152nd GENERAL ASSEMBLY
FISCAL NOTE

BILL:	**HOUSE BILL NO. 262**
SPONSOR:	**Representative Michael Smith**
DESCRIPTION:	**AN ACT TO AMEND TITLE 4 OF THE DELAWARE CODE RELATING TO DIRECT PURCHASING AND SHIPMENT OF WINE.**

Assumptions:

1. This Act is effective upon signature by the Governor.

2. This Act gives licensed wine producers in Delaware and in other states the opportunity to procure a wine direct shipper license from the Alcoholic Beverage Control Commissioner ("the Commissioner"). The Act further allows the wine direct shipper licensed producer to ship up to three 9-liter cases of wine per year directly to a Delaware resident.

3. The wine direct shipper licensed producer must use a shipper who has obtained a carrier permit issued by the Commissioner to ship wine to the Delaware resident. Both the wine direct shipper license and the carrier permit are to be valid for two years.

4. The estimated number of wineries in the United States is 11,546. Of this amount, the Division of Alcohol and Tobacco Enforcement (DATE), within the Department of Safety and Homeland Security, estimates that there would be 1,300 eligible wineries that would seek licensing in Delaware as a wine direct shipper.

5. The Commissioner anticipates the need for additional staff to assist with the licensing of wine direct shippers and wine carriers. The estimated Fiscal Year 2025 personnel costs, including Other Employment costs at a rate of 32.25%, for 1.0 FTE Paralegal III are $60,474.

6. DATE anticipates the need for additional staff to assist with the enforcement of new laws and regulations of the Act. The estimated Fiscal Year 2025 personnel costs, including OECs at a rate of 32.25%, for 1.0 FTE, Alcohol & Tobacco Enforcement Sergeant; 2.0 FTE, Alcohol & Tobacco Enforcement Agent III; and 1.0 FTE, Internal Auditor III are estimated at $341,888. An additional annual cost of $62,608 is estimated for Fleet Vehicle costs, ammunition, body-worn camera subscriptions, and cellular data access. One-time funding of $88,880 is also estimated for projected technology, safety equipment, furniture, uniforms, radios, and other startup costs associated with the new positions.

7. Fiscal Year 2025 costs assume nine months implementation. Future year personnel costs are assumed to increase at an annual rate of 2%.

Cost:

	Operating	**One-Time**
Fiscal Year 2025:	$464,971	$88,880
Fiscal Year 2026:	$609,821	
Fiscal Year 2027:	$620,766	

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Office of the Controller General