



March 8, 2020

**SUMMARY OF BILL:** Removes the two license cap on alcohol retail licenses that one entity may own. Removes the “Unfair Wine Sales Law” pursuant to Tenn. Code Ann. § Title 57 chapter 3 part 9.

**ESTIMATED FISCAL IMPACT:**

**Decrease State Revenue - \$189,000/FY20-21 and Subsequent Years**

**Decrease Local Revenue - \$106,300/FY20-21 and Subsequent Years**

Assumptions:

*Removal of two cap limit*

- It is estimated that removal of the two licenses per entity cap would not result in any new licensees from the proposed legislation.
- The degree to which license transfers increase from this proposed legislation is unknown, but is reasonably estimated to be not significant.

*Removal of Unfair Wine Sales Law*

- The Unfair Wine Sales Law regulates certain aspects of wine advertising and sales.
- The Alcoholic Beverage Commission (ABC) has collected an average of \$11,083 related to civil penalties issued under the Unfair Wine Sales Law over the last three fiscal years, which has been remitted to the General Fund; it is therefore estimated that as a direct result of the proposed legislation, there would be a recurring decrease in state revenue of \$11,083 for FY20-21 and subsequent years.
- The recurring decrease in state revenue from state sales taxes and wine taxes, associated with the repeal of the Unfair Wine Sales Law is estimated to be \$177,874 in FY20-21 and subsequent years.
- The total decrease in state revenue is estimated to be \$188,957 (\$177,874 + \$11,083) in FY20-21 and subsequent years.
- The total decrease in local revenue from state sales taxes and wine taxes, associated with the repeal of the Unfair Wine Sales Law is estimated to be \$106,262 in FY20-21 and subsequent years.
- For purposes of brevity, calculations upon which such estimates are based on have been omitted from this fiscal note but are available upon request.

**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

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