

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 2594 – SB 2360

March 1, 2016

SUMMARY OF ORIGINAL BILL: Authorizes the Alcoholic Beverage Commission (ABC) to impose a fine of \$500 on a server permitted to dispense or serve alcoholic beverages for any violation of law or a rule promulgated by ABC, or to suspend or revoke a server permit.

Prohibits an applicant from receiving a server permit, if the applicant has been penalized by the ABC in the previous eight years.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Revenue – Exceeds \$77,000

SUMMARY OF AMENDMENT (012991): Deletes and rewrites the bill such that the only substantive changes are as follows:

Authorizes the Commissioner of the ABC to require a server found in violation to retake and successfully complete a program of alcohol awareness training conducted by an entity certified by the ABC in lieu of suspending or revoking such person's license.

Adds language requiring any employee, representative, or agent of a permittee whose duties include verifying that a person is 21 years of age or older for the purpose of granting access to the premises to require any person who does not appear to be 50 years of age or older to present a valid, government-issued document or other acceptable form of identification with a photograph and birth date. Authorizes the ABC to issue a fine of \$500 for a violation.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

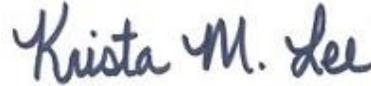
- ABC is currently authorized to revoke server permits for violations.
- According to ABC, there were 593 citations issued in 2015 for sales to minors. This number is assumed to remain constant under current law.
- An established fine of \$500 for each violation.

HB 2594 – SB 2360

- Pursuant to Tenn. Code Ann. § 57-1-201(b)(2), ABC fine revenue is deposited to the state General Fund.
- Given the extent of the proposed fine, it is assumed the number of citations issued for serving to minors will decrease by at least 35 percent, or by approximately 208 citations; thus, the total number of citations issued under the provisions of the bill is estimated to average 385 (593 – 208) per year.
- A minimum collection rate of 40 percent.
- The recurring increase in state revenue to the General Fund is estimated to exceed \$77,000 (385 x 40.0% minimum collection rate x \$500 fine).
- There will be no impact on server permit fee revenue.
- It is reasonably assumed that any person under 21 years of age who is granted access to such establishments and in which an effort was not made to verify such person's age would have resulted in the establishment violating service to a minor under the provisions of the original bill. Therefore, any additional fine revenue from such violations is estimated to be not significant.
- Any increase in expenditures for ABC to issue fines 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