

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 1046 - SB 2017

March 12, 2011

SUMMARY OF BILL: Creates a winemaking on premises facility license authorizing wine to be manufactured at home for personal use and home consumption. Authorizes licensed facilities to sell juices, items used in home winemaking, and other gifts or wine-related items. Creates a Class A misdemeanor offense for a licensee who provides wine to any person under the age of 21. Requires the Department of Agriculture to establish reasonable procedures for ensuring sanitary conditions at winemaking on premises facilities.

ESTIMATED FISCAL IMPACT:

**Increase State Revenue – \$3,000/One-Time/ABC Fund
\$1,500/Recurring/ABC Fund
Not Significant/Recurring/General Fund**

Increase State Expenditures – Not Significant

Increase Local Revenue – Not Significant

Increase Local Expenditures – Not Significant

Assumptions:

- According to the Alcoholic Beverage Commission (ABC), there will be 10 facilities licensed as a winemaking on premises facility.
- According to ABC, there will be a \$300 initial license application fee and a \$150 annual renewal fee to the State ABC resulting in a one-time increase to state revenue of \$3,000 (\$300 x 10) and a recurring increase to state revenue of \$1,500 (\$150 x 10).
- No additional personnel or resources will be required by the ABC.
- The amount of wine produced by each winemaking on premises facility will not exceed that allowed for personal use.
- According to the Department of Revenue, authorizing licensed winemaking on premises facilities to sell juices, novelties, and winemaking items will result in a not significant impact to state and local sales taxes.
- Any increase to local government expenditures for collecting local sales tax on the sale of items by a licensed winemaking on premises facility is estimated to be not significant.
- There will not be a sufficient number of prosecutions for state or local government to experience any significant increase in revenue or expenditures.

- Pursuant to § 57-3-207, the Department of Agriculture is currently required to establish reasonable procedures requiring proper sanitary conditions about a licensed winery. Requiring the Department to apply similar standards for winemaking on premises facilities can be accommodated within existing resources and will result in a not significant increase to state expenditures.

CERTIFICATION:

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



James W. White, Executive Director

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