

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 1173 - SB 1483

February 27, 2019

SUMMARY OF BILL: Exempts a winery or farm wine producer from the current requirement to obtain wine from a wholesaler to sell at a satellite facility, if the satellite facility is located in a county where the wine is produced, or in a county contiguous thereto and the winery or farm producer does not self-distribute to the satellite facility more than 10,000 gallons of wine per year.

ESTIMATED FISCAL IMPACT:

**Increase State Revenue - \$300/One-Time/ABC
\$200/Recurring/ABC**

Assumptions:

- Pursuant to Tenn. Code Ann. § 57-3-207(q), a licensed winery which produces 50,000 gallons or less of wine annually may obtain a self-distribution permit from the Tennessee Alcoholic Beverage Commission (ABC).
- Based upon a review of the rules and regulations of the ABC, there is no fee imposed by the Commission in conjunction with the issuance of a self-distribution permit; therefore, this legislation will have no significant impact on any existing permit fee revenue.
- Based on information provided by the ABC, this legislation is estimated to result in the issuance of one additional satellite facility permit.
- Pursuant to Tenn. Code Ann. § 57-3-207(r)(3)(B), a licensed winery which produces 50,000 gallons or less of wine annually qualifies for a satellite permit to authorize no more than three such wineries, farm wine producers, or any combination thereof, to conduct business at one satellite facility.
- Pursuant to Tenn. Code Ann. § 57-3-207(r)(4), the costs associated with acquiring a satellite permit is a one-time application fee of \$300 per satellite location and an annual license fee of \$150.
- A one-time increase in state revenue of \$300 and a recurring increase in state revenue of \$150.
- Any increase in state revenue from collections of state sales tax, liquor, or wholesale gallonage tax, as a direct result of this legislation, is estimated to be not significant.

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CERTIFICATION:

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

Handwritten signature of Krista Lee Carsner in black ink.

Krista Lee Carsner, Executive Director

/jdb