

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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FISCAL IMPACT STATEMENT

LS 6385

BILL NUMBER: HB 1442

NOTE PREPARED: Dec 7, 2022

BILL AMENDED:

SUBJECT: Outdoor Refreshment Areas.

FIRST AUTHOR: Rep. GiaQuinta

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: GENERAL
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill allows a municipality to create an outdoor refreshment area (area) in which persons may consume alcoholic beverages purchased within the area with the approval of the Alcohol and Tobacco Commission (ATC). It allows minors within the area. It prohibits an area located within 200 feet of a school or church unless the school or church does not object.

The bill makes it a Class C misdemeanor for a person to do any of the following:

- (1) Carry an alcoholic beverage into an area that was not purchased from a participating retailer or vendor.
- (2) Carry an alcoholic beverage into an area without wearing a wristband identification.
- (3) Carry an alcoholic beverage outside the area.

The bill also makes it a Class C misdemeanor for a participating retailer or vendor to:

- (1) Sell a person more than one alcoholic beverage at a time or an alcoholic beverage that exceeds the volume limitations; or
- (2) Allow a person who is not wearing a wristband identification to enter an area with an alcoholic beverage.

Effective Date: July 1, 2023.

Explanation of State Expenditures: *Alcohol and Tobacco Commission (ATC):* The ATC would administer and enforce the bill's provisions. The bill requires the ATC to (1) review and approve applications submitted by municipalities to designate outdoor refreshment areas, (2) issue refreshment area designations to retailer permittees within each refreshment area, and (3) issue temporary beer or wine permits and temporary vendor designations. The ATC should be able to implement the bill's requirements within its existing level of staffing and resources.

Explanation of State Revenues: *Permit Fees:* The bill requires a vendor to obtain a temporary beer or wine permit to participate in an event or festival held within an outdoor refreshment area. This provision would increase revenue by an indeterminable amount. The fee for a temporary beer or wine permit equals \$2 per day. The ATC may set a higher daily rate depending on the nature of the event. However, the fee may not exceed \$1,000 per day. Revenue is deposited in the Enforcement and Administration Fund.

The ATC may not charge an additional fee for issuing refreshment area designations to retailer permittees or temporary vendor designations.

Penalty Provisions: The bill makes violations of the provisions related to wristbands, container volume limits, consuming alcoholic beverages outside a refreshment area, and bringing beverages from outside a refreshment area a Class C misdemeanor. If additional court cases occur and fines are collected, revenue to both the Common School Fund (from fines) and the state General Fund (from court fees) would increase. The maximum fine for a Class C misdemeanor is \$500. However, any additional revenue would likely be small.

Explanation of Local Expenditures: *Outdoor Refreshment Areas:* If a municipality decides to designate a refreshment area, it is required to adopt an ordinance that includes certain information specified in the bill. The municipality would also be required to submit the ordinance to the ATC for approval. A municipality may also adopt an ordinance to dissolve a refreshment area.

The number of outdoor refreshment areas a municipality may have is determined by its population. A municipality with a population of 50,000 or more may have up to four outdoor refreshment areas; a municipality with a population between 35,000 and 50,000 may have up to two outdoor refreshment areas; and a municipality with a population less than 35,000 may have up to one outdoor refreshment area.

Penalty Provisions: A Class C misdemeanor is punishable by up to 60 days in jail.

Explanation of Local Revenues: *Penalty Provisions:* If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from court fees. However, any change in revenue would likely be small.

State Agencies Affected: Alcohol and Tobacco Commission.

Local Agencies Affected: Cities and towns, trial courts, local law enforcement agencies.

Information Sources: Legislative Services Agency. *Indiana Handbook of Taxes, Revenues, and Appropriations*, FY 2022.

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