

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 1916 - SB 1493

March 15, 2011

SUMMARY OF BILL: Removes the annual compensation paid to members of the Alcoholic Beverage Commission (ABC). Authorizes ABC to assess costs for administrative hearings.

ESTIMATED FISCAL IMPACT:

Increase State Revenue – \$12,600/ABC Fund
Decrease State Expenditures – \$19,900/ABC Fund

Assumptions:

- There are three individuals serving as Commissioners of the Alcoholic Beverage Commission (ABC).
- According to the ABC, Commissioners receive an annual stipend of \$6,000 and reimbursement for travel. Removing the stipend from their compensation package will result in a decrease in expenditures to the State ABC fund of \$18,000 ($\$6,000 \times 3$).
- According to ABC, the costs for 25 hearings was paid by the Commission in 2010 resulting in expenditures of approximately \$9,375 ($25 \text{ hearings} \times \375 per hearing).
- Since ABC will be able to assess hearing costs, the Commission will schedule more hearings. ABC estimates that there will be 200 hearings scheduled for FY11-12. Approximately 10 percent, or 20 hearings will either be dismissed or costs assessed against ABC resulting in costs of \$7,500 ($20 \text{ hearings} \times \375).
- The net decrease in expenditures will be \$1,875 ($\$9,375 - \$7,500$).
- According to ABC, the minimum citation amount for an administrative hearing is \$100. Approximately 70 percent of citations issued will be paid resulting in an increase to the state ABC Fund of \$12,600 [$(180 \text{ hearings} \times 70\%) \times \100].

CERTIFICATION:

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

A handwritten signature in blue ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact style than the last name "White".

James W. White, Executive Director

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