

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 1996 - SB 2089

February 19, 2016

SUMMARY OF BILL: Authorizes the City of Gatlinburg to adopt an ordinance imposing a minimum distance, not to exceed 1,000 feet, between distilleries manufacturing spirits.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – To the extent one distillery closes and does not reopen in another allowable location as the result of an ordinance adopted by the City of Gatlinburg, there will be a recurring decrease in permit fee to the Alcoholic Beverage Commission estimated to be \$1,000. Any net impact to state and local tax revenue is estimated to be not significant.

Assumptions:

- The Department of Revenue and the Alcoholic Beverage Commission (ABC) confirm no impact on the operations of the departments.
- In the event the City of Gatlinburg adopts such an ordinance, distilleries currently located in Gatlinburg may be required to close or move locations. This is dependent upon the specific requirements of any such ordinance adopted including the specific distance imposed and treatment of existing distilleries.
- Closing of any distillery without subsequent relocation would result in a recurring decrease in permit fee revenue to the ABC of \$1,000.
- It is assumed that retail sales from any closing distillery will shift to other distilleries; as a result, any net change in state and local tax revenue is estimated to be not significant.

CERTIFICATION:

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

A handwritten signature in blue ink that reads "Krista M. Lee".

Krista M. Lee, Executive Director

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