

withdraw authority from the governing body of a city to impose a regulatory license fee on the gross receipts of establishments licensed to sell alcoholic beverages within the city.

HB 159 would have a significant negative fiscal impact on the approximately 10 percent of Kentucky cities that currently impose the regulatory license fee. Those cities would lose collectively around \$9 million a year, or approximately \$220,000 each city. For example, Cave City, population approximately 2,240 (2010 census), collected \$147,087 in regulatory license fees on gross receipts from sales of alcohol in the city in the first 3 quarters of 2017 (Glasgow Daily Times, November 21, 2017). That revenue would go to zero under HB 159. Regulatory license fees are restricted fund fees and may only be used to reimburse the city/county for **additional** policing, regulatory, or administrative expenses related to the sale of alcoholic beverages in the city and county as a result of becoming wet. Without the authority to impose the fee local governments would be unable to recoup those additional expenses.

Part III: Differences to Local Government Mandate Statement from Prior Versions

Part II pertains to the bill as introduced and there is no prior introduced version of the bill.

Data Source(s): Kentucky League of Cities; Kentucky Department of Alcoholic Beverage Control

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