

FISCAL IMPACT STATEMENT ON BILL NO. **H.3833, as Amended**
(Doc. No. 13184dg13.docx)

TO: The Honorable Larry A. Martin, Chairperson, Senate Judiciary Committee
FROM: State Budget Division, Budget and Control Board
ANALYSTS: K. Earle Powell
DATE: March 20, 2014 SBD: 2014138

AUTHOR: Representative Horne PRIMARY CODE CITE: 61-4-738
SUBJECT: Retail Wine/Beer Permit

ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:
A Cost to the General Fund (See Below)

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:
\$0 (No additional expenditures or savings are expected)

BILL SUMMARY:

House Bill 3833, as Amended, provides the authority for conducting wine tastings and beer tastings in large retail settings. In addition, the Bill allows the holders of a retail wine permit for off-premises consumption whose retail space is at least 10,000 square feet and whose primary product is not beer, wine, or distilled spirits to obtain an annual wine tastings permit for each separate place of business in order to conduct, in accordance with Department of Revenue rulings or regulations, up to twelve wine tastings at the retail location in a calendar quarter, and it provides restrictions. The legislation also allows the holder of a retail permit authorizing the sale of beer for off-premises consumption whose retail space is at least 10,000 square feet and whose primary product is not beer, wine, or distilled spirits to obtain an annual beer tastings permit for each separate place of business in order to conduct, in accordance with Department of Revenue rulings or regulations, up to twelve beer tastings in a calendar quarter, and it provides restrictions. In addition to other applicable fines and penalties, a retailer who violates these provisions must be assessed a fine of five hundred dollars for the first violation and five hundred dollars for the second violation in a twelve month period. Subsequent violations in a twelve month period are punishable by the loss of the retail off-premises consumption permit for thirty days. The revenue from these fines must be directed to the State Law Enforcement Division (SLED) for supplementing funds required for regulation and enforcement of the tastings.

EXPLANATION OF IMPACT:

State Law Enforcement Division

The Division indicates that this Bill will have an impact on the General Fund of the State of approximately \$1,406,586 in recurring costs. The annual cost will be for 15.00 Law Enforcement Officers II; 1.00 Law Enforcement Officer IV and 2.00 Administrative Assistants with a cost of \$1,153,450 in personal service/fringe and \$253,136 in operating cost and office space lease. The \$675,728 in non-recurring costs is for vehicles, LEO weapons and gear and office and computer equipment.

Department of Revenue

The Department indicates there will be a minimal impact to the Department with this Bill.

SPECIAL NOTES:

The Board of Economic Advisors is the appropriate entity to address any revenue impact associated with this Bill.

Approved by:

A handwritten signature in black ink, appearing to read "Brenda Hart". The signature is written in a cursive, flowing style.

Brenda Hart
Assistant Director, State Budget Division