## TENNESSEE GENERAL ASSEMBLY FISCAL REVIEW COMMITTEE



## FISCAL MEMORANDUM

HB 2261 - SB 2251

March 18, 2022

**SUMMARY OF BILL AS AMENDED (016045):** Effective July 1, 2023, 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, and requires licensed caterers to provide an electronic notice to the Alcoholic Beverage Commission (ABC) at least two calendar days before an event at which the caterer has contracted to provide and sell alcoholic beverages. Effective July 1, 2022, allows licensees to store and submit compliance paperwork electronically. Requires licenses to be prominently displayed on the licensed premises. Authorizes a wholesaler to deliver alcoholic beverages directly to the site where a licensed caterer is catering an event if the licensed caterer notified ABC of the delivery address prior to the event and a licensed caterer is at the delivery site to receive the delivery.

## ESTIMATED FISCAL IMPACT OF BILL AS AMENDED:

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 for the bill as amended:

- 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 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.

Krista Lee Carsner, Executive Director

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