

GENERAL ASSEMBLY OF NORTH CAROLINA



Session 2007

Legislative Fiscal Note

BILL NUMBER: House Bill 1230 (Third Edition)

SHORT TITLE: Nonprofit ABC Law Changes.

SPONSOR(S): Representative Gibson

| FISCAL IMPACT | | | | | |
|---|--|--------------------------|----------------------------------|--------------------------|--------------------------|
| | Yes () | No (X) | No Estimate Available () | | |
| | <u>FY 2008-09</u> | <u>FY 2009-10</u> | <u>FY 2010-11</u> | <u>FY 2011-12</u> | <u>FY 2012-13</u> |
| REVENUES | *SEE ASSUMPTIONS AND METHODOLOGY* | | | | |
| EXPENDITURES | | | | | |
| POSITIONS (cumulative): | | | | | |
| PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: | | | | | |
| EFFECTIVE DATE: | Effective when it becomes law. | | | | |

BILL SUMMARY:

HB 1230, Nonprofit ABC Law Changes, amends the law concerning the issuance of special one-time permits to nonprofit organizations, G.S. 18B-1002(a)(2). The legislation expands the types of alcohol that a nonprofit organization can sell under the special one-time permit by including mixed beverages as a permissible sale.

ASSUMPTIONS AND METHODOLOGY:

HB 1230 modifies an existing provision expanding the types of alcoholic beverages that can be sold at non-profit fundraising events. This change has no fiscal impact.

G.S. 18B-901 gives the North Carolina ABC Commission the authority to issue retail permits. The Commission currently applies a standard \$50 per application rate for all special one time permits regardless of the type of alcohol allowed under the permit. Therefore, adding mixed beverages to the types of permissible sales creates no additional revenue.

Adding mixed drinks to the types of beverages that can be sold at nonprofit fundraising events might prompt additional liquor sales, but the alcohol excise tax collections and tax expenditures¹ associated with these sales are expected to be minimal.

SOURCES OF DATA:

TECHNICAL CONSIDERATIONS: None

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¹ G.S. 105-164.13 (34) & (35)(a), exempts certain sales by civic, charitable, educational, scientific, literary, or fraternal organization for fundraising purposes from the sales and use tax.