SB 88-FN - AS AMENDED BY THE SENATE

03/16/2017 0895s

2017 SESSION

17-0935
03/08

SENATE BILL ***88-FN***

AN ACT authorizing wine manufacturer retail outlets.

SPONSORS: Sen. Daniels, Dist 11; Sen. Gannon, Dist 23; Sen. Giuda, Dist 2; Sen. Avard, Dist 12; Sen. Birdsell, Dist 19; Sen. Innis, Dist 24; Sen. Kahn, Dist 10; Rep. Hansen, Hills. 22; Rep. M. MacKay, Hills. 30

COMMITTEE: Commerce

AMENDED ANALYSIS

This bill authorizes a licensed wine manufacturer to operate an outlet for the sale, sampling, and promotion of its products.

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Explanation: Matter added to current law appears in ***bold italics.***
Matter removed from current law appears [~~in brackets and struckthrough.~~]
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Seventeen

AN ACT authorizing wine manufacturer retail outlets.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 New Paragraph; Definitions; Wine Manufacturer Retail Outlet. Amend RSA 175:1 by inserting after paragraph LXIX the following new paragraph:

LXIX-a. "Wine manufacturer retail outlet" means an outlet for the sale, sampling, and promotion of wine and other products manufactured by a wine manufacturer licensee.

2 Wine Manufacturer Licensee. Amend RSA 178:8, III to read as follows:

III. Each wine manufacturer shall have the right to sell at retail or wholesale at its winery***, and at retail at one wine manufacturer retail outlet,*** for off-premises consumption any of its wines. ***The wine manufacturer shall pay an annual fee of $216 to the commission for the wine manufacturer retail outlet. The wine manufacturer may transport wines it manufactures to its wine manufacturer retail outlet for sample or sale.*** Visitors of legal drinking age at [~~said premises~~] ***the manufacturing location or wine manufacturer retail outlet*** may be provided with samples of wine manufactured [~~on the premises~~] ***by the licensee in this state*** for tasting. Samples may be provided either free or for a fee and shall be limited to one 2-ounce sample per label per person. Pursuant to rules adopted by the commission, a wine manufacturer may transport its products to a farmers' market or a wine festival licensed under RSA 178:31, and may sell such products at retail in the original container.

3 Effective Date. This act shall take effect July 1, 2017.

LBAO
17-0935
Amended 4/4/17

SB 88-FN- FISCAL NOTE

AS AMENDED BY THE SENATE (AMENDMENT #2017-0895s)

AN ACT (New Title) authorizing wine manufacturer retail outlets.

FISCAL IMPACT: [X] State [ ] County [ ] Local [ ] None

	Estimated Increase / (Decrease)			
STATE:	**FY 2018**	**FY 2019**	**FY 2020**	**FY 2021**
Appropriation	$0	$0	$0	$0
Revenue	Indeterminable	Indeterminable	Indeterminable	Indeterminable
Expenditures	$0	$0	$0	$0
Funding Source:	[ ] General	[ ] Education	[ ] Highway	[X] Other - Liquor

METHODOLOGY:

This bill allows each of the State's 34 wine manufacturers to operate one retail outlet for both samples and retail sales of their own wine apart from their manufacturing facility subject to a $216 annual fee. The bill sets no limit on the volume of retail sales that may occur at the additional tasting rooms. The New Hampshire Liquor Commission states this bill will reduce state revenue by an indeterminable amount. In FY 2016 New Hampshire wine manufacturers produced about 45,000 9 liter cases of wine and the Liquor Commission sold 5,319 of these cases for an estimated net profit of about $217,000 (5,319 cases * $177.37 average retail sale price * 23 percent profit margin). To the extent wine manufacturers open retail outlets and wine is sold from a retail outlet rather than from a Liquor Commission store, state revenue will decrease. The Commission is unable to estimate the net impact of this bill on sales. There are currently 34 licensed wine manufactures in the State. The Commission assumes 16 of the State's wine manufacturers will chose to open a retail outlet and pay the $216 fee which would increase state revenue by $3,456 (16*$216) annually.

AGENCIES CONTACTED:

New Hampshire Liquor Commission