

Fiscal Estimate - 2001 Session

Original Updated Corrected Supplemental

LRB Number **01-2401/2** Introduction Number **SB-93**

Subject
On-premises sales of fruit-based liquor

Fiscal Effect

State:

No State Fiscal Effect
 Indeterminate

Increase Existing Appropriations Increase Existing Revenues
 Decrease Existing Appropriations Decrease Existing Revenues
 Create New Appropriations

Increase Costs - May be possible to absorb within agency's budget
 Yes No
 Decrease Costs

Local:

No Local Government Costs
 Indeterminate

1. Increase Costs 3. Increase Revenue
 Permissive Mandatory Permissive Mandatory

2. Decrease Costs 4. Decrease Revenue
 Permissive Mandatory Permissive Mandatory

5. Types of Local Government Units Affected

Towns Village Cities
 Counties Others
 School Districts WTCS Districts

Fund Sources Affected **Affected Ch. 20 Appropriations**

GPR FED PRO PRS SEG SEGS

Agency/Prepared By	Authorized Signature	Date
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Fiscal Estimate Narratives

DOR 3/27/01

LRB Number 01-2401/2	Introduction Number SB-93	Estimate Type Original
Subject On-premises sales of fruit-based liquor		

Assumptions Used in Arriving at Fiscal Estimate

Under current law, alcohol beverages are generally distributed to consumers under a three-tier distribution system. With specific exceptions, no person may sell outside the three-tier system and the seller must possess a license or permit authorizing the sale.

This bill creates an exception to allow a manufacturer or rectifier to sell, or provide free taste samples of intoxicating liquor directly to consumers, for consumption on or off the premises where sold, and manufactured or rectified. The bill provides an exception only to the intoxicating liquor manufactured or rectified exclusively from fermented fruit juice, such as brandy, and excludes liquor made from or containing grain.

The bill also allows the Department of Revenue to regulate sales under this exception, but the regulations must be consistent with requirements that apply to "Class B" licensees (persons licensed to sell intoxicating liquor to be consumed on the premises, such as taverns).

This bill would have a minimal effect, if any on state revenues.

Local alcohol license revenues may decrease, because a local license would not be needed if the manufacturer or rectifier only sells fruit-based alcohol manufactured or rectified on the premises. However, a local license would still be required if the establishment sold any non-fruit based alcohol or alcohol not manufactured on the premises.

Long-Range Fiscal Implications

No long range fiscal implications