

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

301 State House  
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**FISCAL IMPACT STATEMENT**

**LS 7196**  
**BILL NUMBER: SB 406**

**DATE PREPARED:** Jan 5, 2002  
**BILL AMENDED:**

**SUBJECT:** Alcoholic Beverage Permit Hearing Procedures.

**FISCAL ANALYST:** John Parkey  
**PHONE NUMBER:** 232-9854

**FUNDS AFFECTED:**  **GENERAL**  
**DEDICATED**  
**FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** This bill allows the local Alcoholic Beverage Boards to require an applicant for: (1) a renewal permit to sell alcoholic beverages, if the applicant has violated a law or rule or had complaints filed against the permittee; or (2) a new liquor dealer permit or transfer of a liquor dealer permit; to provide notice of the application by mail to neighboring property owners, schools, churches, and neighborhood associations that have registered with the circuit court clerk. The bill allows an applicant for any other retailer or dealer permit to provide notice by mail or post notice at the premises. It requires the local board to consider the limited criminal history of an applicant for a retailer or dealer permit. The bill specifies that the local board and the Alcohol and Tobacco Commission (ATC) must consider the applicant's moral character and the esteem in which the applicant is held by members of the community. The bill allows the local board to receive newspaper articles in determining the esteem in which the applicant is held by members of the community.

**Effective Date:** July 1, 2002.

**Explanation of State Expenditures:** *Alcohol and Tobacco Commission:* While this bill expands the information that the ATC must consider when determining an applicant's eligibility to hold or renew a permit, it is not expected to have a significant impact on the Commission's staff or resources.

*Indiana State Police:* The bill requires county alcoholic beverage boards to consider the limited criminal history of persons applying for an alcoholic beverage retailer or dealer permit or when conducting an investigation related to the renewal of certain applicant's permits. The Indiana State Police may experience an increase in expenditures associated with the processing of additional criminal background checks.

**Explanation of State Revenues:** *Alcoholic Beverage Permits:* If the requirements of this bill result in fewer alcoholic beverage retailer and dealer permits being approved, revenue to the state Excise Fund could decrease. One-third of Excise Fund receipts is deposited in the state General Fund, while the remaining two-

thirds is deposited in the general fund of cities, towns, and counties based on where a permittee is located.

*Limited Criminal History Checks:* The fee for a limited history check is \$7. Revenue from the fee is deposited into the state General Fund. Depending on the number of new applicants for a permit and the number of permit renewals subject to an investigation, this bill could increase state General Fund revenue.

These provisions in this bill will impact new applicants for alcoholic beverage retailer or dealer permits and current holders of these permits that have or are alleged to have violated Indiana law or an ATC rule. There are approximately 10,500 alcoholic beverage retailers and dealers licensed by the ATC.

**Explanation of Local Expenditures:** *County Alcoholic Beverage Boards:* This bill expands the notification and information requirements for persons wishing to obtain an alcoholic beverage permit. Persons renewing a permit would also be subject to the additional notification and information requirements if they have been cited for a violation of a law or an ATC rule or if the local board has received at least five complaints against the applicant. While the bill increases the number of items that a county alcoholic beverage board must consider when deciding on a permit, it is not expected to increase the number of hearings or have a significant fiscal impact on the county boards.

*Background on County Alcoholic Beverage Boards:* County alcoholic beverage boards typically meet once or twice a month in space provided by a board of county commissioners. Each board consists of four members. In addition to the annual salary of \$240, members are also paid \$3 for each applicant that they investigate and report. Board members are compensated by the Alcohol and Tobacco Commission.

**Explanation of Local Revenues:** *Alcoholic Beverage Permits:* If the requirements of this bill result in fewer alcoholic beverage retailer and dealer permits being approved, revenue to the state Excise Fund could decrease. Two-thirds of the Excise Fund is deposited in the general fund of cities, towns, and counties based on where a permittee is located, while the remaining third is deposited in the state General Fund.

**State Agencies Affected:** Alcohol and Tobacco Commission; State Police.

**Local Agencies Affected:** County Alcoholic Beverage Boards, excluding Marion County.

**Information Sources:** Don Okey, Excise Industry Liaison, Alcohol and Tobacco Commission, 232-2463; Major Karen Butt, Indiana State Police, 232-8266.