



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	\$260,000	\$302,000	\$208,000	\$212,000
Liquor Enterprise Fund	\$0	\$0	\$0	\$0
<b>Net Impact-General Fund Balance:</b>	<b>\$260,000</b>	<b>\$302,000</b>	<b>\$208,000</b>	<b>\$212,000</b>

**Description of fiscal impact:** SB 358 amends laws related to resort area determinations and resort retail all-beverage licenses. The fee for a new license is increased to \$100,000 and allows resort all-beverage license holders to deliver alcohol to guests staying in the accommodation units.

### FISCAL ANALYSIS

**Assumptions:**

1. Under current law, resorts may purchase a liquor license for on-premises consumption for \$20,000, with annual renewal fees of \$2,000.
2. 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.
3. SB 358 as amended allows an exception to the process of tying all-beverage licenses issued to accommodation units for a resort area of 1,000 contiguous acres or greater with a valuation of at least \$30 million. These criteria allow a resort to receive up to 10 resort all-beverage licenses regardless of accommodation units.
4. It is expected that the resort area currently qualifying under these criteria will seek all 10 available licenses, three in FY 2020, three in FY 2021, two in FY 2022, and two in FY 2023.

5. A fee of \$100,000 per license results in an estimated \$300,000 in FY 2020, \$300,000 in FY 2021, \$200,000 in FY 2022, and \$200,000 in FY 2023. Under current law this resort could have applied for two licenses at \$20,000 per license. This implies a FY 2020 revenue of \$300,000 - \$40,000 = \$260,000 as a result of SB 358.
6. For FY 2021 through FY 2023, license renewal fees of \$2,000 per year per license will apply.
7. These revenues are deposited to the credit of the liquor enterprise fund. 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)	\$260,000	\$302,000	\$208,000	\$212,000
Liquor Enterprise Fund (02)	\$260,000	\$302,000	\$208,000	\$212,000
TOTAL Revenues	<u>\$520,000</u>	<u>\$604,000</u>	<u>\$416,000</u>	<u>\$424,000</u>
<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u></b>				
General Fund (01)	\$260,000	\$302,000	\$208,000	\$212,000
State Special Revenue (02)	\$260,000	\$302,000	\$208,000	\$212,000

**Technical Notes:**

1. The limitation on number of licenses that can be held by a person under 16-4-205 MCA is subject to 16-4-401 MCA, with an exception to the resort area described under [section 3(2)(b)]. However, 16-4-401 MCA is amended to exclude all licenses under [section 3]. It should be clarified whether the intent is to provide for exceptions for the three all-beverage license limitation to all licenses under [section 3] or only licenses under [section 3(2)(b)].

**NO SPONSOR SIGNATURE**

Sponsor's Initials

Date

TZ  
Budget Director's Initials

4/11/19  
Date