



## Fiscal Estimate Narratives

DOR 3/28/2007

LRB Number	<b>07-1972/1</b>	Introduction Number	<b>AB-0189</b>	Estimate Type	<b>Original</b>
<b>Description</b> 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, alcoholic 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 no person may sell alcoholic beverages to a consumer unless the seller possesses a license or permit authorizing the sale.

There are presently three classes of licenses authorizing the retail sale of intoxicating liquor, including wine. A "Class A" license authorizes consumption off the licensed premises. A "Class B" license authorizes consumption on or off the licensed premises. A "Class C" license authorizes the retail sale of wine by the glass or in an opened original container for consumption on the licensed premises and may only be issued for a restaurant. Each of these licenses is issued by a municipality.

This bill creates the fourth class, a "Class D" license, authorizing the retail sale of wine for consumption on the premises or in unopened original bottles or other unopened original containers for consumption off the licensed premises. The annual fee for the license is determined by the issuing municipality, but may not exceed \$100. The restrictions and requirements governing "Class C" licenses under current law also apply to "Class D" licenses.

Under current law there are several prohibitions and penalties for procuring, selling, dispensing, or giving away alcohol beverages to any individual who has not attained the legal drinking age. 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 alcohol beverage license suspension. However, a Class "A," Class "B," "Class A," or "Class B" licensee violating any of these prohibitions is subject only to alcohol beverage license suspension. The bill provides that a "Class C" or "Class D" licensee violating any of these prohibitions is also subject only to alcohol beverage license suspension.

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

### Long-Range Fiscal Implications