



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 Amended

- 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
State Special Revenue	\$0	\$0	\$0	\$0
<b>Revenue:</b>				
General Fund	\$240,000	\$0	\$0	\$0
Liquor Enterprise Fund	\$0	\$0	\$0	\$0
<b>Net Impact-General Fund Balance:</b>	<u>\$240,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</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 if there is not an agency liquor store within 30 miles. The license fee 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 its 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. Total initial licensing fees are estimated at \$240,000 in FY 2020, and \$0 for FY 2021, FY 2022, and FY 2023.
8. 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>
<b><u>Fiscal Impact:</u></b>				
<b><u>Expenditures:</u></b>				
TOTAL Expenditures	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b><u>Funding of Expenditures:</u></b>				
TOTAL Funding of Exp.	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b><u>Revenues:</u></b>				
General Fund (01)	\$240,000	\$0	\$0	\$0
Liquor Enterprise Fund (02)	\$240,000	\$0	\$0	\$0
<b>TOTAL Revenues</b>	<u>\$480,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u></b>				
General Fund (01)	\$240,000	\$0	\$0	\$0
State Special Revenue (02)	\$240,000	\$0	\$0	\$0

**NO SPONSOR SIGNATURE**

Sponsor's Initials

Date

Budget Director's Initials

Date

TL

3/29/19