

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6626

BILL NUMBER: HB 1040

DATE PREPARED: Dec 1, 2001

BILL AMENDED:

SUBJECT: Alcoholic Beverage Exclusive Territories.

FISCAL ANALYST: John Parkey

PHONE NUMBER: 232-9854

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill makes it a Class B misdemeanor for a person who is a producer, an importer, or a wholesaler of alcoholic beverages to do any of the following:

- (1) Require an alcoholic beverages permittee to purchase all or specific types of alcoholic beverages only from the person.
- (2) Establish a quota of alcoholic beverages to be taken or sold by the permittee to induce the permittee to purchase only from the person.
- (3) Restrict the geographic area in which the person's alcoholic beverages may be sold, or sell only to certain permittees within a geographic area.

Effective Date: July 1, 2002.

Explanation of State Expenditures:

Explanation of State Revenues: *Court Fee Revenue:* If additional court cases occur and fines are collected, revenue to both the Common School Fund and the state General Fund would increase. The maximum fine for a Class B misdemeanor is \$1,000. Criminal fines are deposited in the Common School Fund. If the case is filed in a circuit, superior, or county court, 70% of the \$120 court fee that is assessed and collected when a guilty verdict is entered would be deposited in the state General Fund. If the case is filed in a city or town court, 55% of the fee would be deposited in the state General Fund.

Explanation of Local Expenditures: *Court Fee Revenue:* A Class B misdemeanor is punishable by up to 180 days in jail. The average daily cost to incarcerate a prisoner in a county jail is approximately \$44.

Explanation of Local Revenues: *Court Fee Revenue:* If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from the following sources: (1) The county general fund

would receive 27% of the \$120 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. (2) A \$3 fee would be assessed and, if collected, would be deposited into the county law enforcement continuing education fund. (3) A \$2 jury fee is assessed and, if collected, would be deposited into the county user fee fund to supplement the compensation of jury members.

State Agencies Affected: Alcohol and Tobacco Commission.

Local Agencies Affected: Trial courts, local law enforcement agencies.

Information Sources: Don Okey, Excise Industry Liaison, Alcohol and Tobacco Commission, 232-2463.