152nd GENERAL ASSEMBLY
FEE IMPACT

BILL:	**HOUSE BILL NO. 259**
SPONSOR:	**Representative Spiegelman**
DESCRIPTION:	**AN ACT TO AMEND TITLE 4 OF THE DELAWARE CODE RELATING TO THE DISTRIBUTION OF ALCOHOL.**

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

Description of the Legislation:
This Act authorizes the direct shipping of wine, beer, spirits, mead, or cider to consumers in Delaware if the alcoholic liquor is manufactured by a person licensed as a farm winery, microbrewery, or craft distillery in Delaware or by a person located in another state that would qualify as a farm winery, microbrewery, or craft distillery under Delaware law. The Act further defines and establishes fees for new entities authorized to transport alcoholic liquor to Delaware consumers.

Delivery Service – The Act authorizes the Alcoholic Beverage Control Commissioner ("Commissioner") to license a Delivery Service, defined in the Act as including "…a technology services company that provides software or an application for connecting customers or sellers to a delivery driver." The Act authorizes a biennial Delivery Service license fee of $100.

In addition to the Delivery Service license fee, a licensed Delivery Service shall pay an annual fee based on the total number of delivery service employees or independent contractors used by the licensed delivery service in the previous year. The fee schedule is as follows:

- For 1 to 15 delivery drivers, $50.
- For 16 to 30 delivery drivers, $100.
- For 31 to 45 delivery drivers, $150.
- For 46 to 60 delivery drivers, $200.
- For 61 to 100 delivery drivers, $250.
- For 101 to 150 delivery drivers, $300.
- For 151 to 200 delivery drivers, $350.
- For more than 200 delivery drivers, $350 plus $50 for each additional 50 delivery drivers, or part thereof, until a maximum of $1,000.

Fulfillment Provider –The Act authorizes the Commissioner to license a Fulfillment Provider who is a person acting on behalf of a licensed direct shipper to ship wine, beer, spirits, mead, or cider to a consumer and arranges for the transport of such to the consumer. The Act authorizes a biennial Fulfillment Provider license fee of $100.

Carrier – The Act authorizes the Commissioner to license a Carrier who acts as a person that transports alcoholic liquor from a direct shipper or a Fulfillment Provider to a citizen of Delaware. The Act authorizes a biennial Carrier license fee of $100.

Affected Entities:
Department of State, Office of the Alcoholic Beverage Control Commissioner; Department of Safety and Homeland Security, Division of Alcohol and Tobacco Enforcement; Delaware liquor wholesalers, potential Delivery Services, and Fulfillment Providers and Carriers.

Fiscal Impact:
There is no data available on the number of Delivery Services that operate either nationally or regionally. Services range from delivery of solely alcoholic beverages (ex. Drizly, Minibar) or those that combine with takeout and/or groceries (ex. DoorDash, UberEats, Grubhub, Instacart). There is also no data available on the number of Fulfillment Providers or Carriers. Therefore, the additional revenue is indeterminable.

Fiscal Year 2025:	Indeterminable
Fiscal Year 2026:	Indeterminable
Fiscal Year 2027:	Indeterminable

Intended Use of Revenue:
All funds realized through the enactment of this Act would be deposited to the General Fund.

Prepared by Robert Scoglietti
Office of the Controller General