

Vermont Legislative Joint Fiscal Office

One Baldwin Street • Montpelier, VT 05633-5701 • (802) 828-2295 • Fax: (802) 828-2483

FISCAL NOTE

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Prepared by: Daniel Dickerson

H.313 An act relating to miscellaneous amendments to alcoholic beverage laws – House General, Housing, And Military Affairs Recommendation Of Amendment with further recommendation of amendment by House Ways and Means

<https://legislature.vermont.gov/Documents/2022/WorkGroups/House%20Ways%20and%20Means/Bills/H.313/H.313~Tucker%20Anderson~As%20Recommended%20by%20the%20House%20Committee%20on%20General,%20Housing%20and%20Military%20Affairs~3-16-2021.pdf>

<https://legislature.vermont.gov/Documents/2022/WorkGroups/House%20Ways%20and%20Means/Bills/H.313/W~Tucker%20Anderson~H.313%20-%20Amendment%20draft%201.2~3-17-2021.pdf>

Bill Summary

The House General, Housing and Military Affairs version proposes changes to alcoholic beverage laws including, but not limited to, a provision to allow municipalities to charge a \$50 processing fee for stand-alone third class licenses, provisions pertaining to sale of alcoholic beverages for off-premise consumption, and provisions pertaining to festival permits. The effective date would be July 1, 2021.

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 upon passage.

Fiscal Summary

Sec. 1 – According to the VT Dept. of Liquor and Lottery, there are approximately 150 stand-alone third-class licensees in a given year. If the municipalities were to charge each of those licensees the extra \$50 processing fee then the total new revenue going to municipalities would be \$7,500 per year.

Sec. 6 – 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 \$60,000 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.