

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 233** HLS 15RS 973

Bill Text Version: **REENGROSSED**

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

Proposed Amd.:

Sub. Bill For.:

| | | |
|--|---------|--------------------------------|
| Date: May 27, 2015 | 6:00 PM | Author: ADAMS |
| Dept./Agy.: Revenue | | Analyst: Deborah Vivien |
| Subject: Establishes microdistillery permit and fee | | |

ALCOHOLIC BEVERAGES

RE1 INCREASE SG RV See Note

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Authorizes the permitting and operation of microdistilleries in Louisiana

Proposed law establishes a microdistillery permit for holders of a Retailer's Class A for an annual fee of \$1,000 which authorizes the distilling, making, blending, rectifying or processing of any alcoholic beverage in the state. Quantity is limited to 12,000 gallons per year for retail consumption on or off the licensed premises. The permit holder is allowed to sell the beverage himself at retail but not through wholesale or other retail means. The beverage must be taxed in the same manner and rate as other alcoholic beverages.

Proposed law requires a restaurant establishment to have at least 500 square feet of publicly habitable floor area dedicated exclusively to the business, which may be waived for historic properties. The bill also allows the Commissioner to waive or credit all state permit application fees when the permit is not issued within 3 business days. Alcohol and tobacco product sales inspectors under the age of 21 must carry ID and truthfully reveal their age, unless waived in writing by Commissioner.

| EXPENDITURES | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 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 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 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 generate a minimal amount of self-generated revenue for the Office of Alcohol and Tobacco Control to the extent that microdistilleries obtain the permit created by this bill. The revenue would be generated at a rate of \$1,000 annually per permit holder, the permit fee authorized in the bill. It is uncertain how many microdistilleries will apply for the permit annually.

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|---|----------------------------|--------------|--|
| <u>Senate</u> | <u>Dual Referral Rules</u> | <u>House</u> | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S} |
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} | | | <input type="checkbox"/> 6.8(F)(2) >= \$500,000 Rev. Red. to State {H & S} |
| <input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H} | | | <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S} |

Gregory V. Albrecht
Chief Economist