

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 984 - HB 1436

March 12, 2019

SUMMARY OF ORIGINAL BILL: Designates the Third Coast Comedy Club as a community theater for purposes of selling alcoholic beverages for on-premises consumption.

CORRECTED FISCAL IMPACT OF ORIGINAL BILL:

Decrease State Revenue – Net Impact –
\$4,600/FY19-20/ABC Fund
\$4,900/FY20-21 and Subsequent Years/ABC Fund

SUMMARY OF AMENDMENT (005314): Deletes all language after the enacting clause and designates the Third Coast Comedy Club as an urban park center for purposes of selling alcoholic beverages for on-premises consumption.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the corrected fiscal note.

Assumptions for the bill as amended:

- This legislation only applies to the Third Coast Comedy Club in Davidson County.
- This club currently pays \$5,000 per year as a limited service restaurant license.
- This legislation will allow the club to operate as an urban park center instead of a limited service restaurant.
- There is an initial application fee of \$300 and a \$150 annual fee payable to the Tennessee Alcoholic Beverage Commission (ABC).
- No additional personnel or resources will be required by the ABC.
- A net decrease in state revenue of \$4,550 [$\$5,000 - (\$300 + \$150)$] to the ABC Fund in FY19-20.
- A recurring net decrease in state revenue of \$4,850 ($\$5,000 - \150) o the ABC Fund beginning in FY20-21.
- It is assumed that a transition from a limited service restaurant to an urban park center will have no impact on current sales of alcoholic beverages at such theater; therefore, no

significant impact on liquor-by-the-drink tax revenue, state and local sales tax revenue, or wholesale tax revenue.

- Local privilege tax for this urban park is assumed to be identical to that of a limited service restaurant; therefore, no significant impact on local privilege tax revenue.

CERTIFICATION:

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

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

/jdb