



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 281** HLS 14RS 682

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: March 8, 2014	3:43 PM	Author: LEGER
Dept./Agy.: Revenue/Alcohol and Tobacco Control		
Subject: Repeals retail permit for LA manufacturers and brewers		Analyst: Deborah Vivien

ALCOHOLIC BEVERAGES

OR DECREASE SG RV See Note

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Relative to the regulation of craft breweries

Current law directs a manufacturer or brewer with production facilities located entirely in LA to attain a retail permit to sell products made at that facility to the public and only at the facility, though consumption may occur there or elsewhere. No sale for resale is allowed. Total monthly sales are limited to 1 case per person (or 10% of total production per month) and must be priced no less than the minimum retail price of dealers in the immediate area of the facility. All appropriate state and local taxes must be remitted and no person under the age of 18 may enter the facility where alcoholic beverages are sold for consumption on premises.

Proposed law repeals the retail permit requirement for a manufacturer or brewer with production facilities located entirely in LA but retains all provisions and limitations related to retail sales at the facility. In addition, the producer must obtain appropriate health certificates and comply with local zoning laws and regulations.

EXPENDITURES	2014-15	2015-16	2016-17	2017-18	2018-19	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
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	\$0	\$0	\$0	\$0	\$0	\$0


REVENUES	2014-15	2015-16	2016-17	2017-18	2018-19	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
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

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

REVENUE EXPLANATION

With the repeal of the retail permit requirement for manufacturers with facilities located in LA, it is expected that fewer permits will be issued leading to less self-generated revenue collections to the agency. However, the impact is expected to be minimal. According to the Office of Alcohol and Tobacco Control, there are only 12 qualifying facilities currently in place and only half of them have acquired retail permits. At \$300 per year per permit, the total exposure to the state is \$3,600 per year in lost revenue, with a more likely exposure of \$1,800 per year.

Senate	Dual Referral Rules	House		
<input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}		<input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}		 Gregory V. Albrecht Chief Economist
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}		<input type="checkbox"/> 6.8(F)(2) >= \$500,000 State Rev. Reduc. {H & S}		
		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}		