

Bill information:	
SB0075 - Generally revise laws related to alcohol licenses (Fitzpatrick, Steve)	
Status:	As Amended in House Committee

- Significant Local Gov Impact
 Needs to be included in HB 2
 Technical Concerns
 Included in the Executive Budget
 Significant Long-Term Impacts
 Dedicated Revenue Form Attached

FISCAL SUMMARY

	<u>FY 2024 Difference</u>	<u>FY 2025 Difference</u>	<u>FY 2026 Difference</u>	<u>FY 2027 Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
Revenue:				
General Fund	\$1,000	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>\$1,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact: SB 75 revises several sections of alcoholic beverages laws regarding: out of state breweries and beer importers, premises suitability requirements, locations where all-beverage licensees or resort all-beverage licensees may sell alcohol, premises leases to businesses, and licensed retailers’ premises and storage areas.

FISCAL ANALYSIS

Assumptions:

Department of Revenue

1. SB 75 would require out-of-state breweries and beer importers to seek registration from the Department of Revenue, rather than a license.
2. There are currently approximately 125 out-of-state breweries and beer importers with licenses from the Department of Revenue; changing from licensure to registration would have minimal to no impact on these existing licensees.
3. This bill also revises suitability requirements for applicants and includes new entity types for licensure such as trusts, nonprofit organizations, and cooperative associations.
4. SB 75 as amended allows all-beverage licensees and resort all-beverage licensees to sell alcoholic beverages from the primary indoor lodging quarters of a hotel or other short-term lodging facility; from an additional permanent structure if the premises has a swimming pool area that is separate from the main licensed premises;

Fiscal Note Request – As Amended

from up to two additional permanent structures if the premises includes a ski hill; and from a clubhouse or primary recreational quarters separate from the main licensed premises or in an outdoor area if the premises includes a golf course.

5. The bill requires the locations outlined in assumption #4 to meet suitability requirements and requires the licensee to pay an application fee of \$100 for each area allowed in assumption #4.
6. The Department of Revenue estimates that no more than 10 of these applications will be received. These application fees would increase general fund revenue by \$1,000 in FY 2024.
7. The bill allows retail licensees to lease the kitchen or another specified area to a business to operate with the premises without a concession agreement if the other business does not take orders for, serve, or deliver alcohol and must have a separate point of sale system from the licensee.
8. The bill as amended removes the requirement that local officials inspect premises alterations if the alteration did not require a building permit.
9. The bill as amended allows retailers to store kegs and run beer lines in other areas of the building that may not be part of the licensed premises if adequate controls are in place to prevent public access.
10. Changes required to implement this bill would be managed through normal maintenance and would have no expected cost to the Department of Revenue.

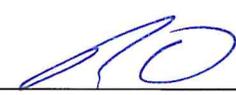
Office of the Commissioner of Higher Education

11. The proposed change in the academic brewer license section would clarify the criteria of an individual seeking an application for license which does not include a financial implication to the MUS.

	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>	<u>FY 2026</u> <u>Difference</u>	<u>FY 2027</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
TOTAL Expenditures	\$0	\$0	\$0	\$0
<u>Funding of Expenditures:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
TOTAL Funding of Exp.	\$0	\$0	\$0	\$0
<u>Revenues:</u>				
General Fund (01)	\$1,000	\$0	\$0	\$0
TOTAL Revenues	\$1,000	\$0	\$0	\$0
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	\$1,000	\$0	\$0	\$0

Technical Notes:

1. For the amendment in 16-3-311, MCA, that allows licensees to lease a kitchen or another area in a retail premises, DOR’s Alcoholic Beverage Control Division would prefer limiting this to just food service businesses (similar to the language in HB 894 from this session).
2. The bill as amended provides effective dates for sections 1-4 and 7-10 but does not provide effective dates for sections 5 and 6. It is assumed these sections would be effective on passage and approval.

NO SPONSOR SIGNATURE	4.17.23		4-17-23
<i>Sponsor's Initials</i>	<i>Date</i>	<i>Budget Director's Initials</i>	<i>Date</i>