

Multiple Agency Fiscal Note Summary

Bill Number: 5285 SB	Title: Liquor license renewals
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Estimated Cash Receipts

Agency Name	2013-15		2015-17		2017-19	
	GF- State	Total	GF- State	Total	GF- State	Total
Department of Revenue	2,096,000	2,098,000	2,186,000	2,188,000	2,186,000	2,188,000
Total \$	2,096,000	2,098,000	2,186,000	2,188,000	2,186,000	2,188,000

Estimated Expenditures

Agency Name	2013-15			2015-17			2017-19		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Department of Revenue	.0	0	0	.0	0	0	.0	0	0
Liquor Control Board	.1	0	22,400	.1	0	40,000	.1	0	40,000
Total	0.1	\$0	\$22,400	0.1	\$0	\$40,000	0.1	\$0	\$40,000

Estimated Capital Budget Impact

NONE

Prepared by: Cherie Berthon, OFM	Phone: 360-902-0659	Date Published: Final 2/ 4/2013
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* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

FNPID 33295

FNS029 Multi Agency rollup

Department of Revenue Fiscal Note

Bill Number: 5285 SB	Title: Liquor license renewals	Agency: 140-Department of Revenue
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

Account	FY 2014	FY 2015	2013-15	2015-17	2017-19
GF-STATE-State 01 - Taxes 01 - Retail Sales Tax	645,000	703,000	1,348,000	1,406,000	1,406,000
GF-STATE-State 01 - Taxes 05 - Bus and Occup Tax	47,000	51,000	98,000	102,000	102,000
GF-STATE-State 01 - Taxes 75 - Penalties and Intrst	311,000	339,000	650,000	678,000	678,000
Performance Audits of Government Account-State 01 - Taxes 01 - Retail Sales Tax	1,000	1,000	2,000	2,000	2,000
Total \$	1,004,000	1,094,000	2,098,000	2,188,000	2,188,000

Estimated Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact:	Dean Carlson	Phone: (360)786-7305	Date: 01/24/2013
Agency Preparation:	Gerald Sayler	Phone: 360-534-1517	Date: 01/29/2013
Agency Approval:	Don Gutmann	Phone: 360-534-1510	Date: 01/29/2013
OFM Review:	Cherie Berthon	Phone: 360-902-0659	Date: 01/29/2013

Request # 5285-1-1

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe, by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

This bill enhances the Department of Revenue's ability to collect delinquent excise taxes from taxpayers that hold liquor licenses, such as restaurants and bars.

This bill amends existing law to give the Department of Revenue (Department) the ability to request the Liquor Control Board take any or all of the following actions if a taxpayer is more than 30 days delinquent in paying any excise taxes:

- Suspend the taxpayer's liquor license,
- Refuse to renew the taxpayer's existing liquor license, or
- Refuse to issue a new liquor license to the taxpayer.

The bill would also require that a taxpayer wishing to appeal a tax assessment to the Board of Tax Appeals must first pay in full the amount of taxes assessed by the Department.

This bill expands the Department's existing authority, which applies only to the collection of delinquent spirits taxes.

This bill would take effect July 1, 2013.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

ASSUMPTIONS

- Approximately 50 percent of delinquent taxpayers with liquor licenses will be subject to the additional authority provided to the Department of Revenue (Department) in this bill.
- It is estimated that 10 percent of these taxpayers will pay their outstanding liabilities under this increased authority.
- It is assumed that the estimated additional revenues resulting from this bill will stay constant each year if current economic conditions continue.
- Fiscal Year 2014 reflects eleven months of impact due to the July 1, 2013, effective date.
- Affected taxpayers will fall under NAICS 722 classification

DATA SOURCES

- Data from the Department's Compliance Division.

REVENUE ESTIMATE

If this bill is enacted, state revenues will increase by approximately \$2.1 million in the 2013-2015 Biennium and \$2.2 million in both the 2015-2017 and 2017-2019 biennia.

In addition, local revenues will increase by approximately \$502,000 in the 2013-2015 Biennium and \$524,000 in both the 2015-2017 and 2017-2019 biennia.

TOTAL REVENUE IMPACT:

State Government (cash basis, \$000):

FY 2014 - \$1,004
FY 2015 - \$1,094

FY 2016 - \$1,094
FY 2017 - \$1,094
FY 2018 - \$1,094
FY 2019 - \$1,094

Local Government, if applicable (cash basis, \$000):

FY 2014 - \$240
FY 2015 - \$262
FY 2016 - \$262
FY 2017 - \$262
FY 2018 - \$262
FY 2019 - \$262

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing

The Department will not incur any costs with the implementation of this legislation.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

NONE

Part IV: Capital Budget Impact

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

None.

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

No rule-making required.

Individual State Agency Fiscal Note

Bill Number: 5285 SB	Title: Liquor license renewals	Agency: 195-Liquor Control Board
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

	FY 2014	FY 2015	2013-15	2015-17	2017-19
FTE Staff Years	0.0	0.1	0.1	0.1	0.1
Account					
Liquor Revolving Account-State 501-1	2,400	20,000	22,400	40,000	40,000
Total \$	2,400	20,000	22,400	40,000	40,000

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☐ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☒ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact: Dean Carlson	Phone: (360)786-7305	Date: 01/24/2013
Agency Preparation: Michael Kashmar	Phone: 360-664-1690	Date: 02/04/2013
Agency Approval: Michael Kashmar	Phone: 360-664-1690	Date: 02/04/2013
OFM Review: Diamatris Winston	Phone: (360) 902-7657	Date: 02/04/2013

Request # 5285 SB-3

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

Section 1 expands the Department of Revenue authority (82.08.155) to include any tax or assessment due that is in arrears, and to request the Liquor Control Board suspend, refuse to renew, or refuse to issue a liquor licensee's liquor license(s).

Per the Assistant Attorney General, the Liquor Control Board Licensing Division due process requirements are the same as current statute and procedure. Note this bill amends HB 2758 (2012 session). Implementation of this bill will be a manual process, driven by written requests from DOR. SB 5285 will be implemented as an addendum to HB 2758 (2012 session).

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

No cash receipt impact

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Using an estimate from the Department of Revenue (DOR) of 3 suspensions in the first fiscal year and a maximum of 25 in the outer fiscal years, the expenditures for LCB are \$785 per case and include staff from enforcement, licensing, and a hearing officer.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2014	FY 2015	2013-15	2015-17	2017-19
FTE Staff Years	0.0	0.1	0.1	0.1	0.1
A-Salaries and Wages	1,500	12,000	13,500	24,000	24,000
B-Employee Benefits	900	4,500	5,400	9,000	9,000
C-Professional Service Contracts					
E-Goods and Other Services		1,500	1,500	3,000	3,000
G-Travel		2,000	2,000	4,000	4,000
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total:	\$2,400	\$20,000	\$22,400	\$40,000	\$40,000

Request # 5285 SB-3

III. B - Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2014	FY 2015	2013-15	2015-17	2017-19
Customer Service Specialist 1	33,228		0.0	0.0	0.0	0.0
Hearings Officer	76,536		0.0	0.0	0.0	0.0
Liquor Enforcement Officer 2	54,156	0.0	0.0	0.0	0.0	0.0
Total FTE's	163,920	0.0	0.1	0.1	0.1	0.1

Part IV: Capital Budget Impact

NONE

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

Rules related to suspension, denial, or refuse to issue a license will need to be amended.

Enforcement rules related to associated activities will also need to be amended.