



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2025 Biennium

Bill information:

HB0177 - Revise alcohol laws related to resort areas (Buttrey, Edward)

Status: As Introduced

- 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 2024 Difference</u>	<u>FY 2025 Difference</u>	<u>FY 2026 Difference</u>	<u>FY 2027 Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
Revenue:				
General Fund	\$700,000	\$514,000	\$24,000	\$24,000
Net Impact-General Fund Balance:	<u>\$700,000</u>	<u>\$514,000</u>	<u>\$24,000</u>	<u>\$24,000</u>

Description of fiscal impact: HB 177 revises statutes pertaining to resort area determinations for alcoholic beverage licensing and the issuance of resort retail all-beverage licenses. This bill revises the number of resort all-beverage licenses allowed in a resort area, provides a timeframe in which resort all-beverage licenses must be issued in approved resort areas, and allows a resort area's property valuation for purposes of meeting resort area designation criteria to be determined by an independent appraiser or the Department of Revenue's appraisal process. With some resort areas potentially being eligible to obtain more resort all-beverage licenses, it is estimated that general fund revenue would increase by \$700,000 in FY 2024, \$514,000 in FY 2025, \$24,000 in FY 2026, and \$24,000 in FY 2027.





FISCAL ANALYSIS

Assumptions:

1. HB 177 changes the number of resort all-beverages licenses a resort area is eligible to have by basing it off the number of contiguous acres within the resort area.
2. This bill also proposes to lapse resort area determinations if no retail all-beverage licenses are approved for the resort area within certain timeframes.
3. For resort areas that received approval before January 1, 2024, resort area designation would lapse if no resort all-beverage licenses are issued by January 1, 2029; otherwise, resort area designation would lapse if no resort all-beverage licenses are issued within five years of the Department of Revenue's approval of the resort area. A developer or landowner of a lapsed resort area may reapply for resort area determination.

4. Of the 18 currently approved resort areas, five do not currently have a resort retail all-beverage license issued. Under this proposed legislation, these five resort areas would lose their resort area designation if a resort retail all-beverage license is not approved by January 1, 2029. They would be able to reapply for resort area designation if this deadline is not met.
5. With the proposed method of determining the number of licenses for which a resort area is eligible, some of the other 13 approved resort areas will likely seek additional resort retail all-beverage licenses. The Department of Revenue is assuming seven new resort retail all-beverage licenses could get approved in the first year and five approved the following year.
6. With an initial resort license fee of \$100,000 and an annual renewal fee of \$2,000, it is estimated that general fund revenue would increase by \$700,000 in FY 2024, \$514,000 in FY 2025, \$24,000 in FY 2026, and \$24,000 in FY 2027.
7. This bill would also allow a resort area’s current valuation to be determined by an independent appraiser or by the Department of Revenue’s appraisal of the property.
8. If assistance from the Property Assessment Division is needed to verify the valuation of a proposed resort area, there would be little anticipated impact to the division given the limited number of current resort areas.
9. Any system changes required by this bill would be managed through normal maintenance.
10. This bill is effective on passage and approval.

	<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>				
TOTAL Expenditures	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Funding of Expenditures:</u>				
TOTAL Funding of Exp.	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Revenues:</u>				
General Fund (01)	<u>\$700,000</u>	<u>\$514,000</u>	<u>\$24,000</u>	<u>\$24,000</u>
TOTAL Revenues	<u>\$700,000</u>	<u>\$514,000</u>	<u>\$24,000</u>	<u>\$24,000</u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	<u>\$700,000</u>	<u>\$514,000</u>	<u>\$24,000</u>	<u>\$24,000</u>

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