

**COMMONWEALTH OF KENTUCKY STATE FISCAL NOTE STATEMENT
LEGISLATIVE RESEARCH COMMISSION
2016 REGULAR SESSION**

MEASURE

2016 BR NUMBER **1164**

SENATE BILL NUMBER **110**

RESOLUTION NUMBER _____

AMENDMENT NUMBER _____

SUBJECT/TITLE **An ACT relating to city licensing fees for the sale of alcoholic beverages.**

SPONSOR **Senator D. Carroll**

NOTE SUMMARY

FISCAL ANALYSIS: IMPACT NO IMPACT INDETERMINABLE IMPACT

LEVEL(S) OF IMPACT: STATE LOCAL FEDERAL

BUDGET UNIT(S) IMPACT: **Department of Alcoholic Beverage Control**

FUND(S) IMPACT: GENERAL ROAD FEDERAL RESTRICTED AGENCY _____ OTHER

FISCAL SUMMARY

FISCAL ESTIMATES	2015-2016	2016-2017	2017-2018	ANNUAL IMPACT AT FULL IMPLEMENTATION
REVENUES				
EXPENDITURES				
NET EFFECT				

() indicates a decrease/negative

MEASURE'S PURPOSE: The purpose of this measure is to allow cities of all classes to impose a regulatory license fee on the sale of alcoholic beverages.

PROVISIONS/MECHANICS: Section 1 amends KRS 243.075 (1) (a) by changing "qualified city" to "city". It also deletes paragraphs (9) (a) and (b). Paragraph (a) defines qualified city as a city on the registry maintained by the Department of Local Government. Paragraph (b) requires the Department of Local Government to maintain a registry of cities that, as of August 1, 2014 were classified as cities of the third or fourth class.

FISCAL EXPLANATION: According to the Department of Alcoholic Beverage Control, the fiscal impact to the Department would be minimal. A regulatory fee is a fee that some but not all local governments may enact to cover the increased additional costs of policing and regulating alcohol in newly wet localities. The Department does not receive any portion of any local fees, nor the regulatory fees imposed under KRS 243.075. There would also be no additional enforcement costs, as the Department does not oversee or enforce the fees within KRS 243.075. The Department would have to amend 804 KAR 10:031 and the form incorporated therein, as

well as amend educational materials provided to local governments. Employee time and other associated costs for these tasks is expected to be minimal and have no fiscal impact on the Department.

The bill will authorize any local government that becomes wet or moist to pass an ordinance to impose and collect regulatory fees. Under the current version of law, only third or fourth class cities and counties containing those cities, could enact such ordinances.

DATA SOURCE(S): Department of Alcoholic Beverage Control

PREPARER: Greg Troutman NOTE NUMBER: 80 REVIEW: JRS DATE: 2/13/2016

LRC 2016-BR1164SB110