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sHB-6548
AN ACT CONCERNING THE DEPARTMENT OF CONSUMER PROTECTION'S RECOMMENDATIONS REGARDING ALCOHOLIC LIQUOR REGULATION.
As Amended by House "A" (LCO 7233)
House Calendar No.: 87

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 24 $	FY 25 $
Various	Various - Potential Revenue Gain	See Below	See Below

Note: Various=Various

Municipal Impact:

Municipalities	Effect	FY 24 $	FY 25 $
Various Municipalities	Cost	Potential	Potential

Explanation

The bill makes various changes regarding alcoholic liquor regulation resulting in the following impacts.

Section 5 creates a new temporary auction permit for a fee of $175 per day resulting in a potential revenue gain to the General Fund (GF) to the extent that these permits are issued.

Section 5 also results in a revenue gain to the state's sales tax by allowing the temporary auction permit to allow the sale of alcohol at auctions. The actual revenue gain in a given fiscal year will be dependent upon the number of auctions permitted and the total value of sales for that fiscal year.

Primary Analyst: ME
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Reviewer: RP
5/11/23

Section 6 creates an outdoor open-air permit for an annual fee of $4,000 resulting in a potential revenue gain to the GF to the extent these permits are applied for.

Section 6 also results in a potential revenue gain to the state's sales and alcoholic beverage taxes by allowing the retail sale and consumption of alcohol in open spaces operating under a year-round open-space permit. The actual revenue gain in a given fiscal year would be dependent upon the number of open-air permits approved that would not have otherwise qualified for the seasonal outdoor open-air permit.

Section 10 results in potential revenue gain up to $15,000 annually in the state's sales and alcoholic beverage taxes by allowing manufacturer permittees for spirits and beer to sell their products at farmers markets. Any revenue gain in taxes would be only to the extent that there is an increase in alcohol sales rather than a shift from currently allowed transactions for alcohol.

Section 14 replaces several temporary and nonprofit permits with a temporary liquor permit for a noncommercial entity and raises the fee for some of these permits[1] resulting in a potential revenue gain to the GF to the extent these permits are issued. The fee for a temporary liquor permit for a noncommercial entity is $50 per day.

Section 15 allows manufacturer permits to sell products at a farmers' market if they obtain a farmer markets permit resulting in a potential revenue gain to the GF if additional farmers market permits are applied for. The annual fee for the permit is $250 with a $100 nonrefundable filing fee.

Section 16 allows for-profit entities to apply for a festival permit for a fee of $275 resulting in a potential revenue gain to the GF to the extent these permits are applied for.

Section 16 results in a potential revenue gain to the state's sales and

[1] These permits currently range from $25 to $50 per day.

alcoholic beverage taxes by allowing for-profit entities to sponsor a permitted festival. The actual revenue gain in a given fiscal year will be dependent upon the number of permits approved and only to the extent that there is an increase in alcohol sales rather than a shift from currently allowed transactions for alcohol.

This section also results in a potential revenue gain in the state's sales and alcoholic beverage taxes by allowing manufacturer permittees that hold an out-of-state shipper's permit for beer to make certain types of sales at a festival. Any revenue gain in taxes would be only to the extent that there is an increase in alcohol sales rather than a shift from currently allowed transactions for alcohol.

Section 17 creates a new civil penalty for a false statement on applications of up to $1,000 per violation resulting in a potential revenue gain to the consumer protection enforcement account[2] to the extent violations occur.

Section 26 requires annual fire inspections of all premises in municipalities that operate under a permit that allows for on-premises alcohol consumption. To the extent additional personnel are necessary to meet these requirements, there may be a potential cost to municipalities beginning in FY 24.

Section 27 requires the Liquor Control Commission to study the impact of requiring people applying or renewing their permit to attest that they obtained liquor liability insurance resulting in no fiscal impact to the state because the Commission has the expertise to meet the requirements of the bill.

The bill also makes various changes to consumer protection statutes that are not anticipated to result in a fiscal impact to the state or municipalities.

[2] The consumer protection enforcement account is a non-appropriated account used to fund positions dedicated to the enhanced enforcement of DCP licensing laws and regulations.

House "A" strikes the underlying bill and its associated fiscal impact resulting in the impact described above.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to the number of permits issued, number of fire inspections required, and inflation.