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FISCAL IMPACT REPORT

SPONSOR: Ruiz DATE TYPED: 3/2/03 HB 944

SHORT TITLE: Exempt Table Wines from Segregated Sales SB

ANALYST: Maloy

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY03	FY04	FY03	FY04		
	NFI		NFI		

SOURCE INFORMATION

Responses Received From
Alcohol and Gaming Division, Regulation and Licensing Department

SUMMARY

Synopsis of Bill

House Bill 944 enacts a new subsection to Section 60-6B-19 of the Liquor Control Act and exempts table wine from segregated sales by retailer and dispenser liquor license holders.

Significant Issues

- The Liquor Control Act currently provides that the alcohol and gaming director shall, by regulation, develop procedures for segregated alcohol sales by retailer and dispenser liquor license holders who sell alcoholic beverages in unbroken packages. The regulation requires **small premises** licensees to use diligent, good faith efforts to consolidate alcoholic beverages within a clearly designated and marked alcoholic beverage display area.
- The regulation also provides that **large premises** licensees must consolidate all alcoholic beverages within a clearly designated and marked area of the premises, and provides that alcoholic beverages may be displayed in small quantities at no more than two locations outside the designated alcoholic beverage display area.
- Both small and large premises licensees require that all display areas can be roped off, chained off, or covered during non-alcoholic sale hours or days.

- The bill proposes to exempt table wine from the segregation requirement under the Act and defines table wine as wine containing fourteen percent or less alcohol by volume, wine that is sealed or capped by cork closure and aged two years or more, wine containing more than fourteen percent alcohol by volume as a result of natural fermentation process, vermouth and sherry.

FISCAL IMPLICATIONS

There exists no fiscal impact for the state. There are no fees or other such revenues generated from the segregation provisions of the Liquor Control Act, or the rules and regulations adopted pursuant to that Act.

OTHER SUBSTANTIVE ISSUES

The Alcohol and Gaming Division notes that:

“Currently, a large number of dispenser and retailer licensees do not adhere to the provisions of the Act requiring that all display areas can be roped off, chained off, or covered during non-alcoholic sale hours or days. By exempting wine from the segregation requirements, display areas throughout the store will be allowed.”

SJM/sb