

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 349** HLS 19RS 550
 Bill Text Version: **ENROLLED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: June 11, 2019 3:17 PM	Author: CARMODY
Dept./Agy.: Alcohol and Tobacco Control	Analyst: Benjamin Vincent
Subject: Alcoholic Beverages: Delivery	

ALCOHOLIC BEVERAGES EN INCREASE SG RV See Note Page 1 of 1
 Provides relative to the delivery of alcoholic beverages

Proposed law authorizes the Commissioner of Alcohol & Tobacco Control (ATC) to issue permits for the delivery of low alcohol content beverages by restaurants, grocery stores, package houses, and third parties. Proposed law specifies that the fee for issuance of the permit shall be \$500 for third parties, and \$250 for restaurants, package houses, and grocery stores. Proposed law provides certain restrictions on alcohol deliveries and on persons authorized to conduct deliveries, requires third party delivery services to use their own W-2 employees for delivery, and requires delivery agents to refuse delivery under certain circumstances. Proposed law authorizes ATC revoke permits authorizing delivery as a result of violations of the requirements in proposed law. Proposed law additionally authorizes parishes and municipalities to issue and require local permits similar to those issued by ATC for delivery of alcoholic beverages by restaurants, grocery stores, and third parties.

Effective upon governor's signature.

EXPENDITURES	2019-20	2020-21	2021-22	2022-23	2023-24	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	SEE BELOW	\$252,000	\$252,000	\$252,000	\$252,000	\$1,008,000
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total		\$252,000	\$252,000	\$252,000	\$252,000	\$1,008,000

REVENUES	2019-20	2020-21	2021-22	2022-23	2023-24	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total						

EXPENDITURE EXPLANATION

ATC anticipates that expanded administration and enforcement responsibilities due to proposed law will impose additional workload that may require three (3) additional ATC Agents, with a total estimated annual cost of approximately \$252,000. ATC reports that self-generated funds would generally be used to fund this cost, but the use of general fund resources may be required in the first year for implementation.

REVENUE EXPLANATION

Proposed law provides that the fee for the permit for delivery of certain alcoholic beverages is \$500 for third parties with written agreements with retailers, and \$250 for restaurants, package houses, and grocery stores. To the extent that restaurants, grocery stores, package houses, and third parties apply and qualify for the permit, ATC fee revenue will increase.

Reliable data on the number of entities that would be eligible and apply for the permit is unavailable, thus the magnitude of the impact on ATC fee revenue is unknown at this time.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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