Local Mandate Fiscal Impact Estimate Kentucky Legislative Research Commission 2017 Regular Session

Part I: Measure Information

Bill Request #: 1159
Bill #: HB 298
Bill Subject/Title: AN ACT relating to alcoholic beverages
Sponsor: Representative Phil J. Moffett
Unit of Government:xCityxCountyxUrban-CountyxCharter CountyConsolidated LocalGovernment
Office(s) Impacted: Jails
Requirement: <u>x</u> Mandatory Optional
Effect on Powers & Duties: <u>x</u> Modifies Existing Adds New Eliminates Existing

Part II: Purpose and Mechanics

The purpose of HB 298 is to establish a wine direct shipper license for the shipping of wine both within and from without the state.

Section 1 of the bill would create a new section of KRS Chapter 243 that would authorize a licensee to ship up to twenty-four nine (9) liter cases of wine directly to each customer each year. That Section also would direct the Department of Alcoholic Beverages to promulgate administrative regulations to enforce Section 1.

Section 2 of HB 298 would amend KRS 243.030 to establish an annual license fee of \$100 and annual renewal fee of \$50.

Section 3 would amend KRS 243.990 to render violation of the licensing requirement and conditions in Section 1 a Class B misdemeanor for a first offense, and a Class A misdemeanor for the second and each subsequent offense, and a fine of up to \$1,000 for each offense.

Part III: Fiscal Explanation, Bill Provisions, and Estimated Cost

The fiscal impact of HB 298 on local governments would be minimal.

HB 298 would have minimal impact on local government revenue or expenses. The bill does not authorize local governments to issue wine direct shipper licenses so would not be a source of license fees; the only income potential for local governments from the bill would come from local occupational taxes, which are expected to be minimal.

The bill creates a new Class A and Class B misdemeanor, for violation of the license requirement or conditions. A person convicted of a Class B misdemeanor may be incarcerated for up to 90 days. A person convicted of a Class A misdemeanor may be incarcerated for up to twelve months. Misdemeanants are housed in one of Kentucky's 76 full service jails or five life safety jails. While the expense of housing inmates varies by jail, this estimated impact is based on \$31.34 per day, which equals the per diem and medical expenses that the Department of Corrections pays jails to house felony offenders. While the majority of misdemeanor defendants are granted bail, those who do not will also cost local jails an average of \$31.34 per day. One first-time offender of the requirements in Section 1 of the bill would cost a local jail up to approximately \$2,820.60 (90 days x \$31.34 = \$2,820.60).

Data Sources: Kentucky League of Cities

Preparer:Mary StephensReviewer:KHCDate:	3/17/17
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