

Fiscal Estimate Narratives

DOR 12/12/2007

LRB Number	07-3374/1	Introduction Number	SB-322	Estimate Type	Original
Description Municipal quotas for retail intoxicating liquor licenses					

Assumptions Used in Arriving at Fiscal Estimate

Current law prohibits a person from selling alcohol beverages at retail unless the seller possesses a license or permit authorizing the sale. A "Class B" license authorizes the retail sale of intoxicating liquor for consumption on the licensed premises subject to certain limitations. Also, current law imposes a quota on the number of "Class B" licenses that a municipality may issue.

Several exceptions to the quotas have been established. One exception allows a municipality to issue a "Class B" license to a full-service restaurant that has a seating capacity of 300 or more persons.

This bill modifies the quota exception for full-service restaurants by eliminating the limitation on seating capacity and defining "full-service restaurant" as a restaurant in which the sale of alcohol beverages accounts for 50 percent or less of the establishment's gross receipts for the most recent licensing year.

A "Class B" license issued under this modified exception authorizes the sale of intoxicating liquor only for consumption on the premises. The bill also prohibits a person holding a "Class B" license, other than one issued under this exception, from surrendering that license and applying for a new license under this exception. In addition, if any license issued under the bill's revised exception for full-service restaurants is surrendered, revoked, or not renewed, the license may only be reissued under the bill to another full-service restaurant.

Under this proposal, there may be slight increase in local government revenues and costs.

There will be no additional administrative costs to the department under this proposal.

Long-Range Fiscal Implications