



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2025 Biennium

**Bill information:**

HB0871 - Create the off-premises all-beverages alcohol license (Essmann, Sherry )

**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</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>
<b>Expenditures:</b>				
General Fund	\$0	\$0	\$0	\$0
<b>Revenue:</b>				
General Fund	\$50,000	\$40,000	\$40,000	\$40,000
<b>Net Impact-General Fund Balance:</b>	<u>\$50,000</u>	<u>\$40,000</u>	<u>\$40,000</u>	<u>\$40,000</u>

**Description of fiscal impact:** HB 871 creates an off-premises consumption license that would allow retailers to sell beer, table wine, and liquor from grocery stores or drug stores with at least 20,000 square feet. Fees from these new licenses are estimated to increase general fund revenue by \$50,000 in FY 2024 and \$40,000 each year thereafter.

### FISCAL ANALYSIS

**Assumptions:**


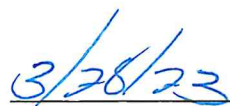

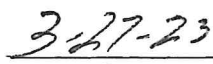
- HB 871 creates an off-premises consumption license that would allow retailers to sell beer, table wine, and liquor in original packaging.
- The premises must be a grocery store or drugstore licensed as a pharmacy with at least 20,000 square feet.
- The number of licenses that can be issued is not subject to quota limitations.
- The licensee would be required to have a designated alcohol-only area in the store away from any similar non-alcoholic products or products that appeal to children.
- This alcohol-only area cannot exceed 10% of the total square footage of the licensed premises.
- The bill sets a license fee of \$1,000 at the time of initial application and an annual renewal fee of \$800.
- The Department of Revenue estimates about 50 stores will apply for the license.
- Fees from these 50 licenses would increase general fund revenue by \$50,000 in FY 2024 and \$40,000 each year thereafter.

9. Application and system changes required to implement this bill will not create additional costs to the Department of Revenue.

	<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>
<b><u>Fiscal Impact:</u></b>				
<b><u>Expenditures:</u></b>				
TOTAL Expenditures	\$0	\$0	\$0	\$0
<b><u>Funding of Expenditures:</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
TOTAL Funding of Exp.	\$0	\$0	\$0	\$0
<b><u>Revenues:</u></b>				
General Fund (01)	\$50,000	\$40,000	\$40,000	\$40,000
TOTAL Revenues	\$50,000	\$40,000	\$40,000	\$40,000
<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u></b>				
General Fund (01)	\$50,000	\$40,000	\$40,000	\$40,000

**Technical Notes:**

1. The 20,000 square foot requirement may need clarification; it is unclear if it includes other non-retail spaces such as bathrooms, offices, and storage areas or if it is just 20,000 square feet of retail space.

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