

**GENERAL ASSEMBLY OF NORTH CAROLINA**

**Session 2017**

**Legislative Fiscal Note**

**BILL NUMBER:** House Bill 773 (Second Edition)

**SHORT TITLE:** ABC Sales/Sports & Entertainment Venues.

**SPONSOR(S):**

<b>FISCAL IMPACT</b>					
	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> No Estimate Available		
<b>State Impact</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>	<b>FY 2020-21</b>	<b>FY 2021-22</b>
General Fund Revenues:	(\$14,400)	(\$14,400)	(\$14,400)	(\$14,400)	(\$14,400)
General Fund Expenditures:					
State Positions:					
<b>NET STATE IMPACT</b>	<b>(\$14,400)</b>	<b>(\$14,400)</b>	<b>(\$14,400)</b>	<b>(\$14,400)</b>	<b>(\$14,400)</b>
<b>PRINCIPAL DEPARTMENT(S) &amp; PROGRAM(S) AFFECTED:</b>					
ABC Commission					
<b>EFFECTIVE DATE:</b> When the bill becomes law					
<b>TECHNICAL CONSIDERATIONS:</b>					
None					

**BILL SUMMARY:**

The bill amends G.S. 18B-1000 to define sports and entertainment venue as stadiums, ballparks, and similar facilities with a permanently constructed seating capacity of 3,000 or more, excluding those located on the campus of a school, college, or university, and amends G.S. 18B-1001 to add sports and entertainment venues to the list of establishments to which on-premises malt beverage permits, on-premises unfortified wine permits, and mixed beverages permits may be issued.

**ASSUMPTIONS AND METHODOLOGY:**

G.S. 18B-1000(1a) allows publically owned coliseums to obtain ABC permits that cover the whole facility. Most sports and entertainment venues in the State with ABC permits obtain them under this statute. There are two venues that do not get permits this way and instead have individual permits for each outlet within the venue: Charlotte Motor Speedway and Carolina Mudcats Stadium. The bill would allow these two venues to obtain blanket permits for the entire venue, thus eliminating the need for multiple permits per outlet.

According to the ABC Commission, the Charlotte Motor Speedway complex has the following permits (annual permit costs are shown in parentheses):

- 1 mixed beverage restaurant (\$1,000)

- 1 mixed beverage catering (\$1,000)
- 1 on-premises fortified wine (\$400)
- 1 on-premises unfortified wine (\$400)
- 1 on-premises malt beverage (\$400)
- 27 off-premises malt beverage permits (\$400 each; \$10,800).

The total annual permit cost paid by Charlotte Motor Speedway is \$14,000. Presumably, Charlotte Motor Speedway would apply for all permits available to it under the new law: malt beverage (\$400), unfortified wine (\$400), and mixed beverage (\$1,000), for a total of \$1,800 per year. The net loss to the State in permit revenue would be \$12,200.

Carolina Mudcats Stadium the following permits:

- 1 mixed beverage restaurant (\$1,000)
- 1 mixed beverage catering (\$1,000)
- 1 on-premises fortified wine (\$400)
- 2 on-premises unfortified wine (\$400 each; \$800)
- 2 on-premises malt beverage (\$400 each; \$800)

The total annual permit cost paid by Carolina Mudcats Stadium is \$4,000. It is reasonable to assume that Carolina Mudcats Stadium would apply for all permits available to it under the new law: malt beverage (\$400), unfortified wine (\$400), and mixed beverage (\$1,000), for a total of \$1,800 per year. The net loss to the State in permit revenue would be \$2,200.

It is possible that new sports and entertainment centers will open and apply for permits under the new law. To the extent that this occurs, and additional \$1,800 may be generated per site in new permit revenue. It is not known how many, if any, new sites may apply for permits in the future.

**SOURCES OF DATA:** ABC Commission

**TECHNICAL CONSIDERATIONS:** None

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**DATE:** May 16, 2017



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