

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 2261 - SB 2251

March 10, 2022

SUMMARY OF BILL: Revises multiple provisions related to alcoholic beverages. Authorizes licensees who hold two or more certain alcohol licenses to choose an expiration date for their license that is less than 12 months from the date the license is issued or renewed. Requires licensed caterers to provide notice at least one calendar day before an event at which the caterer has contracted to provide and sell alcoholic beverages. Requires the Alcoholic Beverage Commission (ABC) to provide a maximum of six months extension of the expiration date of or the period to renew the license in exigent circumstances. Requires the ABC to notify licensees of violations by email.

Requires that multiple minor violations of the same type discovered during a single investigation be treated as a single offense. Requires the ABC to allow 10 business days for a licensee to cure a minor violation prior to imposing a fine for the minor violation. Allows licensees to submit compliance paperwork electronically.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – The ABC will incur an increase in one-time expenditures of approximately \$36,800 to pay STS for system updates. The ABC will either pay for these expenditures through current fee revenue or adjust fees to cover the costs. Approximately \$6,100,000 in reserve funding was carried forward from FY20-21.

Assumptions:

- Any decrease in revenue from combining the multiple fines into one and for giving the entities 10 days to cure the issue will be not significant.
- ABC's Regulatory Licensing and Permitting system will need to be updated to incorporate the proposed changes. The estimated increase in expenditures for updates to ABC's systems is \$36,780. It is assumed these costs will be paid to Strategic Technology Solutions (STS) to cover the update costs.
- A one-time corresponding increase in revenue for STS would be \$36,780.
- Based on information provided by ABC, approximately \$6,100,000 in reserve funding was carried forward from FY20-21 to FY21-22.

CERTIFICATION:

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

Handwritten signature of Krista Lee Carsner in black ink.

Krista Lee Carsner, Executive Director

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