

## **Department of Planning and Budget**

### **2017 Fiscal Impact Statement**

**1. Bill Number:** SB970

|                        |  |                                     |                                    |
|------------------------|--|-------------------------------------|------------------------------------|
| <b>House of Origin</b> | <input checked="" type="checkbox"/> Introduced | <input type="checkbox"/> Substitute | <input type="checkbox"/> Engrossed |
| <b>Second House</b>    | <input type="checkbox"/> In Committee          | <input type="checkbox"/> Substitute | <input type="checkbox"/> Enrolled  |

**2. Patron:** DeSteph

**3. Committee:** Senate Committee on Rehabilitation and Social Services

**4. Title:** Revises the food-to-beverage ratio for certain mixed beverage licensees.

**5. Summary:** Reduces the current 45 percent food-to-beverage ratio for mixed beverage licensees to 35 percent under certain conditions met by a mixed beverage licensee in accordance with Alcoholic Beverage Control (ABC) Board regulations. The bill requires the ABC Board to adopt fast track regulations that prescribe the terms and conditions under which persons holding a mixed beverage restaurant, caterer's, or limited caterer's license meet or exceed the following: (i) For such licensees with monthly food sales of at least \$4,000 but less than \$10,000, the food-to-beverage ratio shall be 35 percent; and (ii) for such licensees with monthly food sales of at least \$10,000, there shall be no food-to-beverage ratio requirement imposed. The bill provides in addition that such regulations shall provide that food cooked or prepared on the premises and consumed on the premises shall be available at all times when alcoholic beverages are served by such licensees. The bill is a recommendation of the Special Joint Subcommittee of the House Committee on General Laws and the Senate Committee of Rehabilitation and Social Services Studying ABC Issues.

**6. Budget Amendment Necessary:** No

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

**8. Fiscal Implications:** According to the ABC Board, this bill is not expected to have a material fiscal impact on agency operations.

The bill could make it easier for licensees to meet the food-to-beverage ratio and remove administrative burden for those licensees with monthly food sales of at least \$10,000. Based upon FY2016 data, 92 percent of licensees met the \$10,000 average monthly food sales minimum requirement. According to the agency, when the minimum monthly food requirement is coupled with the proposed 35 percent ratio, it estimates that 99 percent of licensees could be in compliance. In addition, the agency believes the proposal could allow the agency to focus its enforcement efforts on a narrower pool of licensees who need compliance oversight.

**9. Specific Agency or Political Subdivisions Affected:** Alcoholic Beverage Control Board

**10. Technical Amendment Necessary:** No

**11. Other Comments:** None