

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 2094 – HB 2586

March 7, 2016

SUMMARY OF ORIGINAL BILL: Authorizes a business submitting an application for a retail food store wine license prior to July 1, 2016, to seek a certificate from the appropriate local jurisdiction. Authorizes the Alcoholic Beverage Commission (ABC) to consider and approve or reject any application for a retail food store wine license prior to July 1, 2016. Requires any approval to be documented by a preliminary letter of approval. Requires ABC to issue a license on July 1, 2016, to any retail food store that received a letter of approval, unless ABC determines cause to contest the issuance of a license. Authorizes wine transactions between wholesalers and retail food stores that have received letters of approval issued by ABC. Authorizes wine to be stocked on shelves prior to July 1, 2016, with any sales occurring on or after such date. All of the preceding provisions shall be repealed on July 5, 2016.

Effective upon becoming law, the addition of a two license limitation on new retail package store owners; the specification that a person receiving delivery of alcoholic beverages is not required to make a purchase at the physical location, and the person making the delivery is required to verify the age of the consumer.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures – Exceeds \$100/ABC/FY15-16

SUMMARY OF AMENDMENTS (012836, 013198): Amendment 012836 deletes language in the bill that created a two license limitation on new retail package store owners.

Amendment 013198 adds the language deleted by amendment 012836 effectively making the bill as amended identical to the original bill.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENTS:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

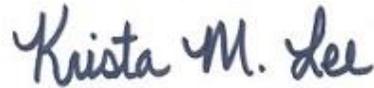
- The effective date of this bill is upon becoming law, the public welfare requiring it; however Section 1 of the bill shall be repealed on July 5, 2016.

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- ABC will send letters of approval prior to July 1, 2016, to all businesses that will receive a retail food store wine license, which will act as proof of licensure.
- ABC will incur additional expenditures in FY15-16 to send approval letters to approved businesses requesting a certificate prior to July 1, 2016.
- The one-time increase in state expenditures for ABC to send mail approval letters is reasonably estimated to exceed \$100 occurring in FY15-16.
- Limiting the number of newly issued retail package store licenses will not have an impact on existing licenses. There will be an unknown amount of foregone revenue resulting from future owners being limited to two licenses. This limit is not expected to significantly impact license revenue in any given year.
- Authorizing transactions between wholesalers and retailers prior to the authorization to sell to the public will not result in any additional revenue for state or local government.
- Clarifying language regarding the delivery of alcoholic beverages will not result in a significant fiscal impact on state or local government.

CERTIFICATION:

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



Krista M. Lee, Executive Director

/jaw