

LEGISLATIVE FISCAL OFFICE Fiscal Note

Fiscal Note On: **HB 520** HLS 19RS 856

Bill Text Version: ORIGINAL

Opp. Chamb. Action:

Proposed Amd.: Sub. Bill For.:

Date: April 24, 2019 8:16 PM

Dept./Agy.: Alcohol and Tobacco Control

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Analyst: Benjamin Vincent

Subject: Alcoholic Beverages: Delivery

OR INCREASE SG RV See Note

Page 1 of 1

Provides relative to the delivery of alcoholic beverages

<u>Proposed law</u> authorizes the Commissioner of Alcohol & Tobacco Control (ATC) to issue certain retail dealers of certain alcoholic beverages a permit to deliver alcoholic beverages to consumers, and provides that the permit authorizing delivery will be \$100. <u>Proposed law</u> additionally authorizes ATC to issue a Class D Transporter permit to third parties for a fee not to exceed \$1,500, and authorizes third parties with the Transporter permit in addition to the \$100 delivery permit to deliver alcoholic beverages to consumers. <u>Proposed law</u> provides certain restrictions on alcohol deliveries, requirements for the legal operation of third-party delivery, restrictions on persons authorized to conduct deliveries, requirements for delivery agents to refuse delivery under certain circumstances, and certain record-keeping requirements for deliveries.

Effective August 1, 2019.

ALCOHOLIC BEVERAGES

EXPENDITURES	2019-20	2020-21	2021-22	2022-23	2023-24	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	SEE BELOW	\$252,000	\$252,000	\$252,000	\$252,000	\$1,008,000
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total		\$252,000	\$252,000	\$252,000	\$252,000	\$1,008,000
REVENUES	2019-20	2020-21	2021-22	2022-23	2023-24	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total						

EXPENDITURE EXPLANATION

ATC anticipates that expanded administration and enforcement responsibilities due to proposed law will impose additional workload that may require three (3) additional ATC Agents, with a total estimated annual cost of approximately \$252,000. ATC reports that self-generated funds would generally be used to fund this cost, but the use of general fund resources may be required in the first year for implementation.

REVENUE EXPLANATION

Proposed law provides that the fee for the permit for delivery of certain alcoholic beverages by retailers is \$100. For third parties contracted by retailers to conduct deliveries, the \$100 fee, in addition to a Transporter permit fee of up to \$1,500, is required.

To the extent that retailers and third parties apply and qualify for the permit, ATC fee revenue will increase.

Reliable data on the number of entities that would be eligible and apply for the permit is unavailable, thus the magnitude of the impact on ATC fee revenue is unknown at this time.

Senate 13.5.1 >=	<u>Dual Referral Rules</u> \$100,000 Annual Fiscal Cost {S & H}	House 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}	Stages V. allect
13.5.2 >=	\$500,000 Annual Tax or Fee Change {S & H}	6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}	Gregory V. Albrecht Chief Economist