



## HOUSE COMMITTEE ON APPROPRIATIONS

# FISCAL NOTE

HOUSE BILL NO. 2429

PRINTERS NO. 4142

PRIME SPONSOR: Santoni

### COST / (SAVINGS)

FUND	FY 2012/13	FY 2013/14
State Stores Fund	\$0	\$0

**SUMMARY:** The bill amends the act of April 12, 1951 (P.L. 90, No. 21), known as the Liquor Code, as reenacted and amended, to provide for special permits for breweries. The effective date is 60 days after enactment.

**ANALYSIS:** The bill amends Section 446 of the Liquor Code by adding subsections to allow certain breweries to obtain special permits to participate in malt or brewed beverages and food expositions off the licensed premises and farmers' markets. The special permits shall only be available to breweries that qualify as manufacturers as authorized under section 431(a) and who have not named or constituted a distributor or importing distributor as a primary or original supplier of the product under section 431(b) of the Liquor Code.

Special permits for malt and brewed beverages and food expositions shall be issued upon proper application and payment of a fee of thirty dollars (\$30) per day for each day of use, not to exceed thirty consecutive days and 100 days in any calendar year. The special permit shall entitle the holder to engage in the sale by glass, bottle or package not exceeding 144 fluid ounces of malt or brewed beverages produced by the permittee under the authority of its brewery license.

Breweries shall also be able to obtain a farmers' market permit for \$250 per year to sell malt or brewed beverages they produce, by the bottle or package not exceeding 144 fluid ounces, at more than one farmers' market at any given time.

All such fees shall be paid into the State Stores Fund.

**FISCAL IMPACT:** The enactment of this legislation is estimated to nominally increase revenue to the State Stores Fund as a result of new permit fees. Allowing breweries to obtain special permits (\$30 per day fee) and farmers' market permits (\$250 annually) will increase revenue to the State Stores Fund based on the number of permits issued. An exact estimate of additional revenue that may be obtained cannot be determined; but assuming ten breweries that would qualify for the new special permits and farmers' market permits obtain the new farmers' market permits and at least one to two special permits in 2012-13, the State Stores Fund will receive \$2,800 to \$3,100 in increased revenue. There will be no material revenue gain to the State Stores Fund because any revenue derived from the new special permits will be utilized to establish and oversee the new brewery special permits program.

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House Appropriations Committee (R)

**DATE:** October 1, 2012

*Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.*