



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2021 Biennium

**Bill #** HB0644

**Title:** Allow for alcohol cigar bars

**Primary Sponsor:** Galt, Wylie

**Status:** As Introduced

- Significant Local Gov Impact     
  Needs to be included in HB 2     
  Technical Concerns  
 Included in the Executive Budget     
  Significant Long-Term Impacts     
  Dedicated Revenue Form Attached

### FISCAL SUMMARY

	<u>FY 2020</u> <u>Difference</u>	<u>FY 2021</u> <u>Difference</u>	<u>FY 2022</u> <u>Difference</u>	<u>FY 2023</u> <u>Difference</u>
<b>Expenditures:</b>				
General Fund	\$0	\$0	\$0	\$0
Liquor Enterprise Fund	\$5,000	\$5,000	\$5,000	\$5,000
<b>Revenue:</b>				
General Fund	\$5,000	\$5,000	\$5,000	\$5,000
Liquor Enterprise Fund	\$5,000	\$5,000	\$5,000	\$5,000
<b>Net Impact-General Fund Balance:</b>	<u>\$5,000</u>	<u>\$5,000</u>	<u>\$5,000</u>	<u>\$5,000</u>

**Description of fiscal impact:** HB 644 allows a cigar bar endorsement to all-beverage licensees that meet certain criteria and pay a \$250 annual fee. An estimated 20 endorsements would bring in an additional \$5,000 in general fund revenues annually.

### FISCAL ANALYSIS

#### Assumptions:

1. There are currently approximately 1,500 all-beverage license holders in Montana.
2. While this cigar endorsement is available to any all-beverage licensee, it is assumed that the requirements are a significant enough barrier that relatively few licensees will apply for the cigar bar endorsement.
3. Assuming there will be approximately 20 applicants, annual fees collected from the endorsement will be around \$5,000.
4. Additional workload associated with processing applications will be absorbed by the Department of Revenue (DOR).
5. Associated costs from changes to forms are minimal and will be absorbed by the DOR.

- License fee revenues are deposited to the liquor enterprise fund, which transfers its excess balance to the general fund at the end of the fiscal year.

	<u>FY 2020</u> <u>Difference</u>	<u>FY 2021</u> <u>Difference</u>	<u>FY 2022</u> <u>Difference</u>	<u>FY 2023</u> <u>Difference</u>
<b><u>Fiscal Impact:</u></b>				
<b><u>Expenditures:</u></b>				
Transfers to the General Fund	\$5,000	\$5,000	\$5,000	\$5,000
<b>TOTAL Expenditures</b>	<b>\$5,000</b>	<b>\$5,000</b>	<b>\$5,000</b>	<b>\$5,000</b>
<b><u>Funding of Expenditures:</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
Liquor Enterprise Fund (06)	\$5,000	\$5,000	\$5,000	\$5,000
<b>TOTAL Funding of Exp.</b>	<b>\$5,000</b>	<b>\$5,000</b>	<b>\$5,000</b>	<b>\$5,000</b>
<b><u>Revenues:</u></b>				
General Fund (01)	\$5,000	\$5,000	\$5,000	\$5,000
Liquor Enterprise Fund (06)	\$5,000	\$5,000	\$5,000	\$5,000
<b>TOTAL Revenues</b>	<b>\$10,000</b>	<b>\$10,000</b>	<b>\$10,000</b>	<b>\$10,000</b>
<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u></b>				
General Fund (01)	\$5,000	\$5,000	\$5,000	\$5,000
Liquor Enterprise Fund (06)	\$0	\$0	\$0	\$0

**Technical Notes:**

- This fiscal note assumes that 20 out of over 1,500 all-beverage license holders will meet the requirements of HB 644 and pay the annual \$250 endorsement fee. To the extent that the actual number of endorsements is greater than or less than 20, the actual revenue generated will change.

EWG  
Sponsor's Initials

3/11/19  
Date

TL  
Budget Director's Initials

3/9/19  
Date