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FISCAL IMPACT STATEMENT

LS 6783
BILL NUMBER: SB 197

NOTE PREPARED: Dec 29, 2010
BILL AMENDED:

SUBJECT: Alcoholic Beverage Matters.

FIRST AUTHOR: Sen. Boots
FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: <u>X</u> GENERAL
<u>X</u> DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill creates a supplemental dealer's permit and a cold beer dealer's permit. The bill provides that a supplemental dealer's permit may be issued only to a holder of a beer, wine, or liquor dealer's permit. It allows the holder of a supplemental dealer's permit to sell alcoholic beverages for carryout on Sunday. The bill allows the holder of a cold beer dealer's permit to sell cold beer. It establishes fees for a supplemental dealer's permits and a cold beer dealer's permits. It requires the fees to be deposited in the Enforcement and Administration Fund of the Alcohol and Tobacco Commission.

The bill allows the: (1) holder of a package liquor store permit, farm winery, or a microbrewery permit to sell carryout alcoholic beverages on Sunday without a supplemental dealer's permit; and (2) holder of a package liquor store permit to sell cold beer without a cold beer dealer's permit. It allows a minor to be on the licensed premises of a package liquor store if the minor is accompanied by the minor's parent or guardian who is at least 21 years of age. The bill also eliminates residency requirements for alcoholic beverage dealers. It repeals a provision that limits the commodities that a package liquor store may sell.

Effective Date: July 1, 2011.

Explanation of State Expenditures: *Alcohol and Tobacco Commission (ATC)*: This bill could increase administrative expenditures for the ATC by requiring the ATC to establish rules governing issuance of a supplemental and cold beer dealer's permits. Any increase in expenditures may be offset by an increase in permit fee revenue.

Explanation of State Revenues: *Permit Fee Revenue:* This bill could increase permit fee revenues deposited in the Enforcement and Administration Fund. The bill creates a supplemental dealer's permit to allow holders of beer, wine, or liquor dealer permits to sell alcoholic beverages for carryout on Sunday. The annual fee for

the permit is $500 if the dealer sells only beer, only wine, or only liquor; $750 if the dealer sells any two of the alcoholic products and $1,000 if the dealer sells beer, wine, and liquor. The bill also creates a cold beer dealer's permit to allow holders of beer dealer's permit to sell cold beer. The annual fee for the permit is $500.

Impact on Alcohol Sales: While it is assumed that the majority of consumers are able to purchase all the alcoholic beverages they desire to consume within the hours dictated by current law, it is possible that the added convenience and availability of alcohol sales on Sundays may allow consumers to purchase more alcoholic beverages than they would have otherwise. The extent to which consumers may make additional purchases above what would be purchased under current law is unknown. However, any impact will likely be minimal since there will be a shift in purchases of alcohol from other days of the week. Any impact on Sales Tax revenue is expected to be minimal since any additional purchases of alcohol would likely reduce consumer spending on other sales taxable items.

Additionally, this bill repeals a provision that prohibits beer dealers from selling cold beer. Under current statute, only package liquor stores are allowed to sell cold beer. Any increase in sales by beer dealers will be offset by a corresponding decrease in sales at package liquor stores.

Explanation of Local Expenditures:

Explanation of Local Revenues: See *Explanation of State Revenues*.

State Agencies Affected: ATC.

Local Agencies Affected:

Information Sources:

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