

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 1866 – SB 2096

February 22, 2016

SUMMARY OF ORIGINAL BILL: Authorizes manufacturers of intoxicating liquors to use items related to or incidental to the tasting of alcoholic beverages to be mixed with such alcoholic beverages anywhere that tastings are permitted.

Authorizes manufacturers to rent or lease any portion of their premises for any event, with or without charge. Requires a special occasion license in order to hold an event. Requires prior approval from the Alcohol and Tobacco Tax and Trade Bureau for events to be held on bonded premises or general premises as defined in 27 CFR part 19.

Authorizes owners, officers, employees, representatives, and agents to handle the product at any tastings permitted by law and further authorizes such individuals to hold both a distiller's permit and an on-premises retail employee's permit. Authorizes the holding of a distiller's representative's permit for more than one manufacturer.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Revenue – Exceeds \$5,000/ABC Fund

SUMMARY OF AMENDMENT (012576): Adds language to the original bill requiring tastings to be limited to one-half of one ounce of alcohol per unit per tasting.

Removes language in the original bill that authorized owners, officers, employees, and representatives to hold both a distiller's permit and an on-premises retail employee's permit.

Adds language clarifying that owners, officers, and employees are considered representatives of a manufacturer, rectifier, or importer for purposes of requiring a permit.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

NOT SIGNIFICANT

HB 1866 – SB 2096

Assumptions for the bill as amended:

- Authorizing manufacturers that are currently permitted to allow tastings to use additional items to compliment the tastings will not result in an increased number of manufacturers or locations where inspection will be required by the Alcoholic Beverage Commission; therefore no additional personnel will be required.
- Authorizing additional locations to be used as venues for special events will not have a significant fiscal impact on state or local government licensing revenue.
- The Department of Revenue confirms that any impact to state or local tax revenue will be not significant.

CERTIFICATION:

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



Krista M. Lee, Executive Director

/jaw