

Fiscal Estimate - 2015 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 15-4047/1	Introduction Number SB-535
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Description
 Municipal quotas for retail intoxicating liquor licenses

Fiscal Effect

State:

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

 Yes
 No
 Create New Appropriations

 Decrease Costs

Local:

No Local Government Costs
 Indeterminate

1. <input checked="" type="checkbox"/> Increase Costs <input checked="" type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input checked="" type="checkbox"/> Increase Revenue <input checked="" type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	5. Types of Local Government Units Affected <input checked="" type="checkbox"/> Towns <input checked="" type="checkbox"/> Village <input checked="" type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
2. <input checked="" type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory	4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	

Fund Sources Affected	Affected Ch. 20 Appropriations
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	

Agency/Prepared By	Authorized Signature	Date
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Fiscal Estimate Narratives

DOR 1/11/2016

LRB Number	15-4047/1	Introduction Number	SB-535	Estimate Type	Original
Description					
Municipal quotas for retail intoxicating liquor licenses					

Assumptions Used in Arriving at Fiscal Estimate

RESERVE "CLASS B" LICENSE ISSUANCE FEE REBATES AND REFUNDS

Under current law, "Class B" liquor license quotas are based on the number of licenses previously issued in, and the population of, a municipality. Current law defines any "Class B" license issued after December 1, 1997 to be a "reserve" license. Municipalities must establish initial issuance fees of at least \$10,000 for reserve "Class B" licenses.

Under the bill, municipalities may not refund or rebate the initial issuance fee for a reserve "Class B" license to a "Class B" licensee, a person affiliated with a "Class B" licensee, or a person affiliated with the license application process.

The bill reduces expenditures for rebates and refunds paid by local governments.

"CLASS B" LIQUOR LICENSE TRANSFER

The bill allows municipalities to transfer up to three reserve "Class B" licenses to another municipality that is contiguous with, or within two miles of, the transferring municipality. The bill provides that the license quota of the transferring municipality is reduced, while the quota of the recipient municipality is increased, by the number of licenses transferred. The transferring municipality would establish, and receive, an issuance fee of not less than \$10,000 for each reserve "Class B" license.

The department does not have information on the number of reserve licenses available in each municipality. The transfer of licenses that would otherwise sit dormant would increase local issuance and renewal fee revenues.

PREMIER ECONOMIC DEVELOPMENT DISTRICT

The bill authorizes municipalities to designate a geographic area within the municipality as a premier economic development district and issue up to two additional reserve "Class B" liquor licenses in connection with an economic development project within the district. The bill defines "premier economic development district" as a geographic area not to exceed 40 acres subject to additional zoning and geographic restrictions. The bill defines "economic development project" as a project or projects within a premier economic development district that have an estimated comprehensive assessed valuation increase of at least \$20,000,000 as established by an independent 3rd-party appraiser or market research firm.

The bill requires a municipality that has designated a "premier economic development district" to establish an issuance fee of at least \$30,000 for the additional reserve "Class B" licenses.

The bill would allow an increase in local liquor license issuance and renewal fees. The magnitude of the impact depends on the number of municipalities willing and able to establish premier economic development districts, the number of licenses issued, and the issuance fees for the licenses. The additional licenses may result in an increase in local government expenditures for administrative and enforcement activities.

FULL-SERVICE RESTAURANT QUOTA EXCEPTION

Current law provides a quota exception for full-service restaurants with a seating capacity of at least 300. The bill modifies the exception to apply to full-service restaurants with an interior permanent seating capacity of at least 300.

This provision is not expected to have a fiscal effect.

Long-Range Fiscal Implications