

Department of Planning and Budget
2016 Fiscal Impact Statement

1. Bill Number: SB373E

House of Origin Introduced Substitute Engrossed
Second House In Committee Substitute Enrolled

2. Patron: Ebbin

3. Committee: Senate Committee on Rehabilitation and Social Services

4. Title: Alcoholic beverage control; food sale requirements

5. Summary: Provides that a business may be considered a restaurant for purposes of mixed beverage licenses if it regularly sells foods, rather than meals, prepared on the premises. The bill also provides that in calculating the gross receipts from the sale of food for purposes of the food-to-beverage ratio, mixed beverage restaurant licensees, mixed beverage caterer's licensees, mixed beverage limited caterer's licensees, and limited mixed beverage restaurant licensees shall include the gross receipts from the sale of nonalcoholic beverages.

6. Budget Amendment Necessary: No

7. Fiscal Impact Estimates: Preliminary (see Item #8)

8. Fiscal Implications: The proposed bill eliminates the definition of “meals” and modifies how the food-to-beverage ratio is calculated. The bill permits a licensee to include the gross receipts from the sale of nonalcoholic beverages served on premises in its calculations of gross receipts from the sale of food. This change will likely increase the number of applications and establishments the Department of Alcoholic Beverage Control (ABC) will have to monitor and thus increase the current 1:184 agent-to-licensee ratio. This will likely result in hiring more agents; however, the precise impact cannot be determined at this time.

9. Specific Agency or Political Subdivisions Affected: Department of Alcoholic Beverage Control

10. Technical Amendment Necessary: No

11. Other Comments: None