

### Fiscal Estimate - 2005 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>05-2964/1</b>	<b>Introduction Number</b> <b>AB-839</b>
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**Description**  
 Sales and taste samples by manufacturers or rectifiers of intoxicating liquor for consumption on or off the premises where manufactured or rectified and taste samples by certain retail licensees of intoxicating liquor

**Fiscal Effect**

**State:**

- No State Fiscal Effect
- Indeterminate
  - Increase Existing Appropriations
  - Decrease Existing Appropriations
  - Create New Appropriations
- Increase Existing Revenues
- Decrease Existing Revenues
- Increase Costs - May be possible to absorb within agency's budget
  - Yes       No
- Decrease Costs

**Local:**

- No Local Government Costs
- Indeterminate
- 1.  Increase Costs
  - Permissive    Mandatory
- 2.  Decrease Costs
  - Permissive    Mandatory
- 3.  Increase Revenue
  - Permissive    Mandatory
- 4.  Decrease Revenue
  - 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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12/16/2005

**Fiscal Estimate Narratives**  
**DOR 12/16/2005**

LRB Number	<b>05-2964/1</b>	Introduction Number	<b>AB-839</b>	Estimate Type	<b>Original</b>
<b>Description</b> Sales and taste samples by manufacturers or rectifiers of intoxicating liquor for consumption on or off the premises where manufactured or rectified and taste samples by certain retail licensees of intoxicating liquor					

**Assumptions Used in Arriving at Fiscal Estimate**

Under current law, with specific exceptions, no person may sell alcoholic beverages outside the three-tier system and no person may sell alcohol beverages to a consumer unless the seller possesses a license or permit authorizing the sale. Also, under current law, with certain exceptions, no owner, lessee, or person in charge of a public place may allow the consumption of alcohol beverages on the premises unless that owner, lessee, or person in charge holds the appropriate license or permit.

A "Class A" license authorizes the license holder to sell intoxicating liquor, including wine, at retail for consumption only off the licensed premises. One exception allows a "Class A" licensee to provide two wine taste samples of not more than three fluid ounces each, free of charge, subject to specific conditions.

This bill creates an exception to the three-tier system to allow a manufacturer or rectifier of intoxicating liquor to sell, or provide free taste samples of, intoxicating liquor for consumption on or off the premises where sold. The bill requires that the licensed person be on the premises whenever such sales are made. 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 taverns or other establishments allowing consumption of liquor on the premises.

In addition, the bill allows a "Class A" licensee to provide taste samples of intoxicating liquor other than wine of not more than one fluid ounce each, under the same circumstances and limitations that apply to the provision of wine taste samples.

The bill will not have any significant impact on state tax revenues or administrative expenses.

**Long-Range Fiscal Implications**