

Fiscal Estimate Narratives

DOR 3/1/2006

LRB Number	05-4151/1	Introduction Number	SB-610	Estimate Type	Original
Description Creating a new license authorizing retail sales of wine by certain restaurants for consumption on or off the premises where sold and the penalty for certain alcohol beverage violations					

Assumptions Used in Arriving at Fiscal Estimate

Under current law, with specific exceptions, no person may sell alcoholic beverages unless the seller possesses a license or permit authorizing the sale. A "Class A" license authorizes the retail sale of intoxicating liquor, including wine, for consumption off the licensed premises. A "Class B" license authorizes the retail sale of intoxicating liquor for consumption on or off the licensed premises. A "Class C" license authorizes the retail sale of wine for consumption on the licensed premises.

This bill creates a "Class E" license authorizing the retail sale of wine for consumption on or off the licensed premises. A "Class E" license may only be issued to a restaurant that meets the requirements for issuance of a "Class C" license. The "Class E" licenses will be issued by municipalities and the annual fee for the license may not exceed \$100.

This portion of the bill may create a minor increase in local license revenue.

Under current law, there are various prohibitions relative to actions of a licensee or permittee such as, selling or giving away alcoholic beverages, contributing to the illegal provision of alcohol, and permitting or failing to take action to prevent the illegal consumption of alcoholic beverages by an underage person. A person who violates any of these prohibitions is subject to various penalties, ranging from a forfeiture of \$500 to a fine of \$10,000 and imprisonment for not more than nine months, as well as possible driver's license suspension and alcoholic beverage license suspension. Certain liquor licensees, however, are only subject to license suspension for violating underage drinking prohibitions.

This bill provides that a "Class C" or "Class E" licensee violating any of these prohibitions is also subject only to alcoholic beverage license suspension.

This portion of the bill may create a minor decrease in local revenues.

The Department of Revenue's cost for administration of the bill will be absorbed within the agency's budget.

Long-Range Fiscal Implications