

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
(317) 232-9855

**FISCAL IMPACT STATEMENT**

**LS 6140**  
**BILL NUMBER: SB 55**

**DATE PREPARED:** Apr 7, 1999  
**BILL AMENDED:** Apr 6, 1999

**SUBJECT:** Alcoholic beverages.

**FISCAL ANALYST:** Kristin Breen  
**PHONE NUMBER:** 232-9567

**FUNDS AFFECTED:**  **GENERAL**  
 **DEDICATED**  
**FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** (Amended) This bill makes numerous changes concerning alcoholic beverages, including the following:

- (1) It corrects a reference to the Indiana Administrative Code in order to cite the current rule on Sunday sales of alcoholic beverages by certain retailers.
- (2) It revises the description of auto racing facilities in the law concerning the time to begin Sunday sales of alcoholic beverages so that the law is not limited to an oval track.
- (3) It provides that at certain auto racing facilities, the owner or operator may permit a person to enter with an alcoholic beverage for consumption at the facility and that a person may carry on, convey to, or consume, on or about the facility, an alcoholic beverage that was not then and there purchased at the facility.
- (4) It provides that the Alcoholic Beverage Commission may not issue a beer retailer's permit to a person who, within ten years before the date of application, has been convicted of certain federal or state crimes.
- (5) It allows minors to be present in indoor golf facilities where alcoholic beverages are sold.
- (6) It changes from \$20 to \$5 the fee for an alcoholic beverage employee's permit when the permit holder uses the permit only to perform volunteer service that benefits a nonprofit organization. It provides that it is unlawful to use for any other purpose an employee's permit obtained for volunteer use that benefits a nonprofit organization.
- (7) It provides that certain wholesaler's permits are effective for a two year period.
- (8) It eliminates the requirement of a \$500 surety bond for alcoholic beverage wholesalers, wine bottlers, and alcoholic beverage carriers.
- (9) It provides that payments required under the alcoholic beverage laws may be made by a check drawn on a business bank account.
- (10) It provides that the city of Mishawaka may obtain a permit for the retail sale of alcoholic beverages at the city golf course.
- (11) It provides that the holder of an alcoholic beverages club permit may keep a guest book listing members and their nonmember guests, except on designated guest days.

(12) It allows the Alcoholic Beverage Commission to transfer the beer wholesaler permit of a person to an immediate relative who has another beer wholesaler permit if the person holding the permit dies or is legally adjudicated as mentally incapacitated.

(13) It provides a procedure for allowing a veterans service organization that has had its permit revoked for operating an illegal gambling device to obtain a temporary probationary veterans club permit and to have its permanent license reinstated.

**Effective Date:** (Revised) January 1, 1998 (retroactive); Upon passage; July 1, 1999.

**Explanation of State Expenditures:** (Revised) (7) This provision provides that beer wholesaler and wine wholesaler permits are effective for two calendar years. Under current law they are effective for one year. This may decrease the Alcoholic Beverage Commission's (ABC) workload by a nominal amount. There are currently 54 beer wholesaler and 25 wine wholesaler permits in Indiana.

**Explanation of State Revenues:** (Revised) (6) This provision reduces the biennial fee for an employee's permit from \$20 to \$5 when the permit is used to perform volunteer service for a nonprofit organization. It is estimated that this would result in a revenue loss of not more than \$2,250 (150 people x \$15) every two years. Permit fee revenue is first deposited in the Excise Police Retirement Fund to pay benefits and administrative costs. Remaining revenue is then deposited in the ABC's Enforcement and Administration Fund.

(10) This provision provides that the city of Mishawaka may obtain a permit for the retail sale of alcoholic beverages at the city golf course. This would increase permit fee revenue by a minimal amount. The annual fee for a *beer retailer* permit in a second class city is \$200. The annual fee for a *liquor retailer* permit in a second class city is \$675. The annual fee for a *wine retailer* permit is \$25 if the retailer holds a beer and/or liquor retailer permit and \$50 if the retailer does not hold any other permit. If all three retail permits are applied for, the total annual fee revenue would equal \$900. One-third of permit fee revenue is distributed to the state General Fund.

This may increase the amount of alcoholic beverages sold, which would increase excise tax revenue. Excise tax revenue is deposited in the state General Fund, the Post War Construction Fund, the ABC's Enforcement and Administration Fund, the Pension Relief Fund, the Addiction Services Fund, and the Wine Grape Market Development Fund.

(12) It allows the ABC to transfer the beer wholesaler permit of a person to an immediate relative who has another beer wholesaler permit if the person holding the permit dies or is legally adjudicated as mentally incapacitated. This would only impact wholesaler permits that are owned by an individual; it would not impact a wholesaler permit owned by a corporation. This will not increase the number of beer wholesaler permits issued or the amount of beer excise tax collected.

(13) It provides a procedure for allowing a veterans service organization that has had its permit revoked for operating an illegal gambling device to obtain a temporary probationary veterans club permit and to have its permanent license reinstated. This would allow a veterans organization to operate temporarily for one year and to possibly have its permanent permit renewed. The annual fee for the temporary probationary permit would be the same as the permanent permit. It is estimated that there are six or seven veterans organizations that have been found to have possessed illegal gambling devices.

One-third of permit fee revenue is distributed to the state General Fund. Two-thirds of permit fee revenue

is deposited in the general fund of the cities, towns, and counties where the permittees are located.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** (Revised) (10) This provision provides that the city of Mishawaka may obtain a permit for the retail sale of alcoholic beverages at the city golf course. Two-thirds of permit fee revenue is deposited in the general fund of the city and county where the permittee is located.

(13) See State Revenues

**State Agencies Affected:** Alcoholic Beverage Commission

**Local Agencies Affected:** Mishawaka.

**Information Sources:** Don Okey, Alcoholic Beverage Commission, 232-2463; Thomas Coleman, Indiana Beverage Alliance, 687-9615.