

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

| <b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)</b> |                     |                |                     |                |
|-------------------------------------------------------------------------------------------------------|---------------------|----------------|---------------------|----------------|
|                                                                                                       | <b>FY 2019-20</b>   |                | <b>FY 2020-21</b>   |                |
|                                                                                                       | <b>EXPENDITURES</b> | <b>REVENUE</b> | <b>EXPENDITURES</b> | <b>REVENUE</b> |
| GENERAL FUNDS                                                                                         | \$10,000            |                |                     |                |
| CASH FUNDS                                                                                            |                     |                |                     |                |
| FEDERAL FUNDS                                                                                         |                     |                |                     |                |
| OTHER FUNDS                                                                                           |                     |                |                     |                |
| <b>TOTAL FUNDS</b>                                                                                    | <b>\$10,000</b>     |                |                     |                |

**Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.**

LB 584 amends provisions of the Nebraska Liquor Control Act related to farm wineries. The bill:

- Changes the definition of farm winery to lower the in-state product requirement from 75% to 60% and allows for a waiver if the 60% requirement cannot be met;
- Increases the amount a farm winery can ship at retail from 30,000 gallons to 50,000 gallons per year without use of a licensed wholesaler to distribute the product;
- Allows sampling and sale of wine at four branch outlets in the state;
- Allows farm winery licensees to sell beer or other alcoholic beverages at the winery if the licensee also holds the appropriate class of license for sales at that location; and
- Creates a new promotional special designated license for craft breweries, microdistilleries, and farm wineries for sale or consumption of alcoholic liquor at a festival, bazaar, picnic, carnival, or similar function outside of the manufacturer’s designated premises at one location per 12 month period for the duration of the event. The fee for this type of license would be \$250.

The Nebraska Liquor Control Commission estimates the creation of a new license type will result in expenditures of \$10,000 in FY 19-20 because of changes in the mainframe system. The Commission estimates no additional revenue from the new license type because of an offsetting reduction in special designated licenses issued. There is no basis to disagree with these estimates.

|                                                                                                   |                |                                                      |  |
|---------------------------------------------------------------------------------------------------|----------------|------------------------------------------------------|--|
| <b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>  |                |                                                      |  |
| LB: 584                                                                                           | AM:            | AGENCY/POLT. SUB: Nebraska Liquor Control Commission |  |
| REVIEWED BY: Claire Oglesby                                                                       | DATE: 02/01/19 | PHONE: (402) 471-4174                                |  |
| COMMENTS: No basis to disagree with Nebraska Liquor Control Commission’s fiscal impact statement. |                |                                                      |  |

Please complete ALL (5) blanks in the first three lines.

2019

LB<sup>(1)</sup> 584

FISCAL NOTE

State Agency OR Political Subdivision Name: <sup>(2)</sup> Nebraska Liquor Control Commission

Prepared by: <sup>(3)</sup> LeAnna Prange Date Prepared: <sup>(4)</sup> 1/28/19 Phone: <sup>(5)</sup> 402-471-4892

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

|               | <u>FY 2019-20</u>   |                | <u>FY 2020-21</u>   |                |
|---------------|---------------------|----------------|---------------------|----------------|
|               | <u>EXPENDITURES</u> | <u>REVENUE</u> | <u>EXPENDITURES</u> | <u>REVENUE</u> |
| GENERAL FUNDS | <u>10,000</u>       | <u>0</u>       | <u>0</u>            | <u>0</u>       |
| CASH FUNDS    | <u></u>             | <u></u>        | <u></u>             | <u></u>        |
| FEDERAL FUNDS | <u></u>             | <u></u>        | <u></u>             | <u></u>        |
| OTHER FUNDS   | <u>0</u>            | <u>0</u>       | <u>0</u>            | <u>0</u>       |
| TOTAL FUNDS   | <u>10,000</u>       | <u>0</u>       | <u>0</u>            | <u>0</u>       |

Explanation of Estimate:

NLCC is proposing \$10,000 expenditure to create in their existing mainframe a new license type as identified in the proposed bill "promotional special designated license" to a craft brewery, microdistillery, or farm winery licensee. Existing staff at NLCC would handle the issuance and oversight. NLCC would not be able to identify an increase of license fees for this type of license because it would decrease the issuance of the one-day temporary Special Designated Licenses for the same events.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

| <u>POSITION TITLE</u>     | <u>NUMBER OF POSITIONS</u> |              | <u>2019-20</u>      | <u>2020-21</u>      |
|---------------------------|----------------------------|--------------|---------------------|---------------------|
|                           | <u>19-20</u>               | <u>20-21</u> | <u>EXPENDITURES</u> | <u>EXPENDITURES</u> |
| Benefits.....             |                            |              | <u>0</u>            | <u>0</u>            |
| Operating.....            |                            |              | <u>10,000</u>       | <u>0</u>            |
| Travel.....               |                            |              | <u>0</u>            | <u>0</u>            |
| Capital outlay.....       |                            |              | <u>0</u>            | <u>0</u>            |
| Aid.....                  |                            |              | <u>0</u>            | <u>0</u>            |
| Capital improvements..... |                            |              | <u>0</u>            | <u>0</u>            |
| TOTAL.....                |                            |              | <u>10,000</u>       | <u>0</u>            |

NLCC currently utilizes for the issuance of temporary one-day Special Designated Licenses an automated system designed by OCIO who utilized the Onbase/ECM system. NLCC would elect to not interrupt the efficiency of this automated program and would instead issue the "promotional special designated license" as an annual license type from our mainframe system.