

Fiscal Estimate Narratives

DOR 3/9/2010

LRB Number	09-3851/1	Introduction Number	SB-537	Estimate Type	Original
Description Issuance of temporary alcohol beverages licenses to nonprofit organizations authorizing the sale of beer or wine at fund-raising events					

Assumptions Used in Arriving at Fiscal Estimate

Current law authorizes municipalities to issue temporary Class "B" and "Class B" licenses to certain clubs, agricultural societies, churches and similar organizations allowing retail sale of fermented malt beverages and wine at fairs, meetings, picnics, and similar gatherings hosted by these organizations. Moreover, under current law, a municipality may not issue to one of these organizations more than two temporary "Class B" licenses (authorizing the sale of wine) in any 12-month period.

This bill authorizes municipalities to issue temporary Class "B" and "Class B" licenses to nonprofit organizations authorizing the sale of fermented malt beverages and wine at fundraising events. A nonprofit organization in this bill is defined as an organization described in section 501 (c) (3) or (6) of the Internal Revenue Code and is exempt from federal income tax. Organizations exempt under section 501 (c) (3) include qualifying nonprofit corporations and foundations organized and operated exclusively for religious, charitable, scientific, testing for public safety, literary, or educational purposes, or to foster national or international amateur sports competition, or for the prevention of cruelty to children or animals. Organizations exempt under section 501 (c) (6) include qualifying nonprofit business leagues, chambers of commerce, real-estate boards, boards of trade, or professional football leagues.

The bill also increases, from two to five, the number of temporary "Class B" licenses that a municipality may issue to an eligible organization in any 12-month period.

Current law also prohibits, with certain exceptions, the issuance of a Class "B" license or permit for any premises where another business is conducted. This bill creates an exception to this prohibition allowing a nonprofit organization holding a temporary license to serve beer or wine at a fundraising event on premises where other business is conducted.

The bill has no state fiscal effect. While local governments may have additional license fee revenues and slightly higher administrative costs, these fiscal impacts are likely to be insignificant.

Long-Range Fiscal Implications