



# HOUSE COMMITTEE ON APPROPRIATIONS

## FISCAL NOTE

HOUSE BILL NO. 38

PRINTER'S NO. 27

PRIME SPONSOR: Mustello

### COST / (SAVINGS)

FUND	FY 2022/23	FY 2023/24
State Stores Fund	See Fiscal Impact	

**SUMMARY:** House Bill 38, Printer's Number 27 would allow for a liquor license that has received pre-approval to be transferred if a surcharge is paid.

**ANALYSIS:** The legislation amends Sections 403 and 436 of the Liquor Code to allow liquor licenses for hotels, restaurants, and clubs, as well as liquor licenses for distributors, importing distributors, and retail distributors, that have received initial approval to be transferrable in the event that the licensee cannot comply with requirements to receive operating authority if the transfer application is accompanied by a surcharge. The surcharge would be \$15,000 if the license is located in a county of the first through third class and \$5,000 if the license is located in a county of the fourth through eighth class.

The legislation would also designate the time between the approval of an initial application and the issuance of operating authority to the licensee as time in safekeeping.

The legislation would go into effect 60 days upon enactment.

**FISCAL IMPACT:** The legislation would result in additional revenue for the State Stores Fund coming from the surcharges paid to transfer a pre-approved liquor license. According to the Pennsylvania Liquor Control Board, the universe of liquor licenses that this legislation would apply to is unknown due to the nature of how these transfers are initiated. They estimate that there could be between \$150,000 and \$300,000 annually in additional revenue to the State Stores Fund based on the average number of actual transfers initiated in prior years that would fall under this legislation. However, the exact amount of additional revenue would depend on the number of transfer applications that the Pennsylvania Liquor Control Board receives during the year and the county in which the license is located.

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