

Fiscal Estimate - 2005 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 05-3410/1	Introduction Number SB-321
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Subject
 Creating "Class B" license quota exception for certain marinas

Fiscal Effect

State:

<input type="checkbox"/> No State Fiscal Effect	<input type="checkbox"/> Increase Existing Revenues	<input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget
<input type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Increase Existing Appropriations		<input type="checkbox"/> Decrease Costs
<input type="checkbox"/> Decrease Existing Appropriations		
<input type="checkbox"/> Create New Appropriations		

Local:

<input type="checkbox"/> No Local Government Costs		
<input checked="" type="checkbox"/> Indeterminate		
1. <input type="checkbox"/> Increase Costs	3. <input checked="" type="checkbox"/> Increase Revenue	5. Types of Local Government Units Affected
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input checked="" type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
2. <input type="checkbox"/> Decrease Costs	4. <input checked="" type="checkbox"/> Decrease Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input checked="" type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	

Towns Village Cities
 Counties Others
 School Districts WTCS Districts

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 DOR/ Jacek Cianciara (608) 266-8133	Authorized Signature Paul Ziegler (608) 266-5773	Date 9/26/2005
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Fiscal Estimate Narratives
DOR 9/26/2005

LRB Number	05-3410/1	Introduction Number	SB-321	Estimate Type	Original
Subject					
Creating "Class B" license quota exception for certain marinas					

Assumptions Used in Arriving at Fiscal Estimate

Current law prohibits selling alcohol beverages at retail unless the seller possesses a license or permit authorizing the 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, generally determined by a formula, on the number of "Class B" licenses that a municipality may issue. Current law also provides quota exceptions for a full-service restaurant with a seating capacity of 300 or more persons and for a hotel with 50 or more rooms and a restaurant or banquet room meeting certain criteria.

Under current law, each municipality establishes an annual fee, which generally must be between \$50 and \$500, for a "Class B" license, except that the fee for initial issuance of a reserve "Class B" license may not be less than \$10,000. Current law does not specify a minimum or maximum initial issuance fee or annual fee for "Class B" licenses issued under the two quota exceptions.

This bill creates a third quota exception for any full-service restaurant that has a seating capacity of at least 100 persons and that is located on a marina. A municipality may not establish an annual fee for a "Class B" license issued under this exception that exceeds \$500.

The bill creates an indeterminate, but minor, change in local revenues. If a locality issued a new reserve "Class B" license to the bill's new quota exception in absence of the bill, the initial fee revenue would be at least \$10,000. If an existing "non-reserve" license becomes available and is reissued, however, the fee collected would be between \$50 and \$500. If no license is issued without the bill, no fee revenue is generated. With the bill, the amount of revenue collected may be \$500 or less rather than \$10,000 if a reserve license were issued. Consequently, local revenue could either increase or decrease by a minor amount or be unchanged as a result of the bill.

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

Long-Range Fiscal Implications