

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**SB 3626 - HB 3732**

February 19, 2010

**SUMMARY OF BILL:** Authorizes the sale of alcoholic beverages for on-premises consumption at a restaurant within a Tennessee River Resort District with an indoor seating capacity of at least 40 people and an outdoor seating capacity of at least 75 people.

**ESTIMATED FISCAL IMPACT:**

**Increase State Revenue – \$2,700/ABC Fund/One-Time  
\$6,800/ABC Fund/Recurring  
Exceeds \$100,000/General Fund/Recurring  
Increase State Expenditures – Not Significant**

**Increase Local Revenue – Exceeds \$20,000/Recurring  
Increase Local Expenditures – Not Significant/Permissive**

Assumptions:

- One restaurant in each of the nine River Resort Districts will be authorized to sell alcoholic beverages for on-premises consumption.
- No additional personnel or resources will be needed by the Alcoholic Beverage Commission (ABC).
- There will be an initial license application fee of \$300 and an average \$750 annual renewal fee to the State ABC Fund resulting in a one-time increase of revenue to the State ABC Fund of \$2,700 (\$300 x 9) and a recurring increase to the State ABC Fund of \$6,750 (\$750 x 9).
- Any increase in local government expenditures related to the administrative cost of collecting local privilege taxes associated with such licenses is estimated to be not significant.
- According to ABC, the local privilege tax is \$600.

- Based on information provided by the Department of Revenue, state and local governments are expected to realize an increase of revenue derived from liquor-by-the-drink taxes and sales taxes. The increases are reasonably estimated to exceed \$100,000 and \$20,000 respectively.

**CERTIFICATION:**

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

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large initial "J" and "W".

James W. White, Executive Director

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