

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 11 - SB 973**

March 25, 2015

**SUMMARY OF BILL:** Shortens by one year the timeframe for the implementation of certain provisions governing the sale of wine in retail food stores.

**ESTIMATED FISCAL IMPACT:**

**Increase State Revenue – \$2,634,300/FY15-16/ABC Fund**  
**\$225,000/FY16-17/ABC Fund**  
**\$6,196,700/FY15-16/General Fund**  
**\$2,519,100/FY16-17/General Fund**  
**\$487,500/FY17-18/General Fund**

**Decrease State Revenue – \$134,000/FY17-18/ABC Fund**

**Increase State Expenditures – \$3,751,000/FY15-16/ABC Fund**  
**\$636,000/FY16-17/ABC Fund**

**Decrease State Expenditures – \$21,200/FY17-18/ABC Fund**  
**\$500,100/FY18-19/ABC Fund**

**Increase Local Revenue - \$4,991,600/FY15-16**  
**\$890,500/FY16-17**  
**\$169,100/FY17-18**

Assumptions:

- The fiscal analysis for this bill is based on the assumptions used in the development of the fiscal memorandum conducted by the Fiscal Review Committee staff for Public Chapter 554 of the Public Acts of 2014.
- The fiscal analysis assumes that the estimated fiscal impact for Public Chapter 554 of the Public Acts of 2014 will occur under current law. Therefore, the analysis for this bill reflects the differences in any given fiscal year between the estimated fiscal impact resulting from shortening the timeframe by one year for the implementation of provisions governing the sale of wine in retail stores, as proposed by this bill, and revenue and expenditures that would be incurred under current law.
- The state revenue to the Alcoholic Beverage Commission (ABC) Fund is estimated to increase by \$2,634,300 in FY15-16 and \$225,000 in FY16-17, and decrease by \$134,000

in FY17-18. Any fiscal impact to the ABC Fund in FY18-19 and subsequent years is estimated to be not significant.

- The state revenue to the General Fund is estimated to increase by \$6,196,700 in FY15-16, \$2,519,100 in FY16-17, and \$487,500 in FY17-18. Any fiscal impact to the General Fund in FY18-19 and subsequent years is estimated to be not significant.
- The local revenue is estimated to increase by \$4,991,600 in FY15-16, \$890,500 in FY16-17, and \$169,100 in FY17-18. Any fiscal impact to the local government in FY18-19 and subsequent years is estimated to be not significant.
- ABC reports that the Commission will not be prepared to properly accomplish all the requirements that will be imposed on the Commission if the timeframe for the implementation of certain provisions governing the sale of wine in retail food stores is shortened by one year, as proposed by this bill.
- The Commission requests that all 38 new positions are filled immediately upon this bill taking effect, rather than be phased-in over a three year period.
- As a result, the proposed legislation is estimated to increase state expenditures to the ABC Fund by \$3,751,000 in FY15-16 and \$636,000 in FY16-17, and decrease state expenditures to the ABC Fund by \$21,200 in FY17-18 and \$500,100 in FY18-19. Any fiscal impact to the ABC Fund in FY19-20 and subsequent years is estimated to be not significant.

**CERTIFICATION:**

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



Jeffrey L. Spalding, Executive Director

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