



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2023 Biennium

Bill #	HB0440	Title:	Generally revise winery regulatory laws
Primary Sponsor:	Curdy, Willis	Status:	As Introduced

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input type="checkbox"/> Needs to be included in HB 2 | <input checked="" 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

	<u>FY 2022</u> <u>Difference</u>	<u>FY 2023</u> <u>Difference</u>	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0
Revenue:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact: There is no fiscal impact to the state.

FISCAL ANALYSIS

Assumptions:

- HB 440 requires wineries who applied for licensure after the effective date of this act to crush and ferment over 50% of their fermentable agriculture products used in production at the winery and allows them to operate a tasting room where they may provide samples between 10 a.m. and 8 p.m.
- Samples are limited to 16 ounces of wine or 48 ounces of hard cider per person per day.
- There is an increase to the amount of wine a winery can self-distribute to retailers.
- This act only applies to licenses sought after the passage and approval of the act.
- Nothing will change for wineries existing as of the effective date of this act.

Technical Notes:

- Language should be added to clarify whether the 50% fermentable product standard applies to cider produced by the winery; it is unlikely that cider production will be able to meet this standard.

Fiscal Note Request – As Introduced

(continued)

2. It is unclear if a winery can provide free samples; Section 1 states that a winery must sell wine in the tasting room, while Section 1 (2)(b)(i) allows a winery to provide wine with or without charge.
3. It is unclear if the grandfathering provision applies if a winery licensed before the effective date of the act sells their license.
4. There is some ambiguity around if a person can consume both 16 ounces of wine and 48 ounces of hard cider in a day, or if sampling wine excludes the person from sampling cider or vice versa.
5. Section 4 specifies that the act is only applicable to licenses sought after the effective date. However, the current language surrounding how wineries can sell and sample wine is struck in 16-3-411. Further clarification is necessary on what acts are allowable for wineries not affected by this bill.
6. It is not clear if the case limit changing from 4,500 to 6,000 in one area, Section 1 (3)(a)(i), but not the other (Section 1 (3)(a)(iii)(A), was intentional.
7. The limit for self-distribution and delivery by common carrier should be in liters, not cases as liters sold/shipped is what is reported to the department.



Sponsor's Initials

2-23-2021

Date



Budget Director's Initials

2/22/21

Date