



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2023 Biennium

Bill # HB0705

Title: Generally revise alcohol and gaming laws

Primary Sponsor: Buttrey, Edward

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 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	\$107,500	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0
Revenue:				
General Fund	\$7,200	\$0	\$0	\$0
State Special Revenue	\$7,200	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>(\$100,300)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact: HB 705 as twice amended allows for storage facilities for alcohol on resort areas and noncontiguous storage areas for licensed retailers. It also allows for retail or resort licensees to apply to the department for the ability to deliver to guests and pre-stock accommodation units. It also changes several areas of code dealing with resort license privileges, license applicant eligibility, premises approval, and other additional sections. The department expects total application fee to raise \$7,200 in FY 2022.

FISCAL ANALYSIS

Assumptions:


1. HB 705 allows retailers at resort areas to operate an alcoholic beverage storage facility pursuant to department approval after an application and an associated \$100 one-time fee.
2. The department expects that two resort areas will seek approval for a storage facility.
3. HB 705 also allows retailers to seek approval for a noncontiguous storage area with an associated \$100 one-time fee.
4. The department expects that 50 retailers will seek approval for the noncontiguous storage area.
5. The department expects that 20 resort all-beverage licensees or retail licensees will apply for the delivery to accommodation units and pre-stocking ability.

6. At \$100 per application, this will raise \$7,200 in FY 2022 for the liquor enterprise fund.
7. The department expects \$107,500 in one-time contracted services for the software implementation of the new storage facility application and miscellaneous license application changes.
8. The application revenue is to the credit of the liquor enterprise fund. However, since the liquor enterprise fund transfers its end of year balance to the general fund, any credits to the liquor enterprise fund are indirect credits of the general fund.

	<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>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
Operating Expenses	\$107,500	\$0	\$0	\$0
Transfers	\$0	\$0	\$0	\$0
TOTAL Expenditures	<u>\$107,500</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Funding of Expenditures:</u>				
General Fund (01)	\$107,500	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0
TOTAL Funding of Exp.	<u>\$107,500</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Revenues:</u>				
General Fund (01)	\$7,200	\$0	\$0	\$0
State Special Revenue (02)	\$7,200	\$0	\$0	\$0
TOTAL Revenues	<u>\$14,400</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	(\$100,300)	\$0	\$0	\$0
State Special Revenue (02)	\$7,200	\$0	\$0	\$0

Technical Notes:

1. Section 5 changes the requirements for who requires vetting by the DOR and increases the risk of allowing bad actors into the industry. It will also increase the disparity between alcohol licensing requirements and gambling licensing requirements.
2. Section 3(7) and section 4(5), it is not clear how age would be verified if the purchaser weren't present.
3. Page 11, line 4 should cite to subsection (3)(a)(v) instead of (2)(a)(iv).
4. Page 12, line 15 should cite to (4)(a)(iv) instead of (2)(a)(iv).

 _____ <i>Sponsor's Initials</i>	4/26/21 _____ <i>Date</i>	KA _____ <i>Budget Director's Initials</i>	4-26-21 _____ <i>Date</i>
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