



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 1096

PRINTER'S NO. 1687

PRIME SPONSOR: Malagari

COST / (SAVINGS)

FUND	FY 2023/24	FY 2024/25
State Stores Fund	See Fiscal Impact	See Fiscal Impact

SUMMARY:

This legislation would allow certain hotel licensees to convert their license to a restaurant liquor license and allow amusement parks and certain public gardens to obtain a public venue license.

ANALYSIS:

This legislation amends the Liquor Code to allow a hotel licensee that was granted a license prior to 1965 and has applied to the Pennsylvania Liquor Control Board (PLCB) for an exemption from the requirement to maintain bedrooms for public accommodation prior to January 1, 2024, to convert their license to a restaurant license for a fee of \$30,000 regardless of the quota restrictions. This legislation would also allow hotel licensees that were eligible to convert to a restaurant license under Act 125 of 2020, but did not do so, to similarly convert their licenses. There would be a two-year window upon the effective date of the legislation for hotel licensees to apply for a license conversion.

The legislation would also allow amusement parks as defined in Act 81 of 1984 that are situated on at least 40 acres of land to acquire a public venue liquor license. The legislation would permit an amusement park that currently holds a restaurant license before January 1, 2022, to exchange their license for a public venue license at no cost, and the restaurant license exchanged would be subject to a license auction by PLCB.

Lastly, the legislation would allow entities that are members of the American Public Garden Association and are comprised of at least 350 acres to be eligible for a public venue liquor license.

This legislation would take effect 60 days upon enactment.

FISCAL IMPACT:

This legislation could result in increased revenue for the State Stores Fund. First, allowing certain hotel licensees to convert their license to a restaurant license would result in increased revenue to the State Stores Fund due to the \$30,000 fee they would be required to pay to convert. The amount of revenue generated is dependent on the number of eligible hotels that apply to the Pennsylvania Liquor Control Board to convert their license and pay the fee. According to the PLCB, there are 514 hotel licensees remaining that would be eligible to convert their license pursuant to the legislation. It is currently unknown how many of these licensees will opt to pay the \$30,000 fee to convert to a restaurant license.

In addition, the State Stores Fund could experience increased revenue from allowing amusement parks and public gardens to obtain a public venue liquor license. It is currently unknown how many of these entities would apply for a public venue license, but they would be required to pay a fee of up to \$1,400 to obtain this license – a \$700 application fee and a \$700 license fee. These entities would also be required to pay renewal fees to maintain their public venue license. Actual revenue increases would depend on the number of entities that apply for a public venue license.

Lastly, the State Stores Fund could receive additional revenue through the auction process for a restaurant liquor license that was exchanged by an amusement park for a public venue license. The actual additional revenue generated from this process would depend on 1) the number of amusement parks that opt to exchange their license and 2) the county in which the license is auctioned in. An exchanged restaurant license must remain in the county in which it is located, so counties that have higher license values will result in higher revenue generated through an auction compared to other counties where restaurant licenses are valued less.

PREPARED BY: Brittany Van Strien
House Appropriations Committee (D)

DATE: July 5, 2023

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