

Fiscal Estimate Narratives
DOR 10/25/2005

LRB Number 05-3509/1	Introduction Number AB-739	Estimate Type Original
Description Municipal quotas for intoxicating liquor retailers		

Assumptions Used in Arriving at Fiscal Estimate

Current law prohibits a person from selling alcohol beverages at retail unless the person possesses a license or permit authorizing such sale. A "Class B" license authorizes the sale of intoxicating liquor at retail for consumption on the premises where sold. Current law imposes a quota on the number of "Class B" licenses a municipality can issue which is determined by a formula. Current law also provides two quota exceptions for a full-service restaurant with a seating capacity of 300 or more and for a hotel that has 50 or more rooms and has a restaurant or banquet room meeting certain criteria.

This bill creates a third quota exception for any opera house or theater for the performing arts operated by a nonprofit organization.

The bill has an indeterminate impact on municipal revenue. Since the statutes do not specify a maximum or minimum initial issuance fee or annual fee for "Class B" licenses issued under the quota exceptions, the fees for the license permitted by the quota exception created by the bill would be determined by the issuing municipality. Depending on fees established for this license, the revenues of the issuing municipality may be higher or lower depending on whether a reserve license, non-reserve license or no license is issued in absence of the bill. The maximum fee for a non-reserve license may not exceed \$500. The initial fee for a reserve license, however, may not be less than \$10,000.

The Department of Revenue's administrative expenses under this bill will be absorbed within the agency's budget.

Long-Range Fiscal Implications