



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2025 Biennium

Bill information:

HB0096 - Include agency liquor stores in the Department of Revenue's premises review (Buttrey, Edward)

Status: As Introduced

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|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input 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 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>	<u>FY 2026</u> <u>Difference</u>	<u>FY 2027</u> <u>Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$11,867	\$11,867	\$12,045	\$12,226
Revenue:				
General Fund	(\$11,867)	(\$11,867)	(\$12,045)	(\$12,226)
State Special Revenue	\$11,867	\$11,867	\$12,045	\$12,226
Net Impact-General Fund Balance:	(\$11,867)	(\$11,867)	(\$12,045)	(\$12,226)

Description of fiscal impact: HB 96 clarifies language to allow the Department of Revenue the ability to examine any licensed premises, including agency liquor stores. Currently, inspections may only be conducted by the Department of Justice, or a peace officer.

FISCAL ANALYSIS

Assumptions:

Department of Justice (DOJ)

1. The Department of Revenue (DOR)/Alcoholic Beverage Control Division (ABCD) requires the Department of Justice Gambling Control Division (GCD) to conduct premises inspections through an MOU between the agencies pursuant to statute. The DOR provides DOJ funding through the liquor division enterprise fund for these services currently in place, but not for additional services.
2. GCD assumes that an additional 97 agency liquor stores would be added to the list of premises that GCD needs to inspect.
3. The average premise inspection would take 120 minutes (2 hours to complete). At 97 liquor store locations that is approximately 194 hours of work if each location was inspected once yearly. The extra 194 hours will increase the average 40-hour work week for GCD Compliance Specialist resulting in pay at time and a half. Compliance specialists make on average \$28/ hour, time and a half would be \$42/ hour resulting in





approximately \$8,148 in payroll plus \$1,500 (18%) in benefits = on average \$9,615 / year increase in personal services. A 1.5% inflationary increase is included for FY 2026 and FY 2027.

- Additional work items assigned to DOJ/GCD has an impact on operating costs which include vehicle costs (mileage, maintenance, and fuel). On average this adds 60 miles of drive time per location = 5,820 X standard rate (30.1 cents) = approx. \$1,752 in fuel + an average of \$500 in vehicle maintenance (tires, oil changes, repair, and maintenance)/ year.

Department of Revenue (DOR)

- HB 96 clarifies language to allow the Department of Revenue the ability to examine any licensed premises, including agency liquor stores, which currently may only be inspected by the Department of Justice, or a peace officer.
- HB 96 clarifies that only retail licensees licensed under Title 23 can implement access control systems.
- This bill would be effective on passage and approval.
- Additional costs incurred by the Department of Justice would be passed on to the Department of Revenue through increased expenditures from the liquor enterprise fund. At the end of each fiscal year, excess cash in the liquor enterprise fund is transferred to the general fund. Any additional expenditures at the DOJ will result in a reduction in transfers to the general fund.

	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>	<u>FY 2026</u> <u>Difference</u>	<u>FY 2027</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
Personal Services	\$9,615	\$9,615	\$9,759	\$9,906
Operating Expenses	\$2,252	\$2,252	\$2,286	\$2,320
TOTAL Expenditures	<u>\$11,867</u>	<u>\$11,867</u>	<u>\$12,045</u>	<u>\$12,226</u>
<u>Funding of Expenditures:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$11,867	\$11,867	\$12,045	\$12,226
TOTAL Funding of Exp.	<u>\$11,867</u>	<u>\$11,867</u>	<u>\$12,045</u>	<u>\$12,226</u>
<u>Revenues:</u>				
General Fund (01)	(\$11,867)	(\$11,867)	(\$12,045)	(\$12,226)
State Special Revenue (02)	\$11,867	\$11,867	\$12,045	\$12,226
TOTAL Revenues	<u>\$0</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)	(\$11,867)	(\$11,867)	(\$12,045)	(\$12,226)
State Special Revenue (02)	\$0	\$0	\$0	\$0

 _____ Sponsor's Initials	 _____ Date	 _____ Budget Director's Initials	 _____ Date
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