

PREPARED BY: Austin Ligenza
 DATE PREPARED: January 14, 2021
 PHONE: (402)471-0050

LB 311

Revision: 00

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2021-22		FY 2022-23	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS		\$18,750		\$37,500
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		\$18,750		\$37,500

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

LB 311 seeks to make various changes to the definition and operations of a Nebraska micro distillery. Under LB 311, the gallon production cap to be considered a micro distillery is increased from 10,000 to 100,000 gallons. Furthermore, LB 311 disallows micro distilleries from selling their product to another Nebraska retail license.

LB 311 allows current micro distilleries to increase their production, which would in turn increase excise tax revenue. The Liquor Control Commission estimates a modest increase of 5,000 gallons per year, taxed at the current rate of \$3.75 per gallon. There is no basis to disagree with this estimate.

The Liquor Control Commission estimates no costs to implement the changes made by LB 311. There is no basis to disagree with this estimate.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 311	AM:	AGENCY/POLT. SUB: Nebraska Liquor Control Commission (35)
REVIEWED BY: Joe Wilcox	DATE: 01/15/2021	PHONE: (402) 471-4178
COMMENTS: No basis to dispute the Nebraska Liquor Control Commission (NLCC) estimate of No Fiscal Impact to the Agency, but potential positive General Fund Revenue impact to the State, from LB 311.		

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2021

LB⁽¹⁾ 311

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Liquor Control Commission

Prepared by: ⁽³⁾ LeAnna Prange Date Prepared: ⁽⁴⁾ 1/15/21 Phone: ⁽⁵⁾ 402-471-4892

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2021-22</u>		<u>FY 2022-23</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>0</u>	<u>18,750</u>	<u>0</u>	<u>37,500</u>
CASH FUNDS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FEDERAL FUNDS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
OTHER FUNDS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL FUNDS	<u>0</u>	<u>18,750</u>	<u>0</u>	<u>37,500</u>

Explanation of Estimate:

Micro distillery Production Limits for Nebraska and neighboring states are as follows:
 Colorado: 11,887.7424 gallons - Listed as 45000 liters or 5000 cases.
 Iowa: 100,000 Proof Gallons
 Kansas: 50,000 gallons
 Missouri: No limit
 Minnesota: 40,000 gallons
 Nebraska: 10,000 gallons
 South Dakota: 50,000 gallons, at least 30% of product must come from SD agricultural products
 Wyoming: No limit

NLCC determines Nebraska distillery production would take time to increase substantially. NLCC determines 5,000 additional gallons by Nebraska distilleries in 2021-2022 and 10,000 additional gallons produced in 2022-2023. Excise tax rate for distilled gallons is \$3.75/per gallon.

NLCC determines \$0 dollars in expenditures to implement LB 311. NLCC would utilize existing staff and resources to inform the industry of this change in the law. There would be no additional expenses for subsequent years.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2021-22 EXPENDITURES</u>	<u>2022-23 EXPENDITURES</u>
	<u>21-22</u>	<u>22-23</u>		
Benefits.....			<u>0</u>	<u>0</u>
Operating.....			<u>0</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>0</u>	<u>0</u>

No fiscal impact.