OFFICE OF FISCAL ANALYSIS

Legislative Office Building, Room 5200
Hartford, CT 06106 ◇ (860) 240-0200
http://www.cga.ct.gov/ofa

SB-647
AN ACT STREAMLINING THE LIQUOR CONTROL ACT.
AMENDMENT
LCO No.: 9483
File Copy No.: 592
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
Consumer Protection, Dept.	GF - Cost	116,849	122,363	122,363
State Comptroller - Fringe Benefits[1]	GF - Cost	41,292	43,569	43,569
Consumer Protection, Dept.	GF - Potential Cost	65,315	68,792	68,792
State Comptroller - Fringe Benefits[2]	GF - Potential Cost	26,038	27,470	27,470

Note: GF=General Fund

Municipal Impact: None

[1]The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 41.19% of payroll in FY 20 and FY 21.

[2]The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 41.19% of payroll in FY 20 and FY 21.

Primary Analyst: ME — 5/23/19
Contributing Analyst(s): ()

Explanation

The amendment strikes the underlying bill and its associated fiscal impact resulting in the following impact. The amendment makes various changes to the Liquor Control Act and results in various revenue gains and costs to the state described below.

Revenue Impact:

- The amendment consolidates various liquor permits and results in a revenue gain of $800,000 to $900,000 starting in FY 21 dependent on which permits are applied for in the future.

- Section 19 results in a revenue loss of up to $120,000 for 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,[3] 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).

[3] The bill does not specify if this is an annual or lifetime limit.

Cost Impact:

- Section 26 creates an out-of-state retailer shipper's permit for wine and results in a cost to the Department of Consumer Protection (DCP) of $158,141 in FY 20 and $165,932 in FY 21 (costs include salary and benefits). DCP will have to hire a processing technician and liquor control agent to process, enforce, and regulate the new permits. It is anticipated hundreds of new out-of-state retailers will apply for the new permit.
    - To the extent that the bill generates numerous investigations and complaints, DCP will potentially have to hire one paralegal specialist costing $91,353 in FY 20 and $96,262 in FY 21 (costs include salary and benefits).