



March 8, 2023

SUMMARY OF BILL AS AMENDED (005088): Prohibits the Metro Council of Nashville, or the Beer Board of Metro Nashville, from regulating the manufacture, receipt, sale, storage, transportation, distribution, or possession of beer by a licensee who holds a restaurant license or limited service restaurant license issued pursuant to Title 57 in the tourist development zone. Clarifies that the Alcoholic Beverage Commission (ABC) has the sole regulatory authority over the manufacture, receipt, sale, storage, transportation, distribution, or possession with respect to alcoholic beverages in the tourism development zone of Metro Nashville. Authorizes a liquor by the drink license holder to in Metro Nashville to sell beer for on premise consumption without acquiring any other license. Effective January 1, 2024.

FISCAL IMPACT OF BILL AS AMENDED:

Decrease Local Revenue – \$138,600/FY23-24/Metro Nashville
\$277,100/FY24-25 and Subsequent Years/Metro Nashville

Assumptions:

- The application fee for a beer permit from the Beer Board of Metro Nashville is \$250.
- Based on information provided by Metro Nashville, there were 218 beer permit applications submitted in 2022, totaling \$54,500 (\$250 x 218) in fee revenue; for the purposes of this analysis, this number is held constant into perpetuity.
- Based on information provided by Metro Nashville, the Beer Board issued \$182,000 in civil penalties in 2022; for the purposes of this analysis, this number is held constant into perpetuity.
- Metro Nashville currently collects a \$100 annual privilege tax for each active beer permit.
- Based on information provided by Metro Nashville, Beer Board privilege tax collections were \$133,000 in 2022; for the purposes of this analysis, this number is held constant into perpetuity.
- Metro Nashville will still collect such revenue from beer-only establishments located outside of the TDZ.
- The precise number of beer-only establishments that do not have a liquor by the drink license and are located outside of the TDZ is unknown. However, it is reasonably estimated that at least 75 percent of such revenue comes from the TDZ and from licensees outside the TDZ that also hold a liquor by the drink license.

- Due to the January 1, 2024 effective date, the first-year impact will be half of a full year impact.
- The decrease in local revenue to Metro Nashville as a result of the proposed legislation will exceed \$138,563 $[(\$54,500 + \$182,000 + \$133,000) \times 75\% \times 50\%]$ in FY23-24, accounting for the half-year impact.
- The recurring decrease in local revenue to Metro Nashville as a result of the proposed legislation will exceed \$277,125 $[(\$54,500 + \$182,000 + \$133,000) \times 75\%]$ in FY24-25 and subsequent years.
- Any decrease in local expenditures is estimated to be not significant.
- Based on information provided by the ABC, any impact on state government is estimated to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

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