

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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FISCAL IMPACT STATEMENT

LS 6365

BILL NUMBER: HB 1322

NOTE PREPARED: Dec 8, 2021

BILL AMENDED:

SUBJECT: Designated Outdoor Refreshment Areas.

FIRST AUTHOR: Rep. GiaQuinta

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: GENERAL
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill allows a municipality to designate a location as an outdoor refreshment area with the approval of the Alcohol and Tobacco Commission (ATC). It prohibits an area from being located near a school or church unless the church or school does not object. It provides that if an area is approved, the ATC designates retailer permittees within the area.

The bill makes it a Class C misdemeanor for:

- (1) A consumer not wearing a wristband identification to exit the premises of a permittee and enter the area with an open alcoholic beverage and for a permittee to allow the consumer to exit the premises;
- (2) A permittee to sell a consumer more than one alcoholic beverage at a time or an alcoholic beverage that exceeds the volume limitations;
- (3) A consumer to purchase an alcoholic beverage inside the area and consume it outside the area; and
- (4) A consumer to bring an alcoholic beverage into the area that was not purchased inside the area.

It allows a minor to be within the area.

Effective Date: July 1, 2022.

Explanation of State Expenditures: *Alcohol and Tobacco Commission (ATC):* The ATC would administer and enforce the bill's provisions. The bill requires the ATC to (1) review and approve ordinances adopted by municipalities to designate an outdoor refreshment area and (2) to issue refreshment area designations to retailer permittees within each refreshment area. The ATC should be able to implement the bill's requirements within its existing level of staffing and resources.

Explanation of State Revenues: *Penalty Provisions:* The bill makes violations of the provisions related to wristbands, container volume limits, consuming alcoholic beverages outside a refreshment area, and bringing beverages from outside a refreshment area a Class C misdemeanor. If additional court cases occur and fines are collected, revenue to both the Common School Fund (from fines) and the state General Fund (from court fees) would increase. The maximum fine for a Class C misdemeanor is \$500. However, any additional revenue would likely be small.

Explanation of Local Expenditures: *Outdoor Refreshment Areas:* If a municipality decides to designate a refreshment area, it is required to adopt an ordinance that includes certain information specified in the bill. The municipality would also be required to submit the ordinance to the ATC for approval. A municipality may also adopt an ordinance to dissolve a refreshment area.

Penalty Provisions: A Class C misdemeanor is punishable by up to 60 days in jail.

Explanation of Local Revenues: *Penalty Provisions:* If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from court fees. However, any change in revenue would likely be small.

State Agencies Affected: Alcohol and Tobacco Commission.

Local Agencies Affected: Cities and towns, trial courts, local law enforcement agencies.

Information Sources:

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