

**SENATE APPROPRIATIONS COMMITTEE
FISCAL NOTE**

BILL NO. House Bill 2513

PRINTER NO. 4340

AMOUNT

See Fiscal Impact

FUND

General Fund
State Stores Fund

DATE INTRODUCED

May 13, 2020

PRIME SPONSOR

Representative Everett

DESCRIPTION AND PURPOSE OF BILL

House Bill 2513 establishes a new Article I-A (Establishment Operation) in the Administrative Code to allow food and beverage establishment indoor operations within certain guidelines, to prohibit requirements that a meal must be purchased to buy alcoholic beverages and to allow the extension of liquor licensed premises to additional outside serving areas during the COVID-19 disaster emergency.

The legislation allows food and beverage establishments to begin operation on the inside seating portion of the establishment as of the effective date of this section. It permits operations under the following guidelines: (1) at a minimum of 50% capacity for indoor dining with social distancing consistent with the guidelines issued by the Centers for Disease Control and Prevention (CDC) and the Commonwealth or with physical barriers; or (2) above 50% capacity for indoor dining if allowed by the guidelines issued by the CDC and the Commonwealth or with physical barriers. An establishment is defined as a restaurant, bar, hotel, private club, brewpub, brewery, winery, distillery and event venue.

The legislation provides that an establishment shall not be subject to an executive order which requires the purchase of a meal to buy alcoholic beverages or prohibits bar service for food and beverages.

The legislation provides that upon request from a club, catering club, restaurant, retail dispenser, hotel, limited distillery, brewery, or limited winery licensed under the Liquor Code, the Liquor Control Board (board) may temporarily extend the licensed premises of the applicant to include any outside serving area that is immediately adjacent to the existing licensed areas or noncontiguous and within 250 feet of the main licensed building. It provides for the board to grant immediate operating authority to the applicant to use the outside serving area while the board processes the request. The operating authority shall expire at the earliest of the following: (1) a valid protest is received; (2) the board determines the proposed area does not meet the requirements of the act and board regulations for licensing the area in question; or (3) the disaster emergency is terminated. Further, the legislation specifies that no filing fee shall be required from an applicant, the board may require the applicant to provide relevant information and an outdoor seating area approved under this section may only be utilized for outdoor dining and may not include a kitchen or a bar.

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The legislation is scheduled to take effect immediately.

FISCAL IMPACT:

To the extent that the provisions contained in House Bill 2513 result in increased sales by food and beverage establishments, the Commonwealth will likely realize additional sales and use tax revenue related to retail sales, personal income tax revenue related to salaries and wages and liquor tax revenue related to increases in the sale of wine and spirits.

Additionally, the Liquor Control Board may need to investigate applications made by liquor licensees seeking temporary extensions of premises to include outside serving areas. While it is unknown how many investigations will need to be conducted, the board estimates the average cost of an investigation to be \$220.