

FEB 12 1998
STATE GOVERNMENT

HOUSE FILE 2237
BY DIX

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the determination of the fee for a class "E"
2 liquor control license.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 2237

1 Section 1. Section 123.36, subsection 9, Code 1997, is
2 amended to read as follows:

3 9. Class "E" liquor control license, a sum of not less
4 than seven hundred and fifty dollars, and not more than seven
5 thousand five hundred dollars as determined on a sliding scale
6 as established by the division taking into account the factors
7 of square footage of the display area of the licensed
8 premises, the location of the licensed premises, and the
9 population of the area of the location of the licensed
10 premises. Notwithstanding subsection 6, the holder of a class
11 "E" liquor control license may sell alcoholic liquor for
12 consumption off the licensed premises on Sunday subject to
13 section 123.49, subsection 2, paragraph "b".

14 EXPLANATION

15 This bill provides that one of the factors to be considered
16 by the alcohol beverage division of the department of commerce
17 in determining fees for class "E" liquor control licensees is
18 the square footage of the display area of the licensed
19 premises. Currently, the square footage of the entire
20 licensed premises is included among the factors in lieu of the
21 square footage of the display area.

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**HOUSE FILE 2237
FISCAL NOTE**

A fiscal note for House File 2237 is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

House File 2237 revises the determination of the fee for a class E liquor control license to consider the square footage of the display area of the licensed premises.

ASSUMPTIONS

1. There were 156 class E liquor control licenses issued in FY 1997 which were assessed a \$7,500 fee.
2. Currently, \$7,500 is the maximum fee assessed for a class E liquor control license. The fees are determined on a sliding scale considering the location, population, and the square footage of the licensed premises.
3. Current class E liquor license applicants are not required to identify the display area square footage from the overall square footage of the establishment.
4. The Bill revises the determination of the square footage of the licensed premises. Currently, square footage is measured as the overall square footage of the licensed premises. The new measurement would consider only the square footage of the display area of the licensed premises.
5. Large establishments such as grocery stores typically devote approximately 120 square feet (40 square feet of linear shelving, 3 feet deep) for display purposes.
6. A \$7,500 license (maximum fee collected) for a class E liquor control license would be reduced to \$2,500. (Based on 156 class E licenses issued in FY 1997, which were assessed the maximum fee [\$7,500], liquor license revenues to the General Fund would decrease by \$780,000 annually.)

FISCAL IMPACT

The fiscal effect of HF 2237 cannot be determined due to insufficient information. It is anticipated that HF 2237 will decrease revenues from class E liquor licenses to the State General Fund.

SOURCE

Department of Commerce

(LSB 4091hh, CIB)

FILED FEBRUARY 25, 1998

BY DENNIS PROUTY, FISCAL DIRECTOR