

# OFFICE OF FISCAL ANALYSIS

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sSB-647

AN ACT STREAMLINING THE LIQUOR CONTROL ACT.

As Amended by Senate "A" (LCO 9541)

Senate Calendar No.: 287

## **OFA Fiscal Note**

### **State Impact:**

Agency Affected	Fund-Effect	FY 20 \$	FY 21 \$	FY 22 \$
Consumer Protection, Dept.	GF - Revenue Gain	None	800,000 to 900,000	800,000 to 900,000
Consumer Protection, Dept.	GF - Revenue Loss	None	Up to \$120,000	Up to \$120,000
Department of Revenue Services	GF - Revenue Gain	At least 25,000	At least 50,000	At least 50,000
Consumer Protection, Dept.	GF - Potential Revenue Gain	None	See Below	See Below

Note: GF=General Fund

**Municipal Impact:** None

### **Explanation**

The bill makes various changes to the Liquor Control Act and results in various revenue gains described below.

### **Revenue Impact:**

- The bill consolidates various liquor permits and results in a revenue gain of \$800,000 to \$900,000 beginning in FY 21.
- Section 19 results in a revenue loss of up to \$120,000 beginning in FY 21 associated with granting restaurant permittees the same privileges as the caterer permit for no fee. The total revenue loss will be dependent on how many of the current 268 caterer permits are restaurants and will no

longer have to pay for this permit.

- Section 1 requires a manufacturer permittee for beer to pay the Alcohol Excise Tax for beer sold for on-premises consumption for amounts over 15 barrels,<sup>1</sup> which results in an estimated revenue gain of at least in \$25,000 in FY 20 and at least \$50,000 in FY 21 and annually thereafter.
- Section 6 allows gift basket permits to include beer and results in a potential revenue gain of under \$2,500 per year starting in FY 21. In FY 18 there were 11 of these permits issued (a permit costs \$200) and it's anticipated this change will generate 10 or fewer new permits per year.
- Section 26 creates a new out-of-state retailer shipper's permit for wine and results in potential revenue gain to the extent this new permit is applied for (\$600 per permit).

Senate "A" strikes the underlying bill and results in the fiscal impact described above.

### ***The Out Years***

The fiscal impact identified above would continue into the future subject to the number of liquor permits applied for and inflation.

*The preceding Fiscal Impact statement is prepared for the benefit of the members of the General Assembly, solely for the purposes of information, summarization and explanation and does not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.*

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<sup>1</sup> The bill does not specify if this is an annual or lifetime limit.