

**SENATE APPROPRIATIONS COMMITTEE
FISCAL NOTE**

BILL NO. House Bill 1524

PRINTER NO. 2066

AMOUNT

\$5,875,000
Revenue Increase

FUND

State Stores Fund

DATE INTRODUCED

May 29, 2019

PRIME SPONSOR

Representative Rader

DESCRIPTION

House Bill 1524 amends Section 102 (Definitions) and 461 (Limiting Number of Retail Licenses To Be Issued In Each County) of the Liquor Code to authorize the Pennsylvania Liquor Control Board (board) to issue retail liquor licenses or eating place retail dispenser licenses for use at a mixed-use town development project or tourist development project regardless of the number licenses already issued in a county.

The legislation provides that a tourist development project restaurant liquor license application may be submitted to the board by any interested party at any time, but the application must be accompanied by a resolution or ordinance indicating that the municipality has approved the request to have the area designated as a tourist development project by the board. It requires the interested party to pay a fee of \$1,000,000. It provides that each separate tourist development project restaurant liquor license application must indicate the number of restaurant liquor licenses the applicant is seeking but may not seek more than 75 licenses for the tourist development project. It requires the applicant submit a surcharge of \$65,000 for each restaurant liquor license upon board approval of the transfer of the applicable restaurant liquor license. It provides that licensees within a tourist development project are ineligible for a wine expanded permit and may not sell malt and brewed beverages for off-premises consumption. Additionally, it provides that fees associated with tourist development project licensees are to be deposited into the State Stores Fund.

The legislation provides that the board may choose which restaurant liquor licenses will be made available for transfer to the tourist development project restaurant liquor license applicant but shall choose licenses from a saturated county, if they are available, up to the maximum number of licenses that can be accepted from a saturated county. The maximum number of licenses that can be accepted from a county shall be calculated by subtracting from the total number of restaurant liquor licenses in the county, a number equal to 2.64 times the county population divided by three thousand.

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The legislation defines “saturated county” as a county with more than one restaurant liquor license per 3,000 inhabitants in the top twenty-five highest ratios of restaurant liquor licenses to county population in the Commonwealth.

The legislation defines “tourist development project” as a planned development situated on at least ninety acres of land, constructed since January 1, 2019, that is dedicated primarily to tourism with at least 500,000 square feet of actual or proposed development, with a mix of entertainment and retail uses.

The legislation is scheduled to take effect in 60 days.

FISCAL IMPACT:

The enactment of House Bill 1524 will have no fiscal impact on Commonwealth funds. It is estimated that the provisions contained in the legislation could generate as much as \$5,875,000 in revenue for the State Stores Fund. This assumes one entity will apply to be designated as a tourist development project for the \$1,000,000 fee and applications for all 75 tourist development project restaurant liquor licenses will be submitted to and approved by the board.