

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. NO.      4283-01  
BILL NO.     SB 940  
SUBJECT:    Alcohol; Licenses  
TYPE:        Original  
DATE:        February 24, 2000

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
None			
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
None			
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses  
This fiscal note contains 3 pages.

**FISCAL ANALYSIS**

**ASSUMPTION**

Officials from the **Department of Public Safety** assume the proposed legislation would have no fiscal impact on their agency.

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
	0	0	0

<u>FISCAL IMPACT - Local Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
	0	0	0

**FISCAL IMPACT - Small Business**

Wholesalers, distillers, retailers, and distributors of alcohol would likely be impacted by this proposal.

**DESCRIPTION**

The proposed legislation (1) allows a wholesaler to exchange for an equal quantity of identical product or give credit to a retailer for intoxicating liquor with an alcohol content of less than 5% or 3.2% beer that is damaged;

(2) Allows a wholesaler to replace with an equal quantity of like product or give credit, under certain conditions, to a retailer for undamaged products to assure and control product quality;

(3) Allows a distiller or wholesaler to install dispensing equipment for premixed distilled spirit beverages at a retail business establishment. Records of such equipment must be kept by the distiller or wholesaler for at least one year;

(4) Prohibits retailers from selling intoxicating liquor with an alcohol content of less than 5% or 3.2% beer in an original carton that has been mutilated, torn apart, or cut apart. Retailers are also prohibited from repackaging such liquor in a misleading manner or in a manner that results in required labeling being omitted or obscured;

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DESCRIPTION (continued)

(5) Allows wholesalers to give a retail credit for intoxicating liquor sold, but not used, under the catering permit. The liquor must be removed by the wholesaler within 72 hours of the expiration of the catering permit; and

(6) Allows the Supervisor of Liquor Control to grant approval for sale of a malt product or spirituous liquor products without product samples and testing if provided with a copy of certificate of label approval issued by the Federal Bureau of Alcohol, Tobacco, and Firearms which verifies the alcohol content of the product.

This legislation is not federally mandated, would not duplicate any other program, and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Public Safety



Jeanne Jarrett, CPA  
Director  
February 24 2000