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**FISCAL IMPACT STATEMENT**

**LS 7190**  
**BILL NUMBER: HB 1624**

**NOTE PREPARED: Feb 13, 2015**  
**BILL AMENDED: Feb 12, 2015**

**SUBJECT:** Sale of Alcoholic Beverages.

**FIRST AUTHOR:** Rep. Dermody  
**FIRST SPONSOR:**

**BILL STATUS:** CR Adopted - 1st House

**FUNDS AFFECTED:  GENERAL**  
 **DEDICATED**  
**FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** (Amended) This bill contains the following provisions:

*Sunday Sales:* It provides that a holder of an alcoholic beverage permit who is authorized by law to sell alcoholic beverages for carryout may sell alcoholic beverages for carryout on Sunday from 7 a.m., prevailing local time, until 3 a.m., prevailing local time, the following day.

*Sales Clerks:* It requires alcoholic beverage sales in a drug store or grocery store to be rung up by a sales clerk and liquor in a drug store to be accessed by a sales clerk who: (1) has an employee permit; and (2) has alcohol server training. It also provides that the provision that allows individuals who are at least 19 but less than 21 years of age to ring a sale of alcoholic beverages in the course of the individual's employment does not apply to dealer establishments.

*Unlawful Sales:* It makes it unlawful for:

1. The holder of a liquor dealer's permit, other than a package liquor store, to sell or distribute liquor through a self-service display;
2. The holder of a beer dealer's permit or wine dealer's permit to display beer or wine or beer and wine in more than one area or aisle of a licensed premises unless the alcohol is displayed in another partitioned area or room that is separate from other retail items for sale on the premises; and
3. A person who is the proprietor of a package liquor store, drug store, or grocery store to allow a purchaser, or any other person who is not a sales clerk, to ring up or otherwise record an alcoholic beverage sale.

*Drug Stores and Grocery Stores with Restaurants:* It establishes requirements and restrictions for certain drug stores or grocery stores and restaurants that are located in the same building.

**Effective Date:** July 1, 2015.

**Explanation of State Expenditures:** (Revised) *Alcohol and Tobacco Commission (ATC)*: The bill could potentially increase enforcement costs of the ATC's Indiana State Excise Police (ISEP). The bill places restrictions on alcoholic beverage displays at dealer establishments, except liquor stores. These provisions would require the ISEP to conduct initial floor plan inspections of certain establishments. The provisions of this bill can be implemented within the ATC's existing level of resources.

**Explanation of State Revenues:** *Summary* -

*Sunday Sales*: The bill is not expected to have a significant impact on revenue from alcoholic beverage taxes or sales tax on alcoholic beverages. While it is possible that the added convenience and availability of alcohol sales on Sundays would allow consumers to purchase more alcoholic beverages than they would have otherwise, it is assumed that the majority of consumers are able to purchase all the alcoholic beverages they desire to consume within the hours dictated by current law. Rather than increasing sales, it is more likely that allowing carryout alcohol sales on Sundays would cause a shift in sales throughout the week. Recent econometric research estimating the impact of Sunday sales bans on alcohol sales suggests that allowing alcohol sales for carryout on Sundays will not have a significant impact on total alcohol sales or total alcoholic beverage taxes. As a result, it is estimated that the bill would not affect total alcoholic beverage sales or revenue from alcoholic beverage taxes or sales tax.

(Revised) *Sales Clerks*: The bill requires sales clerks who access liquor for customers in a drug store to have an employee permit and alcohol server training. To the extent that this provision increases the number of employee permits issued, revenue from the license fee could potentially increase. However, any increase in revenue is likely to be small. The \$45 fee is paid every three years and is deposited in the Excise Police Retirement Fund.

**Additional Information** -

*Sunday Sales*: Alcoholic beverage taxes are distributed in varying amounts to the following funds: state General Fund, Post War Construction Fund, Enforcement and Administration Fund, Pension Relief Fund, Addiction Services Fund, and Wine Grape Market Development Fund. Fifty percent of the General Fund distribution is set aside for General Fund purposes, and 50% is allocated to cities and towns based on population.

Sales tax revenue is deposited in the state General Fund (98.848%), Motor Vehicle Highway Account (1%), Commuter Rail Service Fund (0.123%), and Industrial Rail Service Fund (0.029%).

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** *Sunday Sales*: The bill is not expected to have a significant impact on revenue from alcoholic beverage taxes or sales tax, so local distributions of each tax are not expected to be impacted.

**State Agencies Affected:** ATC.

**Local Agencies Affected:**

**Information Sources:** Bernheim, B. Douglas; Meer, Jonathan; and Novarro, Neva K. "Do Consumers Exploit Precommitment Opportunities? Evidence from Natural Experiments Involving Liquor Consumption." (January 2012). Carpenter, Christopher and Eisenberg, Daniel. "Effects of Sunday Sales Restrictions on Overall and Day-Specific Alcohol Consumption: Evidence from Canada." *Journal of Studies on Alcohol and Drugs*. Vol. 70, No. 1 (January 2009). Hicks, Michael J; and Thaiprasert, Nalitra. "Package Store Retail Structure and the Regulation of Alcohol Sales." (November 2010). Stehr, Mark. "The Effect of Sunday Sales Bans and Excise Taxes on Drinking and Cross-Border Shopping for Alcoholic Beverages." *National Tax Journal*. Vol. LX, No. 1 (March 2007).

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