

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 413 – SB 1345

April 15, 2013

SUMMARY OF ORIGINAL BILL: Decreases, from 50 to 20, the minimum number of rooms a hotel must have in order to obtain a liquor-by-the-drink license.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Revenue - \$1,200/One-Time/ABC Fund
\$4,000/Recurring/ABC Fund

SUMMARY OF AMENDMENTS (005105, 006926): Amendment 005105 deletes and rewrites the bill such that the only substantive change is the addition of language authorizing a commercially-operated facility in Clay County to be licensed as a premier type tourist resort for the purpose of selling liquor-by-the-drink; and authorizing two facilities in Davidson County to be licensed as historic performing arts centers for the purposes of obtaining licensing to sell alcoholic beverages for on-premises consumption. Amendment 006926 removes the two facilities in Davidson County to be licensed as historic performing arts centers.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENTS:

Increase State Revenue – \$7,500/FY13-14/ABC Fund
\$6,000/FY14-15 and Subsequent Years/ABC Fund

Assumptions for the bill as amended:

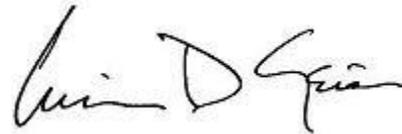
- Hotels would be subject to an initial application fee of \$300 and a \$1,000 recurring annual renewal fee to the Alcoholic Beverage Commission (ABC) Fund for each entity.
- ABC estimates that there will be four new hotel applicants following enactment of this bill as amended.
- The one-time increase in state revenue to the ABC Fund relating to the hotels is \$1,200 (4 x \$300). The recurring increase in state revenue to the ABC Fund relating to the hotels is \$4,000 (4 x \$1,000).
- The Clay County entity is the only new facility that will qualify as a premier type tourist resort for purposes of licensing for the sale of liquor-by-the-drink.

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- The initial application fee for the premier type tourist resort in Clay County will be \$300 and the annual renewal fee will be \$2,000 to the ABC Fund.
- No additional personnel or resources will be required by the ABC.
- The entities will be assessed state and local taxes on alcoholic beverage sales, a 15 percent liquor-by-the-drink tax on all alcoholic beverages sold, and any applicable county or 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

/cce