149th GENERAL ASSEMBLY
FEE IMPACT

BILL:	**HOUSE BILL NO. 165**
SPONSOR:	**Representative Baumbach**
DESCRIPTION:	**AN ACT TO AMEND TITLE 4 OF THE DELAWARE CODE RELATING TO DIRECT PURCHASING AND SHIPMENT OF WINE.**

In accordance with 29 Del. C. §913, the following information is provided relating to licenses and fees.

Description of the Legislation:

This Act permits wine producers holding a valid license within Delaware or another state to obtain a license for shipping wine directly to Delaware consumers using a common carrier with a carrier permit. This Act requires that wine producers pay the taxes normally due for wines; limits the amount of wine that a direct shipper of wine can sell to a single household to 3 9-liter cases per year; and limits the total amount of wine that the direct shipper of wine can ship to Delaware consumers to 1,800 9 – liter cases annually.

Affected Entities:

This Act would affect existing entities such as The Office of Alcoholic Beverage Control Commission, the Division of Revenue, the Division of Alcohol and Tobacco Enforcement and licensed wine producers. These entities would be affected only if wine producers choose to obtain a wine direct-shipper license.

Fiscal Impact:

This Act would require a $100 application fee for a wine direct-shipper license. This Act would also require a $100 biennial license to ship up to 200 cases annually or $1,000 biennial license to ship more than 200 cases annually to residents of Delaware. This Act also includes a $100 application fee for a carrier permit to transport wine from wine direct shipper to a household and a $100 biennial renewal fee for a carrier permit. Based on the results of a similar legislation enacted in Maryland, the Office of Alcoholic Beverage Control Commissioner projects total annual revenue of $28,350 for FY 2019 and $12,350 in the out years for annual licensing fees.

- $16,000 - one-time application fees for 157 applicants for direct shipper licenses at $100 each and $300 for the one time carrier permits to transport wine.
- $12,350 – on-going fees of $7,350 for an estimated 147 biennial licenses to ship up to 200 cases annually and $5,000 and for an estimated 10 biennial licenses to ship more than 200 cases annually.

This Act also requires that the Commissioner shall study the impact of this Act on wine retailers in Delaware and submit the result of such study to the Governor and each member of the General Assembly by January 15, 2019

Intended Use of Revenue:

The revenue generated from the licensing fees would be deposited into the State's General Fund.

Prepared by Huma Haroon
Office of the Controller General