



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2015 Biennium

Bill #	HB0524
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Title:	Removing grocery, pharmacy requirement on off-premises beer, wine license
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Primary Sponsor:	Clark, Christy
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Status:	As Introduced
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|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	FY 2014 Difference	FY 2015 Difference	FY 2016 Difference	FY 2017 Difference
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
Other (Enterprise Fund)	\$148,838	\$198,450	\$198,450	\$198,450
Revenue:				
General Fund	\$102,629	\$140,871	\$139,807	\$138,725
Other (Enterprise Fund)	\$148,838	\$198,450	\$198,450	\$198,450
Net Impact-General Fund Balance:	\$102,629	\$140,871	\$139,807	\$138,725

Description of fiscal impact: HB 524 eliminates the requirement that a retail licensee selling beer or wine for off-premise consumption be operated as a bona fide grocery store or a drugstore licensed as a pharmacy. This bill allows any entity that receives approval from local building, health, or fire officials to be licensed to sell beer or wine for off-premise consumption.

FISCAL ANALYSIS

Assumptions:

1. HB 524 allows any entity that receives approval from local building, health, or fire officials to be licensed to sell beer or wine for off-premise consumption. Under current law, only bona fide grocery stores or drugstores licensed as a pharmacy are allowed to sell beer and wine for off-premise consumption.
2. There are approximately 900 off-premise retail licenses in the state. Of these, 89% are beer and wine off-premise retail licenses and pay an annual fee of \$400. The other 11% of off-premise retail licenses are for the sale of beer only or wine only and pay an annual license fee of \$200.

3. The Department of Revenue (DOR) anticipates receiving between 450-600 new applications due to HB 524. Additional revenue from off-premise retail license fees is estimated to be \$198,450 (525*0.89*\$400) + (525*0.11*\$200).
4. The department will require 1.00 FTE to process the additional increase in applications and renewals. This will cost \$60,522 in FY 2014 (this includes one-time operating costs), \$57,578 in FY 2015, \$58,642 in FY 2016, and \$59,724 in FY 2017.
5. License fees are deposited in the Liquor Enterprise Fund. Net proceeds from this fund are transferred to the general fund at fiscal year end. After accounting for FTE costs, there will be an increase in revenue to the general fund of \$137,928 in FY 2014, \$140,872 in FY 2015, \$139,808 in FY 2016, and \$138,726 in FY 2017.
6. This bill does not include an effective date. For purposes of this fiscal note, the effective date is assumed to be Oct 1, 2013 (effects for FY 2014 are shown at 75%).

	<u>FY 2014</u> <u>Difference</u>	<u>FY 2015</u> <u>Difference</u>	<u>FY 2016</u> <u>Difference</u>	<u>FY 2017</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
FTE	0.75	1.00	1.00	1.00
<u>Expenditures:</u>				
Personal Services	\$37,617	\$50,156	\$51,115	\$52,092
Operating Expenses	\$8,592	\$7,422	\$7,527	\$7,632
Transfers (To GF)	\$102,629	\$140,872	\$139,808	\$138,726
TOTAL Expenditures	<u>\$148,838</u>	<u>\$198,450</u>	<u>\$198,450</u>	<u>\$198,450</u>
<u>Funding of Expenditures:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
Other (Enterprise Fund)	\$148,838	\$198,450	\$198,450	\$198,450
TOTAL Funding of Exp.	<u>\$148,838</u>	<u>\$198,450</u>	<u>\$198,450</u>	<u>\$198,450</u>
<u>Revenues:</u>				
General Fund (01)	\$102,629	\$140,871	\$139,807	\$138,725
Other (Enterprise Fund)	\$148,838	\$198,450	\$198,450	\$198,450
TOTAL Revenues	<u>\$251,466</u>	<u>\$339,321</u>	<u>\$338,257</u>	<u>\$337,175</u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	\$102,629	\$140,871	\$139,807	\$138,725
Other (Enterprise Fund)	\$0	\$0	\$0	\$0

Sponsor's Initials

Date

Budget Director's Initials

Date