

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 2027 - SB 2415

February 19, 2014

SUMMARY OF BILL: Establishes a satellite location license for the purpose of authorizing currently licensed wineries to establish up to two satellite locations to provide free samples and sell wine and other legally permissible items. Establishes a new small winery wholesaler license for the purpose of authorizing wineries producing up to 50,000 gallons per year to sell and transport up to 3,000 cases of wine to any establishment licensed to serve wine for consumption on-premises and to retail package stores authorized to purchase wine.

ESTIMATED FISCAL IMPACT:

**Increase State Revenue - \$2,700/One-Time/ABC Fund
\$1,400/Recurring/ABC Fund**

Assumptions:

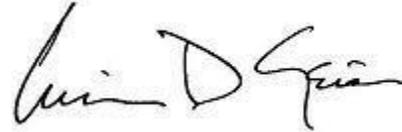
- It is assumed that three wineries (one in each grand division) will license two satellite locations in the first year; but afterwards, the number of satellite locations remains relatively constant at six per year.
- There is a one-time fee of \$300 and an annual fee of \$150 for each satellite location.
- There will be a one-time increase in state revenue to the ABC Fund of \$1,800 ($\300×3 wineries $\times 2$ satellites) and a recurring increase in state revenue to the ABC Fund of \$900 ($\150×3 wineries $\times 2$ satellites) associated with the satellite location licenses.
- It is assumed that three wineries (one in each grand division) will become licensed small winery wholesalers; but afterwards, the number of wholesalers remains relatively constant at three per year.
- There is a one-time fee of \$300 for the small winery wholesaler license and an annual fee of \$150 to maintain the license.
- There will be a one-time increase in state revenue to the ABC Fund of \$900 ($\300×3) and a recurring increase in state revenue to the ABC Fund of \$450 ($\150×3) associated with small winery wholesaler licenses.
- The total one-time increase in state revenue to the ABC Fund is estimated to be \$2,700 ($\$1,800 + \900).
- The total recurring increase in state revenue to the ABC Fund is estimated to be \$1,350 ($\$900 + \450).

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- Any increase in state or local tax collections associated with the bill is estimated to be not significant.

CERTIFICATION:

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

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is written in a cursive style with a large initial "L" and "G".

Lucian D. Geise, Executive Director

/cce