



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2025 Biennium

Bill information:

SB0543 - Revise alcohol laws relating to off-premises beer and wine licenses and delivery (Boldman, Ellie)

Status: As Amended in House Committee

- Significant Local Gov Impact
 Needs to be included in HB 2
 Technical Concerns
 Included in the Executive Budget
 Significant Long-Term Impacts
 Dedicated Revenue Form Attached

FISCAL SUMMARY

	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>	<u>FY 2026</u> <u>Difference</u>	<u>FY 2027</u> <u>Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
Revenue:				
General Fund	\$5,500	\$5,500	\$5,500	\$5,500
Net Impact-General Fund Balance:	<u>\$5,500</u>	<u>\$5,500</u>	<u>\$5,500</u>	<u>\$5,500</u>

Description of fiscal impact: SB 543 allows grocery stores with off-premises consumption licenses to deliver beer and wine with a delivery endorsement if they pay a fee to the Department of Revenue. The House Business and Labor Committee amended the bill to also create a third-party delivery license to deliver beer and wine sold by an off-premises retailer. The delivery endorsement and third-party delivery license fees would increase general fund revenue by about \$5,500 each year.


FISCAL ANALYSIS

Assumptions:

- SB 543 allows grocery stores with an off-premises consumption license to deliver beer and wine in original packaging if they apply for and pay a fee for a delivery endorsement.
- The bill requires the delivery to be conducted by the licensee or the licensee's employees who are 21 years of age or older.
- The delivery of beer and wine would only be permissible if groceries or food prepared by the licensee at the licensee's premises are also included in the delivery; the purchase price of the beer and wine must be less than the purchase price of the delivered food.
- The bill as amended by the House Business and Labor Committee specifies that grocery store deliveries may be made only to a residential or commercial address.

5. The Department of Revenue’s Alcoholic Beverage Control Division (ABCD) would propose a fee of \$100 for the delivery endorsement through administrative rule; this fee amount is consistent with what an on-premises consumption licensee is required to pay for a delivery endorsement.
6. ABCD estimates about five of these delivery endorsements would be sought.
7. The delivery endorsement fees would increase general fund revenue by \$500 each year.
8. SB 543 as amended by the House Business and Labor Committee also creates a third-party delivery license for the delivery of beer and wine purchased by a consumer from a licensed off-premises retailer only.
9. To be licensed, the third-party delivery service company must apply for the license, pay an initial license fee of \$1,000, and qualify for licensure under the requirements of 16-4-401, MCA.
10. The bill allows drivers to be an employee or independent contractor of the third-party delivery service company but requires the driver to be at least 21 years of age, have a valid driver’s license, have not been convicted of a felony or an alcohol-related offense, and must have completed a responsible sales and service training program or a delivery training program before making their first delivery.
11. The bill outlines requirements for the delivery training program for the delivery drivers.
12. The bill limits the delivery of beer and table wine to the permissible hours for products to be sold at an off-premises license and requires the delivery driver to return the beer and table wine back to the licensed off-premises retailer if the driver is unable to deliver the product for any reason.
13. The bill requires the delivery driver to verify the age and identity of the recipient at the time of delivery and requires the third-party delivery service company to maintain books and records of specific information for each delivery for a period of three years which can be requested by the Department of Revenue.
14. The bill authorizes the Department of Revenue to issue violations to the third-party delivery service company for failing to comply with the new regulations.
15. Both the initial license fee and the annual renewal fee for a third-party delivery license would be \$1,000.
16. It is estimated that five third-party delivery licenses would be sought.
17. The third-party delivery license fees would increase revenues by \$5,000 a year.
18. System changes required to implement this bill would be absorbed through normal maintenance and would not create additional costs to the Department of Revenue.

	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>	<u>FY 2026</u> <u>Difference</u>	<u>FY 2027</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
TOTAL Expenditures	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Funding of Expenditures:</u>				
General Fund (01)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
TOTAL Funding of Exp.	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Revenues:</u>				
General Fund (01)	<u>\$5,500</u>	<u>\$5,500</u>	<u>\$5,500</u>	<u>\$5,500</u>
TOTAL Revenues	<u>\$5,500</u>	<u>\$5,500</u>	<u>\$5,500</u>	<u>\$5,500</u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	<u>\$5,500</u>	<u>\$5,500</u>	<u>\$5,500</u>	<u>\$5,500</u>

NO SPONSOR SIGNATURE 4.27  4-26-23
Sponsor's Initials *Date* *Budget Director's Initials* *Date*