

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 684 – SB 703

April 24, 2017

**SUMMARY OF ORIGINAL BILL:** Requires the Alcoholic Beverage Commission's annual rules and regulations report to be filed electronically.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

**SUMMARY OF AMENDMENT (007876):** Deletes all language after the enacting clause. Authorizes certain display, advertising and marketing of wine within a retail food store. Authorizes a wholesaler making a delivery of wine at a retail food store to do so at any time agreed upon with management of the store. Specifies that beer wholesalers are not required to obtain a separate license for high gravity beer. Authorizes wholesalers to take certain pre-orders for wine. Adds language to the original bill to prohibit cumulative wholesaler quantity discounts for any retailer licensed to sell alcohol under title 57 chapter 4.

**FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:**

**Decrease State Revenue – \$24,000/ABC**

Assumptions for the bill as amended:

- Based on information provided by the Alcoholic Beverage Commission (ABC), eight beer wholesalers have indicated that they would not renew their license as a result of this legislation.
- A \$3,000 annual fee is payable to the ABC.
- The recurring decrease in state revenue to the ABC is estimated to be \$24,000 (\$3,000 x 8 wholesalers).
- Based on information provided by the Alcoholic Beverage Commission, the authorization for pending applicants to take pre-orders will not impact licensing.
- Authorizing certain marketing activity within a retail food store and authorizing wine to be delivered at additional times will not result in a significant state or local fiscal impact.

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- Tenn. Code Ann. § 57-3-404(i) prohibits certain wholesaler discounts for retail food store wine licensees. This legislation would extend that prohibition to additional licensees authorized to sell alcoholic beverages.
- Prohibiting certain types of discounts may lead to an increase in expenditures for retailers that may be passed onto the consumer ultimately impacting sales quantities.
- Any overall impact on state or local tax revenue related to the sales of alcoholic beverages is estimated to be not significant.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

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