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THE SENATE OF TEXAS
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DISTRICT 20

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RURAL AFFAIRS

December 11, 2018

Ms. Jennifer Jones
Acting Director
Sunset Advisory Commission
P.O. Box 13066
Austin, TX 78711

Dear Ms. Jones:

Thank you for the opportunity to submit comments to the Sunset Advisory Commission regarding the staff report on the Texas Alcoholic Beverage Commission (TABC). The report was a very thorough review and I support the recommendation to extend TABC for another 12 years.

However, I oppose **recommendation 6.1** which proposes to repeal the tax on alcohol imported for personal use and eliminate TABC's ports of entry tax collection program. This recommendation would also eliminate TABC's role in collecting cigarette taxes. The program serves a public purpose of intercepting dangerous, illicit alcoholic beverage products; disallowing alcoholic beverages brought in by minors or intoxicated persons; and enforcing alcoholic beverage importation limits imposed by Texas law. Currently, 115 allotted FTEs in TABC's Port of Entry Division are strategically located at the 28 ports of entry on land and two sea ports. One Director and one Analyst are located at TABC Headquarters in Austin.

Recommendation 6.1 would result in an annual loss of approximately \$6.5 million to the state's General Revenue account. Furthermore, if the comptroller chooses not to expend resources to collect the cigarette tax at the border, the state would see a loss of \$194,000 to General Revenue and a loss of \$420,000 to the Property Tax Relief Fund.

I urge the Commission to **oppose recommendation 6.1** and allow TABC's Ports of Entry Program to continue playing a vital role in securing our southern border. Again, thank you for the opportunity to comment on the Sunset Commission staff recommendations.

Sincerely,

Juan "Chuy" Hinojosa
State Senator, District 20

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