

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6927

BILL NUMBER: SB 310

NOTE PREPARED: Apr 23, 2021

BILL AMENDED: Apr 22, 2021

SUBJECT: Alcoholic Beverages.

FIRST AUTHOR: Sen. Charbonneau

FIRST SPONSOR: Rep. Smaltz

BILL STATUS: Enrolled

FUNDS AFFECTED: GENERAL
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: *Food Hall Permits:* This bill allows a food hall that: (1) is located in a certified technology park; and (2) is not located in a historic district or historic building; to be eligible for a food hall master permit.

Municipal Riverfront Development Projects: The bill provides that a project that: (1) borders a lake that is at least 750 acres; and (2) is within a municipality; is eligible for a municipal riverfront development project retailer's permit.

Carryout Sales in an Economic Development Area: The bill allows a person who holds: (1) a restaurant permit in an economic development area; and (2) an interest in a brewery, farm winery, or artisan distillery (production facility) located on or adjacent to the restaurant; to sell alcoholic beverages manufactured at the production facility for carryout in the restaurant's general merchandising area and from a self-serving display.

Minors on Certain Premises: It also provides that a minor may: (1) be in the restaurant's general merchandising area; and (2) participate in a nondrinking tour of the production facility, if the minor is accompanied by an adult family member.

Effective Date: Upon passage; July 1, 2021.

Explanation of State Expenditures: *Alcohol and Tobacco Commission (ATC):* The ATC would be required to administer and enforce the bill's provisions. The ATC should be able to do this within existing levels of staffing and resources.

Explanation of State Revenues: *Food Hall Permits:* If additional food hall master permits are allowed, additional permits for food hall vendors would likely also be issued, and permit fee revenue would increase. The initial fee for a food hall master permit is \$50,000, and the annual renewal fee is \$5,000. The initial fee for a food hall vendor's permit is \$2,500 if the space is less than 1,000 square feet or \$5,000 if the space is less than 2,000 square feet, with annual renewal fees of \$1,000. If the vending space is more than 2,000 square feet, the vendor must purchase a permit subject to availability under the quota system. All revenue from these fees is deposited in the Enforcement and Administration Fund.

Municipal Riverfront Development Projects: The bill would allow the ATC to issue additional retailer permits for restaurants in municipal riverfront development project areas that border a lake described in the bill. However, the number of additional permits would likely be small. The annual permit fee is \$500 if the permittee serves only beer or only wine; \$750 if the permittee serves both beer and wine, but no liquor; or \$1,000 if the permittee serves beer, wine, and liquor. Revenue is distributed to the General Fund (37%); the city or town in which the licensed premises are located (33%); and the Enforcement and Administration Fund (30%).

Minors on Certain Premises: The provision allowing minors to participate in tours of certain production facilities under certain conditions could potentially reduce revenue to the state General Fund and the Enforcement and Administration Fund from fines if there are fewer violations of IC 7.1-5-7-9 and IC 7.1-5-7-10. However, any decrease in revenue would likely be small.

It is a Class C infraction for a minor to knowingly or intentionally be in a public place where alcoholic beverages are sold. It is also a Class C infraction for a parent or guardian to take a minor into a place where alcohol is sold and for a permittee to allow a minor in these places. The maximum judgment for a Class C infraction is \$500, which is deposited in the state General Fund. If the ATC imposes a fine, that revenue is deposited in the Enforcement and Administration Fund.

Explanation of Local Expenditures:

Explanation of Local Revenues: *Municipal Riverfront Development Projects:* To the extent the ATC issues more retailer permits than it would have under current law, permit fee revenue distributed to the city or town in which the licensed premises are located would increase. However, any increase in revenue would likely be small.

Minors on Certain Premises: If there are fewer court actions filed and judgments entered, local governments could receive less revenue from court fees. However, any impact on local revenue would likely be small.

State Agencies Affected: Alcohol and Tobacco Commission.

Local Agencies Affected: Trial courts, local law enforcement agencies; cities and towns with certain municipal riverfront development projects.

Information Sources:

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