

Vermont Legislative Joint Fiscal Office

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FISCAL NOTE

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H.313 An act relating to miscellaneous amendments to alcoholic beverage laws – Ways and Means Recommendation Of Amendment – Draft 1.1

<https://legislature.vermont.gov/Documents/2022/WorkGroups/House%20Ways%20and%20Means/Bills/H.313/W~Tucker%20Anderson~H.313%20-%20Ways%20and%20Means%20draft%201.1~3-17-2021.pdf>

Bill Summary

The Ways and Means proposal of amendment would add a new section to the underlying House General, Housing and Military Affairs proposal of amendment that would exempt clubs, as defined in 7 V.S.A. §2, from first- and third-class license fees for calendar year 2021. The effective date for this provision would be July 1, 2021.

Fiscal Summary

Per the annual reports put out by the VT Dept. of Liquor and Lottery, there are approximately 95 clubs that receive first and/or third class licenses each year. This number dipped during the 2019-20 licensing year to 83 licensees, presumably due to pandemic-related business interruptions. This fiscal note assumes that the number of licensees would bounce back to 90.

Under current law, first-class licensing revenues are split 50% to the Liquor Control Fund and 50% to municipalities. Third-class licensing revenues are split 55% to the Liquor Control Fund and 45% to the General Fund. The first-class license fee is \$230, and the third-class license fee is \$1,095 for a full year and \$550 for a half year.

If these 90 licensees were exempt from all first- and third-class fees in calendar year 2021 then the State revenue loss would be approximately \$105,000. Approximately \$45,000 of this revenue loss would impact the General Fund and \$70,000 would impact the Liquor Control Fund. This impact would be primarily in state FY2021.

Municipalities would lose approximately \$10,000 from the first-class license fee exemption.