

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2005

Legislative Fiscal Note

BILL NUMBER: House Bill 1429 (Fifth Edition)

SHORT TITLE: Wine Shipper Fee.

SPONSOR(S): Representatives Gibson and Harrell

|  | FISCAL IMPACT     |                   |                           |                   |                   |
|--|-------------------|-------------------|---------------------------|-------------------|-------------------|
|  | Yes (X)           | No ( )            | No Estimate Available ( ) |                   |                   |
|  | <u>FY 2005-06</u> | <u>FY 2006-07</u> | <u>FY 2007-08</u>         | <u>FY 2008-09</u> | <u>FY 2009-10</u> |
| <b>REVENUES:</b>   |                   |                   |                           |                   |                   |
| General Fund   | (\$2,500)         | (\$2,500)         | (\$2,500)                 | (\$2,500)         | (\$2,500)         |
| <b>PRINCIPAL DEPARTMENT(S) &amp; PROGRAM(S) AFFECTED:</b> NC Alcoholic Beverage Control Commission |                   |                   |                           |                   |                   |
| <b>EFFECTIVE DATE:</b> Becomes effective when law.   |                   |                   |                           |                   |                   |

**BILL SUMMARY:** This bill eliminates the fee, which is currently \$100, for the permit authorizing a winery to ship brands of fortified and unfortified wines. The bill also clarifies the law concerning split case fees and transfers the NC Grape Growers Council from the Department of Agriculture to the Department of Commerce. The fifth edition removes parts of the bill that would have required the ABC Commission to recognize a wine importer as the primary source of supply for the wine of a winery and would have prohibited wine wholesalers from receiving, possessing, or transporting wine from any source other than the recognized primary source.

**ASSUMPTIONS AND METHODOLOGY:** According to the Alcoholic Beverage Control Commission, there are currently 273 wine shipping permits. It is estimated that approximately 25 permit applications are received annually. Multiplying this number by the \$100 permit fee results in a revenue loss to the General Fund of \$2,500 per year.

**SOURCES OF DATA:** NC Alcoholic Beverage Control Commission

**TECHNICAL CONSIDERATIONS:** None

**FISCAL RESEARCH DIVISION:** (919) 733-4910

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Fiscal Research Division



**DATE:** August 10, 2005

Signed Copy Located in the NCGA Principal Clerk's Offices