

Economic Impact Statement

LSA Document #09-198

IC 4-22-2.1-5 Statement Concerning Rules Affecting Small Businesses

Estimated Number of Small Businesses Subject to this Rule:

The Commission estimates that 9,400 small businesses may be impacted by this rule. The rule adds a certification program for alcoholic beverage servers as required pursuant to [IC 7.1-3-1.5](#). Because [IC 7.1-3-1.5](#) requires alcoholic beverage servers, rather than businesses that employ alcoholic beverage servers, to be certified, the economic impact may be borne by individual alcoholic beverage servers rather than businesses. The Commission estimates that 113,638 alcoholic beverage servers may be impacted by this rule. Businesses that employ alcoholic beverage servers have the option of (i) requiring alcoholic beverage servers to obtain training and certification prior to employment; (ii) engaging an outside provider to conduct server training for employees; or (iii) conducting server training on the premises for employees of the business.

Estimated Average Annual Administrative Costs That Small Businesses Will Incur:

The Commission estimates that small businesses will incur some nominal administrative expenses resulting from the proposed rule. The Commission estimates that the 9,400 small businesses affected by certification requirements will incur some minimal additional administrative expenses resulting from the certification requirements. These small businesses will have to ensure that alcoholic beverage servers employed by them are certified in server training and maintain records necessary to the continued validity of those certifications.

The rule imposes no additional costs not already imposed by the statute itself. Because each of the 9,400 small businesses may develop an in-house server training program, the cost could be as little as zero dollars up to as much as \$30 per alcoholic beverage server. The cost is totally dependent upon the type and scope of the training provided.

Estimated Total Annual Economic Impact on Small Businesses:

The total annual economic impact on small businesses is completely market driven. Because of the prevalence of in-house server training programs and the availability of grants from the federal government, private corporations and some not for profits, the Commission estimates that the total fiscal impact on small businesses as a result of compliance with this rule will be less than \$500,000.

Regulatory Flexibility Analysis of Alternative Methods:

The market driven approach adopted by the Commission is the most effective method for minimizing costs and ease of enforcement. Only one other alternative exists, which is a program developed and administered by the Commission itself. This alternative would be not only cost prohibitive to the state of Indiana but also would eliminate legitimate avenues for training that already exist in the market. Many businesses currently elect to combine alcoholic beverage server training with proper food handling/safety training. Failure to adopt the market driven approach would eliminate the ability for businesses to engage programs specifically tailored to meet their needs.

Explanation of Preliminary Determination:

The Commission did not make a determination that the rule was necessary because the promulgation of such rule by the Commission is mandated under [IC 7.1-3-1.5](#).

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