

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 112** HLS 22RS 150

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 28, 2022 9:04 AM	Author: SCHLEGEL
Dept./Agy.: Department of Revenue	Analyst: Prashant Sastry
Subject: Provides Relative to Microbrewers	

ALCOHOLIC BEVERAGES OR +\$150,242 SG EX See Note
Provides relative to microbrewers/homebrewers

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Proposed law repeals R.S. 26:793(A)(1)(e) which will allow the Office of Alcohol and Tobacco Control (ATC) Commissioner to be able to issue temporary three-day retail permits to alcoholic beverage manufacturers, wholesale dealers, homebrewers, or any association with a membership that is primarily comprised of alcoholic beverage manufacturers, wholesale dealers or homebrewers to that will allow them sell alcoholic beverages at fairs, festivals, civic and fraternal and religious events, Mardi Gras events and nonprofit functions.

EXPENDITURES	2022-23	2023-24	2024-25	2025-26	2026-27	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$150,242	\$113,727	\$126,423	\$130,215	\$138,573	\$659,180
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>	\$0
Annual Total	\$150,242	\$113,727	\$126,423	\$130,215	\$138,573	\$659,180

REVENUES	2022-23	2023-24	2024-25	2025-26	2026-27	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>	\$0
Annual Total						

EXPENDITURE EXPLANATION

This proposed law will increase costs to ATC within the Department of Revenue to accommodate the implementation of this bill. Currently, ATC issues temporary 3-day retail permits to sell or serve alcoholic beverages at special events. The proposed law would expand the number of applicants that can receive the 3-day temporary retail permits to include alcohol beverage manufacturers, wholesale dealers, homebrewers, and related associations.

ATC indicates the need for an additional ATC Agent position (\$72,056 salary and related benefits) and an Administrator Coordinator position (\$38,360 salary and additional benefits) to administer and enforce the proposed law. Additionally, ATC will need \$39,826 in the initial year to acquire equipment for a new ATC agent.

REVENUE EXPLANATION

The proposed law is anticipated to increase the number of applications ATC receives for temporary 3-day retail permits. However, the potential number of alcoholic beverage manufacturers, wholesale dealers, or homebrewers that will apply for a temporary 3-day retail permit is unknown. The fee for obtaining a special event Class C permit is \$100 per event. To the extent that applications for temporary permits increase under this measure, self-generated revenues in ATC will increase by an indeterminable amount.

Senate
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Evan Brasseaux
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Interim Deputy Fiscal Officer