

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 2594 - SB 2360**

February 14, 2016

**SUMMARY OF 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.

**ESTIMATED FISCAL IMPACT:**

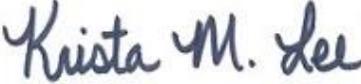
**Increase State Revenue – Exceeds \$77,000**

Assumptions:

- 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.
- 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.
- 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

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