



Fiscal Note
H.B. 442 3rd Sub. (Cherry)
2017 General Session
Alcohol Amendments
by Wilson, B. (Stevenson, Jerry.)



General, Education, and Uniform School Funds

JR4-5-101

	Ongoing	One-time	Total
Net GF/EF/USF (rev.-exp.)	\$1,917,400	\$(385,000)	\$1,532,400

H.B. 442 3rd Sub. (Cherry)

Enactment of this legislation could increase revenue to the Liquor Control Fund by \$4,950,000 ongoing beginning in FY 2018 offset by a \$385,000 one-time reduction in Off-Premise Beer Fees revenue due to delayed implementation. One-time Liquor Control Fund could increase by \$330,000 in FY 2019 due to the first year of implementation of the Off-Premise Beer License. Revenue increases are allocated to the following components: 1) \$4,400,000 from the 2% increase in the markup; \$55,000 from streamlined renewal fees; \$110,000 from training fees (all in FY 2018); \$385,000 ongoing off-premise beer license (beginning in FY 2019); and \$330,000 one-time off-premise beer license in FY 2019. The revenue increase combined with the Alcoholic Beverage Control costs identified below could increase the year-end transfers to the following accounts: General Fund \$2,054,300 ongoing offset by a one-time reduction of \$385,000 in FY 2018 due to delayed implementation of certain fees; \$1,750,000 to the Underage Drinking Prevention Program Restricted Account; Parents Empowered \$26,400; Alcoholic Beverage Control Act Enforcement Fund \$44,000; and the School Lunch Account \$440,000. There could also be a one-time increase in General Fund of \$330,000 in FY 2019.

Revenues	FY 2017	FY 2018	FY 2019
General Fund	\$0	\$2,054,300	\$2,054,300
GFR - Underage Drinking Prevention	\$0	\$26,400	\$26,400
Alcoholic Beverage Control Act Enforcement Fund	\$0	\$44,000	\$44,000
Liquor Control Fund	\$0	\$498,400	\$498,400
General Fund, One-Time	\$0	\$(385,000)	\$330,000
Restricted Accounts and Funds	\$0	\$440,000	\$440,000
New Account Created By Legislation	\$0	\$1,750,000	\$1,750,000
Total Revenues	\$0	\$4,428,100	\$5,143,100

Enactment of this legislation could cost the Department of Alcoholic Beverage Control \$498,400 annually for salary and benefits for 5 FTE to administer the changes proposed in the legislation including license and compliance, management, and training. Enactment of this legislation could also cost the Department of Public Safety \$140,000 one-time in FY 2017 and \$12,500 ongoing from the Alcoholic Beverage Control Act Enforcement Fund in FY 2018 for database development and maintenance. Ongoing costs for the Attorney General from the General Fund could also increase by \$136,900 for attorney and staff support related to enforcement provisions of the bill. Costs to the State Board of Education to institute the education components required in the bill could be approximately \$1,750,000 annually.

Expenditures	FY 2017	FY 2018	FY 2019
General Fund	\$0	\$136,900	\$136,900
Alcoholic Beverage Control Act Enforcement Fund	\$140,000	\$12,500	\$12,500
Liquor Control Fund	\$0	\$498,400	\$498,400
New Account Created By Legislation	\$0	\$1,750,000	\$1,750,000
Total Expenditures	\$140,000	\$2,397,800	\$2,397,800

Net All Funds	\$(140,000)	\$2,030,300	\$2,745,300
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Local Government

UCA 36-12-13(2)(c)

Enactment of this legislation likely will not result in direct, measurable costs for local governments.

Individuals & Businesses

UCA 36-12-13(2)(d)

Enactment of this legislation could increase the cost of purchasing alcohol by two percent, resulting in an aggregate increase of \$4,400,000 annually. Businesses electing to file under certain licenses authorized in the bill could see an increase in costs of \$325 initially and \$175 each year thereafter beginning in FY 2019. Renewal fees have been streamlined in the bill resulting in additional revenue from some licensees totaling \$55,000 in the aggregate. Licensees could also pay a \$25 training fee authorized in the bill for aggregate revenue of \$110,000 annually.

Performance Note

JR4-2-404

No performance note required for this bill

Notes on Notes

Fiscal notes estimate the direct costs or revenues of enacting a bill. The Legislature uses them to balance the budget. They do not measure a bill's benefits or non-fiscal impacts like opportunity costs, wait times, or inconvenience. A fiscal note is not an appropriation. The Legislature decides appropriations separately.