



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2021 Biennium

Bill # SB0358

Title: Revise resort area alcoholic beverage license laws

Primary Sponsor: Gauthier, Terry

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>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0
Revenue:				
General Fund	\$340,000	\$25,000	\$25,000	\$25,000
Liquor Enterprise Fund	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>\$340,000</u>	<u>\$25,000</u>	<u>\$25,000</u>	<u>\$25,000</u>

Description of fiscal impact: SB 358 amends laws related to resort area determinations and resort retail all-beverage licenses, allowing resorts with a single owner to purchase multiple all-beverage licenses, a liquor storage facility license, and deliver alcohol to guests staying at the resort.

FISCAL ANALYSIS

Assumptions:

- Under current law, resorts may purchase a liquor license for on-premises consumption for \$20,000, with annual renewals fees of \$2,000.
- SB 358 increases the license fee to \$100,000 for new licenses. Renewal fees each subsequent year remain at \$2,000 per license. Resorts with existing resort retail all-beverage licenses are grandfathered in for the initial year's license fee, and only need to pay the annual renewal fee of \$2,000.
- Resorts with two or more licenses, and having a common ownership, may apply for a storage facility license, which is \$100,000 the first year and \$25,000 each year thereafter. Having a storage facility allows for alcohol delivery to guests staying in the accommodation units.

4. There is currently one resort that has been determined as a resort area for purposes of this code that has not yet been issued any resort retail all-beverages licenses that would possibly be structured to meet the criteria set forth for application of a storage facility license.
5. Based on it's size, it is assumed that this resort will apply for three all-beverage resort licenses and the storage license.
6. A fee of \$100,000 per license results in an estimated \$300,000 to the credit of the liquor enterprise fund. Under current law these initial license fees are \$20,000 per license, implying a net increase of \$240,000 from the three anticipated all-beverage licenses.
7. The liquor storage license fee is \$100,000. Total initial licensing fees are estimated at \$340,000.
8. There is a renewal fee of \$25,000 per liquor storage license.
9. The excess funds of the liquor enterprise fund are transferred 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>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
TOTAL Expenditures	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Funding of Expenditures:</u>				
TOTAL Funding of Exp.	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Revenues:</u>				
General Fund (01)	\$340,000	\$25,000	\$25,000	\$25,000
Liquor Enterprise Fund (02)	\$340,000	\$25,000	\$25,000	\$25,000
TOTAL Revenues	<u>\$680,000</u>	<u>\$50,000</u>	<u>\$50,000</u>	<u>\$50,000</u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	\$340,000	\$25,000	\$25,000	\$25,000
State Special Revenue (02)	\$340,000	\$25,000	\$25,000	\$25,000



 Sponsor's Initials Date

TL

 Budget Director's Initials Date

3/27/19