

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 6237 S SB	<b>Title:</b> Spirits retail license fees
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## Estimated Cash Receipts

Agency Name	2013-15		2015-17		2017-19	
	GF- State	Total	GF- State	Total	GF- State	Total
Liquor Control Board	(3,861,275)	(3,861,275)	(9,754,800)	(9,754,800)	(9,754,800)	(9,754,800)
<b>Total \$</b>	<b>(3,861,275)</b>	<b>(3,861,275)</b>	<b>(9,754,800)</b>	<b>(9,754,800)</b>	<b>(9,754,800)</b>	<b>(9,754,800)</b>

## 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	.0	0	7,760	.0	0	0	.0	0	0
<b>Total</b>	<b>0.0</b>	<b>\$0</b>	<b>\$7,760</b>	<b>0.0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>	<b>\$0</b>	<b>\$0</b>

## Estimated Capital Budget Impact

NONE

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\* See Office of the Administrator for the Courts judicial fiscal note

\*\* See local government fiscal note

FNPID: 37700

FNS029 Multi Agency rollup

# Department of Revenue Fiscal Note

<b>Bill Number:</b> 6237 S SB	<b>Title:</b> Spirits retail license fees	<b>Agency:</b> 140-Department of Revenue
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## Part I: Estimates

☒ No Fiscal Impact

### 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: 02/14/2014
Agency Preparation:	Erin Valz	Phone: 360-534-1522	Date: 02/26/2014
Agency Approval:	Don Gutmann	Phone: 360-534-1510	Date: 02/26/2014
OFM Review:	Kathy Cody	Phone: (360) 902-9822	Date: 02/26/2014

Request # 6237-1-1

## 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 decreases the spirits license issuance fee for spirits retailer licensees who are holders of former state liquor stores. The rates are as follows:

- If gross monthly receipts are 200,000 dollars or less then the licensee will not pay a retail license fee.
- If gross monthly receipts are 350,000 dollars or less the retailer license fee is decreased from 17 percent to 7 percent.
- If gross monthly receipts are greater than 350,000 dollars the retailer license fee is 17 percent.

This bill will take effect 90 days after final adjournment of the session in which it is enacted.

### 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.*

Based on assumptions provided by the Liquor Control Board this bill will not increase or decrease spirits sales. As a result, there is no impact to the Department of Revenue's tax collections.

### 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.*

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

## Part III: Expenditure Detail

## 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

Revised

<b>Bill Number:</b> 6237 S SB	<b>Title:</b> Spirits retail license fees	<b>Agency:</b> 195-Liquor Control Board
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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
General Fund-State 001-1		(3,861,275)	(3,861,275)	(9,754,800)	(9,754,800)
<b>Total \$</b>		(3,861,275)	(3,861,275)	(9,754,800)	(9,754,800)

### Estimated Expenditures from:

	FY 2014	FY 2015	2013-15	2015-17	2017-19
<b>Account</b>					
Liquor Revolving Account-State 501-1	7,760	0	7,760	0	0
<b>Total \$</b>	7,760	0	7,760	0	0

### 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: 02/14/2014
Agency Preparation: Aaron Hanson	Phone: 360-664-1701	Date: 02/26/2014
Agency Approval: Michael Kashmar	Phone: 360-664-1690	Date: 02/26/2014
OFM Review: Chris Stanley	Phone: (360) 902-9810	Date: 02/26/2014

Request # 6237 S SB-2

## 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(4b) - Former contract liquor store (CLS) spirit retailers with monthly spirit sales revenues of \$200,000 or less are not required to pay the 17% retail spirits license issuance fee on retail spirit sales revenue. CLS spirit retailers with \$350,000 or less in monthly spirit sales revenues will pay a reduced rate of 7%. CLS spirit retailers with over \$350,000 in monthly spirit sales revenues will continue to pay the 17% rate.

### 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.

It is assumed that all former contract store spirit retailers would qualify for the exemption and therefore no spirits license issuance fees would be collected from these retailers. Based on fees received for the 4th quarter of 2014 (October-December cash months), the agency estimates a negative impact on General-Fund State of \$3.9M in FY2015 and \$4.9M in the outer years. As there is no effective date specified in the bill, it would take effect 90 days after the end of session, or June 13, 2014.

### 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.

Information Technology - The Spirits Tax System will need to be modified. The estimate is for 80 hours of contractor time at \$97.00 per hour - \$7,760.

## Part III: Expenditure Detail

### III. A - Expenditures by Object Or Purpose

	FY 2014	FY 2015	2013-15	2015-17	2017-19
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Professional Service Contracts	7,760		7,760		
E-Goods and Other Services					
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
<b>Total:</b>	\$7,760	\$0	\$7,760	\$0	\$0

**III. C - Expenditures By Program (optional)**

Program	FY 2014	FY 2015	2013-15	2015-17	2017-19
Information Technology (070)	7,760		7,760		
<b>Total \$</b>	7,760		7,760		

**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.*