

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 396 – HB 634

March 18, 2015

SUMMARY OF ORIGINAL BILL: Redefines a “municipality” to mean an incorporated town or city having a population of at least 925, rather than 1,000, persons, for the purposes of intoxicating liquor law provisions. Deletes the provision declaring that sales of alcoholic beverages at retail shall be made only in municipalities in counties that permitted the manufacture, receipt, sale, storage, transportation, distribution, and possession of alcoholic beverages, or within civil districts of such counties, if such districts have a population of at least 30,000 and not have lying either wholly or partly within its boundaries a municipality. Authorizes the sale of alcoholic beverages at retail in unincorporated areas of such counties. Authorizes the county legislative body or the county beer board to limit the location of retail package stores and the number of licenses issued within the unincorporated areas of such counties.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Revenue – Exceeds \$11,100/One-Time/ABC Fund
Exceeds \$31,500/Recurring/ABC Fund
Exceeds \$4,495,800/Recurring/General Fund

Increase Local Revenue – Exceeds \$1,575,400/Recurring/Permissive

SUMMARY OF AMENDMENT (004247): Deletes all language after the enacting clause. Authorizes the sale of alcoholic beverages at retail in unincorporated areas of White County.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

**Increase State Revenue – Exceeds \$300/One-Time/ABC Fund
Exceeds \$900/Recurring/ABC Fund
Exceeds \$13,900/Recurring/General Fund**

Increase Local Revenue – Exceeds \$4,900/Recurring/Permissive

Assumptions for the bill as amended:

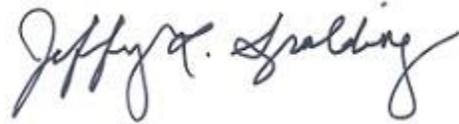
- United States Bureau of the Census estimates that in 2013 White County had a population of 26,244 and Tennessee had a population of 6,497,269. It is estimated that

White County's population in its unincorporated areas is approximately 20,000, or 0.31 percent of the total Tennessee population.

- Based on the assumptions in the original fiscal note, it is estimated that the proposed bill as amended will result in a recurring increase in state revenue exceeding \$13,937 ($\$4,495,846 \times 0.31\%$), and a recurring increase in local revenue exceeding \$4,884 ($\$1,575,404 \times 0.31\%$), beginning in FY15-16.
- At least one establishment will be licensed to sell alcoholic beverages at retail as a result of this bill as amended.
- Pursuant to Tenn. Code Ann. § 57-3-204(b)(1), each applicant for a retail license is required to pay a one-time application fee of \$300. In addition, there is an \$850 annual license fee, both of which are payable to the Tennessee Alcoholic Beverage Commission (ABC).
- No additional personnel or resources will be required by the ABC.

CERTIFICATION:

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



Jeffrey L. Spalding, Executive Director

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