

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

BILL NO. House Bill 1096

PRINTER NO. 2411

AMOUNT

See Fiscal Impact

FUND

State Stores Fund

DATE INTRODUCED

May 3, 2023

PRIME SPONSOR

Representative Malagari

DESCRIPTION

House Bill 1096 amends the act of April 12, 1951 (P.L.90, No.21), known as the Liquor Code, providing for the conversion of certain hotel licenses to restaurant licenses and to allow certain amusement parks and public parks to obtain a public venue license.

This legislation amends the definition of a public venue to include an amusement park as defined in the Amusement Ride Inspection Act that is on at least 40 acres of land and to include centers or facilities that have no less than 350 acres of land and are a member of the American Public Garden Association. An amusement park that holds a restaurant license before January 1, 2022, and seeks to obtain a public venue license shall exchange the restaurant license to the board in return for a public venue license at no cost. An exchanged restaurant license shall be subject to a license auction as established in existing law.

An amusement park that holds a public venue license shall utilize a transaction scan device to verify the age of an individual before making a sale of liquor and malt or brewed beverages. An amusement park may not sell or share data from the use of a transaction scan device, except that the licensee may use the data to show the enforcement bureau of the Pennsylvania Liquor Control Board (PLCB) that the licensee is compliant with the law.

In addition, House Bill 1096 provides that a hotel license that was issued before the year 1965 may be converted to a restaurant license. Hotel licensees seeking the conversion are required to apply for an exemption to the requirement to maintain bedrooms for the public before July 1, 2024. For two years after the effective date of the legislation, upon application to the board and payment of a fee of \$30,000 by a hotel licensee, the board shall convert a hotel license to a restaurant license.

This act shall take effect in 60 days.

FISCAL IMPACT:

House Bill 1096 may result in additional revenue for the State Stores Fund. Allowing hotel licenses to be converted into restaurant licenses will generate \$30,000 in fee revenue for each instance of a conversion. According to the PLCB, there are 514 licenses that are eligible for conversion under this legislation. Act 125 of 2020

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provided for a similar time-limited conversion process. Under the Act 125 conversion window, 48 hotels chose to convert their licensees. Assuming a similar number of conversions occur under House Bill 1096, new revenues of \$1.4 million to the State Stores Fund may be realized.

The State Stores Fund may also realize increased fee revenue dependent upon the number of new applications for public venue licenses by amusement parks and public gardens made eligible under House Bill 1096. Current fees for a public venue license include a \$700 application fee and a \$700 license fee. Assuming at least five new eligible entities apply and receive a public venue license, the State Stores Fund would realize \$7,000 in additional revenue. In instances where a restaurant license is exchanged for a public venue license, the State Stores Fund would also realize new revenue from the auction of the exchanged restaurant license. Any revenue gained from an auction would be dependent upon an exchange occurring and the sale of the license at auction.