

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 1171 – SB 1038

April 11, 2012

**SUMMARY OF AMENDMENTS (016152, 013084, 012921):** Amendment 012921 deletes all language after the enacting clause. Authorizes any municipality, which has a tourism development zone located within its jurisdiction which has not authorized the sale of alcoholic beverages, to conduct a referendum by placing questions on the ballots of the November 2012 general elections. All costs associated with the referendum shall be paid by such municipalities. Amendment 013084 authorizes the City of Orinda, located in Robertson County, to conduct a referendum in accordance with the regular November 2012 general elections, to allow liquor-by-the-drink within its municipal boundaries. Amendment 016152 authorizes a convention center located in Monroe County, having a dining area capable of seating approximately 300 persons, and occupying an area of approximately 8,500 square feet on Tellico Lake to sell alcoholic beverages for on-premises consumption.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENTS:

**Increase State Revenue - \$300/One-Time/ABC Fund  
\$2,000/Recurring/ABC Fund  
Not Significant/Recurring/General Fund  
Increase State Expenditures – Not Significant**

**Increase Local Revenue – Not Significant  
Increase Local Expenditures – Not Significant**

Assumptions applied to amendments:

- According to the Department of State, Division of Elections, there will be no increase in local costs for such municipalities to add questions regarding the adoption of liquor-by-the-drink to the regular November 2012 ballots.
- Amendment 016152 refers to one establishment located in Monroe County.
- The location described is in Vonore, TN. No municipal tax is applicable.

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- There is a \$300 initial application fee and a \$2,000 annual renewal fee to the state Alcoholic Beverage Commission (ABC) Fund.
- No additional personnel or resources will be required by ABC.
- There is no county privilege tax applicable.
- The entity will be assessed state and local sales tax on alcoholic beverage sales, a 15 percent liquor-by-the-drink tax on alcoholic beverage sold, and any applicable county privilege tax. These taxes will not have a significant state or local fiscal impact.

**CERTIFICATION:**

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



Lucian D. Geise, Executive Director

/jdb