Department of Planning and Budget
2010 Fiscal Impact Statement

1. **Bill Number:** HB354

   House of Origin   <u>X</u> Introduced   ___ Substitute   ___ Engrossed

   Second House   ___ In Committee   ___ Substitute   ___ Enrolled

2. **Patron:**   Englin

3. **Committee:** House Committee on General Laws

4. **Title:**   **Alcoholic beverage control; hotel manager's reception license.**

5. **Summary:** Creates a new hotel manager's reception license and sets out the privileges of the license as well as the license taxes.

6. **Fiscal Impact Estimates:** Preliminary (see Item 8)

7. **Budget Amendment Necessary:** Yes, Item 372

8. **Fiscal Implications:** The proposed legislation would add "Hotel Manager's Reception" to the list of alcoholic beverage licenses that the Alcoholic Beverage Control (ABC) Board may grant. The initial fee would be $165 ($100 tax + $65 non-refundable one-time application fee). The legislation, as introduced, would make this new license available to the 19,190 hotels/motels/resorts in the Commonwealth.

   Assuming 25 percent (or 4,797 entities) of those eligible would apply, the total revenues generated in the first year would total approximately $791,505. The revenue generated in each subsequent year would total approximately $479,700. ABC has no way of knowing the total number of licenses that will be issued as a result of this legislation, therefore, the revenue projections are purely speculative.

   The workload demands for the ABC Enforcement Division would likely increase as a result of this legislation. It is anticipated nine enforcement agents would be needed to handle this additional caseload along with some part-time (P-14 staffers) license technicians to process the new applications. An average cost of $50,000 would need to be budgeted for each enforcement agent added.

9. **Specific Agency or Political Subdivisions Affected:** ABC

10. **Technical Amendment Necessary:** No

11. **Other Comments:** None

Date: 1/26/2010 dpb
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