Department of Alcoholic Beverage Control 2005 Fiscal Impact Statement

1.	Bill Number HB2710				
	House of Origin	Introduced	Substitute I	Engrossed	
	Second House	☐ In Committee ☐	Substitute I	Enrolled	
2.	Patron Si	ckles			
3.	Committee				
4.	Title A	lcoholic Beverage Contr	ol Board; regulation	ns; purchases by certain	licensees.
5.	Summary/Pur	pose:			
Alcoholic Beverage Control Board; regulations; purchases by certain licensees. Requires the Beverage Control Board to adopt regulations that authorize a mixed beverage licensee to pure alcoholic beverages from a government store of the licensee's choice. The bill requires that the regulations be adopted within 280 days of enactment of the bill. 6. No Fiscal Impact Fiscal Impact Estimates are:					to purchase that these
	6a. Expenditu Fiscal Ye 2004-05 2005-06 2006-07 2007-08 2008-09 2010-11	5 6 7 8 9	Positions	Fund	
	6b. Revenue I Fiscal Ye 2004-05 2005-06 2006-07 2007-08 2008-09 2009-16	ar Dollars 5 6 7 8	Positions	Fund	

7. Budget amendment necessary: No

2010-11

8. Fiscal implications: There are currently no quantifiable fiscal implications for this bill as introduced. There are however, safety, customer service and equipment expense issues as outlined below:

1) Safety- Most Licensee orders are assembled and held in the back of an ABC store. This allows for more convenient loading of the Licensee's merchandise into their vehicle during pick-up. It also reduces the chance of a customer tripping/falling over the cases if they are held in the sales area. Not all locations are conducive to rear pick-up due to limited access created by delivery trucks and "dumpsters". There are also some locations where it is unsafe to open the back door during some hours of operation because of the crime rate in that area or poor lighting.

- 2) Availability of merchandise-Due to the varying sizes and product mixes in our stores, not all locations are stocked with every product that could be needed by a Licensee. While the Licensee could order additional merchandise, there are many locations that are simply not large enough to safely and adequately store the additional merchandise. There are also stores that receive shipments less frequently than once a week and ordering special merchandise for a Licensee in these locations could greatly reduce the service level we like to maintain for those customers. Assigning a Licensee to some of these locations often results in numerous man-hours being used to transfer merchandise from store-to-store for the Licensee.
- 3) Equipment expenses- In locations with sufficient space and a sufficient number of Licensees, workstations are set up in the back of the stores. This allows the store personnel to have frequently requested Licensee items set up on separate shelves in the back of stores. This reduces the time involved in "pulling" Licensee orders from the sales area that can result in repetitive stocking of those shelves to maintain a well stocked and attractive sales area. Many of these larger Licensee stores are also equipped with additional POS Terminals in the back of the store to improve the service provided to the Licensees. If requested by the Licensees, our stores are also provided with Fax Machines and/or phone answering machines to allow the Licensees to place their orders at any time, day or night.

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Although there are definite issues associated with licensees purchasing alcohol from any government store of their choosing, an exact figure cannot be obtained without further, lengthy analysis.

9. Specific agency or political subdivisions affected: The Department and localities

10. Technical amendment necessary: No

11. Other comments: None

Date: 01/18/05 / agw

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cc: Secretary of