Department of Finance and Administration

Legislative Impact Statement

Bill: HB2092 **Amendment Number: H1**
Bill Subtitle: TO AMEND ACTS 2017, NO. 313.

Basic Change :

Sponsor: Representative Capp

Engrossment 03/09/17 --- House Amendment 1 --- The bill amends Acts 2017, No. 313 to change the number of small farm wineries that are eligible to apply for a small farm winery private-resident shipping permit. Act 2017, No. 313 allowed for issuance of thirty (30) small farm winery shipping permits to eligible small farm wineries. The issuance of these permits would be determined by drawing conducted by the Director of Alcoholic Beverage Control. In subsequent years, only five (5) additional permits would be issued per year. This amendment removes the restriction of thirty (30) initial small farm winery private-residence shipping permits and allows all small farm wineries that also hold a small farm winery wine wholesale permit issued on or before April 15, 2017 to be eligible for a small farm winery private residence shipping permit. The Alcoholic Beverage Control Board shall issue a small farm winery private-residence shipping permit to a small farm winery holding a small farm wine wholesale permit issued on or before April 15, 2017 and provide proof that the winery produced by fermentation at least eight hundred gallons (800 gals.) of wine in the previous calendar year as shown on the winery's federal form TTB F 5120-17 and the payment of a licensing fee of twenty-five dollars ($25).

In each subsequent year, the board may issue up to five (5) small farm winery private resident shipping permits to small farm wineries holding a small farm wine wholesale permit issued, after April 15, 2017, and has produced by fermentation at least eight hundred gallons (800 gals.) of wine in the previous calendar year as shown on the winery's TTB F 5120-17. Notice of these permits shall be to the public at large by legal notice and internet posting that applications will be accepted, the number of permits to be issued, the last date applications will be accepted, and the date of the drawing to determine which applicants will be awarded a permit if the number of applicants exceeds the number of permits authorized by the board.

Revenue Impact :

The Alcoholic Beverage Control Division would issue small farm winery private-resident shipping permits with a licensing fee of twenty-five dollars ($25). Total revenue from this permit fee will be determined by the number of qualified applicants.

Taxpayer Impact :

Small Farm Wineries holding a small farm wine wholesale permit.

Resources Required :

No additional resources are required.

Time Required :

Adequate time is allowed for implementation.

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Procedural Changes :

None.

Other Comments :

This act amends Acts 2017, No. 313, Section 3, which became effective by emergency clause on March 2, 2017, to the date this act is signed by the Governor.

Legal Analysis :

HB2092 requires the Alcoholic Beverage Control Board to notify, by April 15, 2017, wineries with small farm winery wholesale permits that they are eligible for small farm winery private-resident shipping permits if the winery produced at least 800 gallons of wine in the previous calendar year and pay a $25.00 fee.

In subsequent years the board may issue up to five additional permits to applicants who pay the fee and have produced at least 800 gallons in the previous calendar year. In the event there are more than five qualified applicants, the board shall hold a drawing to determine which wineries receive the permits.