City, Archer County, on November 6, 2018, on the issue of "the legal sale of all alcoholic beverages for off-premises consumption only." The issue PASSED by a vote of 289 FOR to 127 AGAINST. The City of Lakeside, Archer County, was "dry" for 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 Lakeside City, Archer County, on November 6, 2018, on the issue of "the legal sale of all alcoholic beverages except mixed beverages." The issue PASSED by a vote of 207 FOR to 191 AGAINST. The City of Lakeside, Archer County, was "dry" for alcoholic beverage sales before the election and after the election is now "wet" for the sale of all alcoholic beverages except mixed beverages.

An election was held for the City of Lakeside City, Archer County, on November 6, 2018, on the issue of "the legal sale of all alcoholic beverages including mixed beverages." The issue PASSED by a vote of 286 FOR to 147 AGAINST. The City of Lakeside, Archer County, was "dry" for alcoholic beverage sales before the election and after the election is now "wet" for the sale of all alcoholic beverages including mixed beverages.

A countywide election was held for Brown County on November 6, 2018, on the issue of "the legal sale of all alcoholic beverages including mixed beverages." The issue PASSED by a vote of 7,528 FOR and 2,511 AGAINST. Brown County was "wet" in part for the sale of all alcoholic beverages for off-premises consumption and for the sale of mixed beverages in restaurants by food and beverage certificate holders before the election and after the election is now "wet" in large part for the sale of all alcoholic beverages including mixed beverages. The county is NOT fully "wet" throughout for the former sales because several cities and JP precincts within the county had previously established their own wet/dry status, and by statute, the results of local options elections held for incorporated cities and JP precincts cannot be superseded by a countywide election.

An election was held for the City of Princeton, Collin County, on November 6, 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 2,406 FOR and 418 AGAINST. The City of Princeton, Collin County, was "wet" for the sale of beer and wine for off-premises consumption before the election 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 City of Leonard, Fannin County, on November 6, 2018, on the issue of "the legal sale of beer and wine for off-premises consumption only." The issue PASSED by a vote of 264 FOR and 227 AGAINST. The Leonard, Fannin 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.

Addendum E (Continued)

A countywide election was held for Glasscock County on November 6, 2018, on the issue of "the legal sale of all alcoholic beverages for off-premises consumption only." The issue PASSED by a vote of 361 FOR and 142 AGAINST. Glasscock 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 for off-premises consumption."

An election was held for City of Whitesboro, Grayson County, on November 6, 2018 on the issue of "the legal sale of all alcoholic beverages including mixed beverages." The issue PASSED by a vote of 891 FOR and 403 AGAINST. The City of Whitesboro, 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 including mixed beverages.

An election was held for Justice of the Peace Precinct 3, Grimes County, on November 6, 2018, on issue of "the legal sale of all alcoholic beverages including mixed beverages." The issue PASSED by a vote of 1,782 FOR and 541 AGAINST. Justice of the Peace Precinct 3, Grimes County, was "wet" only in part for the sale 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 Scottsville, Harrison County, on November 6, 2018, on the issue of "the legal sale beer and wine for off-premises consumption only." The issue PASSED by a vote of 62 FOR and 15 AGAINST. The City of Scottsville, Harrison 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 Justice of the Peace Precinct 2, Hood County, on November 6, 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 5,176 FOR and 1,073 AGAINST. Justice of the Peace Precinct 2, Hood County, was "wet" in part for the sale of beer and wine for off-premises consumption before the election and after the election remains "wet" in part for such sales but is now also "wet" throughout for the sale of mixed beverages in restaurants by food and beverage certificate holders.

An election was held for Justice of the Peace Precinct 4, Jasper County, on November 6, 2018, on the issue of "the legal sale of beer and wine for off-premises consumption only. The issue PASSED by a vote of 1535 FOR and 816 AGAINST. Justice of the Peace Precinct 4, Jasper 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 Kirbyville, Jasper County, on November 6, 2018, on the issue of "the legal sale of beer and wine for off-premises consumption only. The issue PASSED by a vote of 255 FOR and 184 AGAINST. The City of Kirbyville, Jasper 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 Justice of the Peace Precinct 2/3, Lampasas County, on December 6, 2018, on the issue of "the legal sale of wine on the premises of a holder of winery permit." The issue PASSED by a vote of 538 FOR and 72 AGAINST. Justice of the Peace Precinct 2/3 was "dry" for all alcoholic beverage sales before the election and after the election is now "wet" for sale of wine on the premises of a holder of winery permit."

An election was held for the City of Stanton, Martin County, on November 6, 2018, on the issue of "the legal sale of beer and wine for off-premises consumption only." The issue PASSED by a vote of 395 FOR and 196 AGAINST. The City of Stanton, Martin County, was "dry" for all alcohol sales before the election and is now "wet" for the sale of beer and wine for off-premises consumption.

Addendum E (Continued)

An election was held for Justice of the Peace Precinct 1, Matagorda County, on November 6, 2018, on the issue of "the legal sale of all alcoholic beverages including mixed beverages." The issue PASSED by a vote of 2065 FOR and 703 AGAINST. Justice of the Peace Precinct 1, 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 Garrison, Nacogdoches County, on November 6, 2018, on the issue of "the legal sale of all alcoholic beverages including mixed beverages." The issue PASSED by a vote of 94 FOR and 76 AGAINST. The City of Garrison, Nacogdoches 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 Mineral Wells, Palo Pinto and Parker Counties, on November 6, 2018, on the issue of "the legal sale of all alcoholic beverages including mixed beverages." The issue PASSED by a vote of 2,584 FOR and 756 AGAINST. The City of Mineral Wells, Palo Pinto and Parker Counties, was "wet" for the sale of beer and for the sale of all alcoholic beverages for off-premises consumption before the election and after the election is now "wet" for all alcoholic beverage sales including the sale of mixed beverages.

An election was held for the City of Miles, Runnels County, on November 6, 2018, on the issue of "the legal sale of all alcoholic beverages including mixed beverages." The issue PASSED by a vote of 203 FOR and 70 AGAINST. The City of Miles, Runnels County, was "wet" only for the sale of beer 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 Taft, San Patricio County, on November 6, 2018, on the issue of "the legal sale of all alcoholic beverages including mixed beverages." The issue PASSED by a vote of 476 FOR and 234 AGAINST. The City of Taft, San Patricio County, was "wet" 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 Breckenridge, Stephens County, on November 6, 2018 on the issue of "the legal sale of beer and wine." The issue PASSED by a vote of 982 FOR and 266 AGAINST. The City of Breckenridge, Stephens County was "wet" only for the sale of beer before the election and after the election is now "wet" for the sale of beer and wine."

An election was held for City of Aspermont, Stonewall County, on November 6, 2018, on the issue of "the legal sale of all alcoholic beverages including mixed beverages." The issue PASSED by a vote of 143 FOR and 129 AGAINST. The City of Aspermont, Stonewall 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 Round Rock, Travis and Williamson Counties, on November 6, 2018, on the issue of "the legal sale of all alcoholic beverages including mixed beverages." The issue PASSED by a vote of 28,531 FOR and 6,341 AGAINST. The City of Round Rock, Travis and Williamson Counties, was "wet" only in part 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 Riverside, Walker County, on November 6, 2018, on the issue of "the legal sale of all alcoholic beverages including mixed beverages. The issue PASSED by a vote of 106 FOR and 43 AGAINST. The City of Riverside, 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.

Addendum E (Continued)

An election was held for the City of Aurora, Wise County, on November 6, 2018, on the issue of "the legal sale of all alcoholic beverages including mixed beverages." The issue PASSED by a vote of 312 FOR and 160 AGAINST. The City of Aurora, Wise 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 Denver City, Yoakum County, on November 6, 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 205 FOR and 134 AGAINST. The City of Denver City, 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 also "wet" for the sale of mixed beverages in restaurants by food and beverage certificate holders.

Elections Held May 4, 2019

An election was held for the City of Cross Plains, Callahan County, on May 4, 2019, on the issue of "the legal sale of all alcoholic beverages for off-premises consumption only." The issue FAILED by a vote of 39 FOR and 84 AGAINST. The City of Cross Plains, Callahan County, was "wet" only for the sale of beer and wine for off-premises consumption before the election and after the election, remains "wet" only for such sales.

An election was held for the City of Irving, Dallas County, on May 4, 2019, on the issue of "the legal sale of all alcoholic beverages for off-premises consumption only." The issue PASSED by a vote of 3,710 FOR and 3,588 AGAINST. Before the election, the City of Irving, Dallas County, was "wet" only for the sale of beer and wine for off-premises consumption and for the sale of mixed beverages. After the election, the City of Irving, Dallas County, is "wet" for the sale of all alcoholic beverages for off-premises consumption and for the sale of mixed beverages.

An election was held for the City of Cedar Hill, Dallas and Ellis Counties, on May 4, 2019, on the issue of "the legal sale of all alcoholic beverages for off-premises consumption only." The issue PASSED by a vote of 2,024 FOR and 1,912 AGAINST. The City of Cedar Hill, Dallas and Ellis Counties, was "wet" only for the sale of beer and wine for off-premises consumption prior to the election and after the election is now "wet" for the sale of all alcoholic beverages for off-premises. (NOTE: A portion of the Dallas County part of the City also was and remains "wet" for the sale of mixed beverages.)

An election was held for the City of Grand Prairie, Dallas, Ellis, and Tarrant Counties, on May 4, 2019, on the issue of "the legal sale of all alcoholic beverages including mixed beverages." The issue PASSED by a vote of 3,952 FOR and 1,754 AGAINST. The City of Grand Prairie, Dallas, Ellis, and Tarrant Counties, was "wet" for the sale of beer, wine, and mixed beverages before the election and after the election is now "wet" for all alcoholic beverage sales including the sale of mixed beverages.

An election was held for the City of Spur, Dickens County, on May 4, 2019, on the issue of "the legal sale of beer and wine for off-premises consumption only." The issue PASSED by a vote of 131 FOR and 29 AGAINST. The City of Spur, Dickens 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 Hico, Erath and Hamilton Counties, on May 4, 2019, on the issue of "the legal sale of all alcoholic beverages including mixed beverages. The issue PASSED by a vote of 117 FOR and 59 AGAINST. The City of Hico, Erath and Hamilton Counties, was "wet" for the sale of all alcoholic beverages for off premises consumption only and after the election is now "wet" for all alcoholic beverage sales including mixed beverages.

UNAUDITED

Addendum E (Continued)

An election was held for the City of Savoy, Fannin County, on May 4, 2019, on the issue of "the legal sale of beer and wine for off-premises consumption only." The issue PASSED by a vote of 66 FOR and 38 AGAINST. The City of Savoy, Fannin 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 Hale Center, Hale County, on May 4, 2019, on the issue of "the legal sale of all alcoholic beverages including mixed beverages." The issue PASSED by a vote of 211 FOR and 50 AGAINST. The City of Hale Center, Hale 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 Justice of the Peace Precinct 1, Houston County, on May 4, 2018, on the issue of "the legal sale of beer and wine." The issue PASSED by a vote of 988 FOR and 504 AGAINST. Before the election, Justice of the Peace Precinct 1, Houston County was "wet" for the sale of beer and wine for off-premises consumption and for the sale of mixed beverages in restaurants by holders of food and beverage certificates. After the election, Justice of the Peace Precinct 1, Houston County, remains "wet" for the sale of mixed beverages in restaurants by holders of food and beverage certificates and is now also "wet" for the sale of beer and wine for both on and off premises consumption.

An election was held for the City of Earth, Lamb County, on May 4, 2019, on the issue of "the legal sale of all alcoholic beverages for off-premises consumption only." The issue PASSED by a vote of 128 FOR and 37 AGAINST. The City of Earth, Lamb 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 Sudan, Lamb County, on May 4, 2019, on the issue of "the legal sale of beer and wine for off-premises consumption only." The issue PASSED by a vote of 127 FOR and 69 AGAINST. The City of Sudan, Lamb 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 Lampasas, Lampasas County, on May 4, 2019, on the issue of "the legal sale of all alcoholic beverages including mixed beverages." The issue PASSED by a vote of 580 FOR and 206 AGAINST. Before the election, the City of Lampasas, Lampasas County, was "wet" throughout for the sale of beer and wine for off-premises consumption and for the sale of mixed beverages in restaurants by holders of food and beverage certificates. The city was also "wet" in part for the sale of distilled spirits for off-premises consumption. After the election, the City of Lampasas, Lampasas County, is now "wet" throughout for all alcoholic beverage sales including the sale of mixed beverages.

An election was held for the City of Onalaska, Polk County, on May 4, 2019, on the issue of "the legal sale of all alcoholic beverages including mixed beverages." The issue PASSED by a vote of 136 FOR and 32 AGAINST. Before the election, the City of Onalaska, Polk County, was "wet" only for the sale of all alcoholic beverages for off-premises consumption and for the sale of mixed beverages in restaurants by holders of food and beverage certificates. After the election, the City of Onalaska, Polk County, is "wet" for all alcoholic beverage sales including the sale of mixed beverages.

An election was held for the City of Tuscola, Taylor County, on May 4, 2019, on the issue of "the legal sale of all alcoholic beverages including mixed beverages." The Issue PASSED by a vote of 92 FOR and 14 AGAINST. The City of Tuscola, Taylor County, was "dry" for all alcoholic beverage sales before the election and after the election is now "wet" for all alcoholic beverage sales including the sale of mixed beverages.

Addendum E (Continued)

An election was held for the City of Mount Pleasant, Titus County, on May 4, 2019, on the issue of "the legal sale of all alcoholic beverages for off-premises consumption only." The issue PASSED by a vote of 760 FOR and 662 AGAINST. Before the election, the City of Mount Pleasant, Titus County, was "wet" 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 Mount Pleasant, Titus County, remains "wet" for the sale in mixed beverages in restaurants by food and beverage certificate holders and is now also "wet" for the sale of all alcoholic beverages for off-premises consumption.

UNAUDITED

TEXAS ALCOHOLIC BEVERAGE COMMISSION (458)

ADDENDUM F.1

DETAIL STATEMENT OF COLLECTIONS

For the Fiscal Years Ended August 31, 2018 and August 31, 2019

	2018	2019	Increase (Decrease)
LICENSE AND PERMIT FEES			
Alcoholic Beverage Permits	\$76,096,923	\$69,707,952	(\$6,388,971)
TAXES			
Collected on Audits	\$191,740.00	\$247,166.00	\$55,426.00
Direct Liquor Tax	0	0	0
Excise Tax-Distilled Spirits	96,385,719	100,377,801	3,992,082
Excise Tax-Wine	15,334,513	15,418,039	83,526
Excise Tax-Malt Liquor	14,509,894	14,828,637	318,743
Excise Tax-Beer	104,354,490	102,777,145	(1,577,345)
Airline Beverage Tax	0	0	0
TOTAL TAXES	\$230,776,356.00	\$233,648,788.00	\$2,872,432
CONFISCATED LIQUOR SALES	\$39,569	\$672	(\$38,897)
MISCELLANEOUS			
Fines	\$2,320,400.00	\$2,304,200.00	(\$16,200.00)
Admin Fees-Ports	5,487,107	5,601,074	113,967
Admin Fees-Licensing	82,525	20,900	(61,625)
Server Training Fees	849,850	915,430	65,580
Label Approval	640,830	659,899	19,069
Bond Forfeitures	151,709	116,176	(35,533)
Other Miscellaneous Revenue	306,003	220,225	(85,778)
TOTAL MISCELLANEOUS	\$9,838,424	\$9,837,904	(\$520)
Unassigned Revenue*	\$448,418	\$878,509	\$430,091
TOTAL REVENUE	\$317,199,690	\$314,073,825	(\$3,125,865)
Cigarette Tax	608,778	606,873	(1,905)
TOTAL REVENUE COLLECTED	\$317,808,468	\$314,680,698	(\$3,127,770)

UNAUDITED

TEXAS ALCOHOLIC BEVERAGE COMMISSION (458)

ADDENDUM F.2

PER CAPITA CONSUMPTION

For Fiscal Year Ending August 31, 2019

Beverage Type	Total Tax Collections	Total Gallons	Per Capita Consumption
Distilled Spirits	\$99,306,159	41,377,566	1.38
Wine	16,871,327	65,687,559	2.19
Malt Liquor	15,097,196	76,248,465	2.55
Beer	104,997,875	542,490,106	18.11
Total	\$236,272,557	725,803,696	24.23

ADDENDUM F.3

HISTORICAL SUMMARY OF REVENUE COLLECTIONS

For the Fiscal Year Ended August 31, 2019

Fiscal Year	Revenue
1935 -2010	\$10,339,275,009
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
2019	314,680,698
TOTAL REVENUE	\$12,966,027,153

UNAUDITED

TEXAS ALCOHOLIC BEVERAGE COMMISSION (458)

ADDENDUM G
 INVENTORY OF CONFISCATED ALCOHOLIC BEVERAGES
 For Fiscal Year Ending August 31, 2019

Enforcement Region	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
Lubbock	5	2	17	50	34	13	33	12	21	939	78	289
Arlington	4	8	123	74	136	39	14	38	92	2,326	75	559
Houston	0	1	66	525	85	22	4	6	13	1,033	302	246
Austin	60	0	70	43	31	17	2	23	67	584	74	170
San Antonio	12	2	19	57	102	16	3	1	31	798	118	547
Total	81	13	295	749	388	107	56	80	224	5,680	647	1,811

THIS PAGE INTENTIONALLY LEFT BLANK



**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.