

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 345** HLS 14RS 1095

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action: **w/ SEN COMM AMD**

Proposed Amd.:

Sub. Bill For.:

Date: April 29, 2014 10:28 AM	Author: ARNOLD
Dept./Agy.: Revenue/Alcohol and Tobacco Control	Analyst: Deborah Vivien
Subject: Defines broker and imposes a permit fee for brokers	

ALCOHOLIC BEVERAGES

EG1 INCREASE SG RV See Note

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Provides relative to alcoholic beverage laws

Current law does not provide for the permitting of brokers.

Proposed law defines a broker an agent of one or more licensed dealers for whom they solicit, receive, or transmit orders for beverages with alcohol content greater than 6% but do not maintain an inventory, possess a property right, or deliver any beverage alcohol products. The bill creates a permit for brokers that is identical to that of solicitors, including the fee of \$5 per year.

EXPENDITURES	2014-15	2015-16	2016-17	2017-18	2018-19	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
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	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2014-15	2015-16	2016-17	2017-18	2018-19	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

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

REVENUE EXPLANATION

The bill is expected to increase self-generated revenue by the amount of broker permit fees collected at \$5 each per year. It is not known exactly how many brokers are or will be conducting business in the state. A reasonable assumption is that there are fewer brokers than solicitors. There are currently 5,100 permitted solicitors in the state with associated permit fees of \$25,500. Thus, the revenue generated by the broker permit is expected to be less than \$25,500, annually, though the actual amount is uncertain.

Senate

Dual Referral Rules

House

13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

6.8(F)(2) >= \$500,000 State Rev. Reduc. {H & S}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Gregory V. Albrecht
Chief Economist