



February 1, 2022

SUMMARY OF BILL AS AMENDED (012993): Creates a common carrier license issued by the Tennessee Alcoholic Beverage Commission (ABC) for individuals and entities that transport wine from a winery direct shipper or “fulfillment house” to in-state consumers. Requires applicants to submit a \$300 application fee and an annual \$1,000 license fee to ABC for each license. Effective January 1, 2023.

Effective upon becoming law, expands the Class E felony charge, punishable by fine only, for shipping wine without an authorized license, to include all alcoholic beverages and beer. Enacts a Class B misdemeanor offense, punishable by fine only, for delivering alcoholic beverages or beer to an individual without checking for proof, face-to-face, that the individual is 21 years of age or older.

ESTIMATED FISCAL IMPACT OF BILL AS AMENDED:

**Increase State Revenue – \$5,200/FY22-23/ABC Fund
\$4,000/FY23-24 and Subsequent Years/ABC Fund**

Assumptions for the bill as amended:

- Any increase in state expenditures for ABC to administer such licensing is not significant.
- A common carrier is required to obtain a separate license for each separate warehouse where the common carrier has physical possession of wine.
- According to ABC, Virginia requires a similar license for common carriers and currently reports five companies who possess common carrier licenses.
- This legislation does not require a common carrier to hold a separate license for each warehouse.
- It is estimated that there will be four applicants for a common carrier license. Due to the effective date, such applicants will be required to be licensed by January 1, 2023.
- The increase in state revenue to ABC is estimated to be \$5,200 [(\$300 application fee x 4) + (\$1,000 annual fee x 4)] in FY22-23.
- The recurring increase in state revenue to ABC is estimated to be \$4,000 (\$1,000 annual fee x 4) in FY23-24 and subsequent years.
- Any increase in fine revenue is estimated to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

/mk