17.0537.01000

FISCAL NOTE
Requested by Legislative Council
01/10/2017

Bill/Resolution No.: HB 1245

1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2015-2017 Biennium		2017-2019 Biennium		2019-2021 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2015-2017 Biennium	2017-2019 Biennium	2019-2021 Biennium
Counties			
Cities			
School Districts			
Townships			

2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

HB 1245 deals with alcohol establishments choosing to be open on Sundays.

B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

Section 2 of HB 1245 repeals a section of law dealing with Sunday alcoholic beverage permits authorized by local governing bodies. If enacted, HB 1245 may increase alcohol gross receipts tax revenue if more establishments sell alcohol on Sundays. Additionally, the repeal of the permit requirement in Section 2 of the bill will reduce locally imposed permit fees, the amount of which is not known.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

Name: Kathryn L. Strombeck
Agency: Office of Tax Commissioner
Telephone: 701.328.3402
Date Prepared: 01/14/2017

2017 HOUSE INDUSTRY, BUSINESS, AND LABOR

HB 1245

2017 HOUSE STANDING COMMITTEE MINUTES

Industry, Business and Labor Committee
Peace Garden Room, State Capitol

HB 1245
1/18/2017
27092

__ Subcommittee
__ Conference Committee

Ellen LeTang

Explanation or reason for introduction of bill/resolution:

Alcohol establishments open on Sunday & repeal local Sunday alcoholic beverage permits.

Minutes: Attachment 1

Chairman Keiser: Opens the hearing of HB 1245.

Rep Beadle~District 27-Fargo: (Attachment 1).

Rudy Martinson~Hospitality Association: We support HB 1245.

Chairman Keiser: What does this do that we don't do now?

Martinson: It brings into law what is currently happening & clean up some language.

Rep Kasper: What is the current practice?

Martinson: It's 11:00 am on Sundays.

Chairman Keiser: Anyone else here to testify in support, opposition, neutral? What are the wishes of the committee?

Rep Becker: Moves for a Do Pass.

Rep Beadle: Second.

Roll call was taker for a Do Pass on HB 1245 with 11 yes, 2 no, 1 absent & Rep Bosch is the carrier.

Date: Jan 18, 2017

Roll Call Vote #: 1

2017 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1245

House Industry, Business and Labor **Committee**

☐ **Subcommittee**

Amendment LC# or Description:

Recommendation
☐ Adopt Amendment
☒ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☐ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar

Other Actions ☐ Reconsider ☐

Motion Made By Rep Becker **Seconded By** Rep Beadle

Representatives	Yes	No	Representatives	Yes	No
Chairman Keiser	X		Rep Laning		X
Vice Chairman Sukut	X		Rep Lefor		X
Rep Beadle	X		Rep Louser	X	
Rep R Becker	X		Rep O'Brien	X	
Rep Bosch	X		Rep Ruby	Ab	
Rep C Johnson	X		Rep Boschee	X	
Rep Kasper	X		Rep Dobervich	X	

Total (Yes) 11 No 2

Absent 1

Floor Assignment Rep Bosch

REPORT OF STANDING COMMITTEE

HB 1245: Industry, Business and Labor Committee (Rep. Keiser, Chairman) recommends **DO PASS** (11 YEAS, 2 NAYS, 1 ABSENT AND NOT VOTING). HB 1245 was placed on the Eleventh order on the calendar.

2017 SENATE INDUSTRY, BUSINESS AND LABOR

HB 1245

2017 SENATE STANDING COMMITTEE MINUTES

Industry, Business and Labor Committee
Roosevelt Park Room, State Capitol

HB 1245
3/1/2017
Job Number 28546

☐ Subcommittee
☐ Conference Committee

Committee Clerk Signature	Eva Liekelt

Explanation or reason for introduction of bill/resolution:

Relating to local Sunday alcoholic beverage permits

Minutes: 1 Attachment

Chairman Klein: Called the committee back to order.

Representative Beadle: Introduced the bill. This is a housekeeping bill and all we want to do is clean up the code. Written testimony, see attachment #1. (:11-2:11)

Chairman Klein: We did this last session I believe.

Representative Beadle: Correct, we made the policy change to move from noon on Sunday to eleven a.m. on Sunday last session and that is how we are operating across the state, we just didn't clean up all of the code.

Chairman Klein: Is it provided that the city commission approve that?

Representative Beadle: I believe that language is there automatically because all the other references link back to the section we had amended. I do know someone from the hospitality association is here and they would know more about liquor licensing laws across the state.

Rudie Martinson, North Dakota Hospitality Association: We do represent the states restaurant, lodging and retail beverage industries. We are in favor of this bill. (3:22-3:42)

Chairman Klein: You know where I was going with that question, I know with the 2 a.m., isn't that something the cities have to determine?

Rudie Martinson: They can make a law that is more restrictive than that, for example Bismarck/Mandan have a city ordinance that reflect that bars have to close at 1 a.m. I suppose they could do the same thing on Sunday. Each individual city could say, we don't want sales until noon.

Chairman Klein: So there is still flexibility there amongst the local governing board?

Rudie Martinson: Correct.

Chairman Klein: Closed the hearing and asked for the committees wishes.

Senator Roers motioned for a do pass.

Senator Casper seconded the motion.

Roll Call Vote: Yes-5 No-1 Absent-1

Senator Burckhard will carry the bill.

Date: 3/1/17
Roll Call Vote #: 1

2017 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1245

Senate Industry, Business and Labor Committee

☐ Subcommittee

Amendment LC# or Description: _____

Recommendation:
☐ Adopt Amendment
☒ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☐ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar

Other Actions: ☐ Reconsider ☐ _____

Motion Made By Senator Roers Seconded By Senator Casper

Senators	Yes	No	Senators	Yes	No
Chairman Klein	x		Senator Marcellais		x
Vice Chairman Campbell	x				
Senator Roers	x				
Senator Burckhard	x				
Senator Casper	x				
Senator Poolman	a				

Total (Yes) 5 No 1

Absent 1

Floor Assignment Senator Burckhard

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1245: Industry, Business and Labor Committee (Sen. Klein, Chairman) recommends **DO PASS** (5 YEAS, 1 NAYS, 1 ABSENT AND NOT VOTING). HB 1245 was placed on the Fourteenth order on the calendar.

2017 TESTIMONY

HB 1245

18 January 2017

HB 1245

House Industry Business and Labor Committee

Good Morning Chairman Keiser and members of the committee. For the record, my name is Thomas Beadle, State Representative from District 27 in Fargo.

HB 1245 is the definition of a housekeeping bill. Last session, we adjusted the restriction to Sunday morning alcoholic beverage sales, so that the citizens of our state could enjoy their mimosas and bloody marys starting at 11:00 am. We made the adjustment last session in the primary area of code in order to allow the 11:00 am start time, but we missed it in a few others.

Last session, we adjusted 5-02-05 to read that "A person may not dispense or permit the consumption of alcoholic beverages on a licensed premises between two a.m. and eleven a.m. on Sundays..." while leaving the 2-8 am exemptions in place for the rest of the week, and leaving the off sale limitation until noon on Sundays in place. However, due to us forgetting to look at the immediately following section known as 5-02-05.1, we forgot to amend the same Sunday start time into that text. This issue was brought up to legislative council, and they recommended the removal of that section 5-02-05.1 to solve it. This specific subsection deals with Sunday Alcoholic beverage permitting, and references that a local governing body may issue a Sunday alcoholic beverage permit to a qualified alcoholic beverage licensee and with said permit they may then permit "dancing and the distribution of alcoholic beverages between the hours of twelve noon on Sunday and two a.m. on Monday."

I did check with Council about what removing this Sunday permitting does to local authorities, and Emily Thompson from Council told me that "if repealed, cities would still have the ability to allow sales on Sunday (other than during the specifically prohibited hours in Section 5-02-02) by ordinance per section 40-05-01. Subsection 29 of 40-02-01, which is the Powers of all municipalities section, gives them the authority "To regulate the use and to regulate and license the sale of alcoholic beverages subject to the provisions contained in title 5." Title 5 is of course what this bill is amending. I included these relevant sections of code below.

This is a clean-up bill that came at the request of the industries involved, Mr. Chairman, and I hope the committee will give it a green light.

Thank you Mr. Chairman. I will be happy to answer any questions from the committee.

40-05-01. Powers of all municipalities.

The governing body of a municipality shall have the power:

1. Ordinances. To enact or adopt all such ordinances, resolutions, and regulations, not repugnant to the constitution and laws of this state, as may be proper and necessary to carry into effect the powers granted to such municipality or as the general welfare of the municipality may require, and to repeal, alter, or amend the same. [. . .]

[. . .]

29. Alcoholic beverages. To regulate the use and to regulate and license the sale of alcoholic beverages subject to the provisions contained in title 5.

[. . .]

5-02-03. Local license fees.

The fee for an annual local on and off sale liquor license must be set by ordinance or resolution at not less than two hundred dollars nor more than two thousand dollars, except outside the corporate limits of a city the fee shall not exceed one thousand dollars. The fee for an annual on and off sale local beer license must be set by ordinance or resolution at not less than fifty dollars nor more than five hundred dollars. The fee for an annual local exclusive on sale liquor license must be set by ordinance or resolution at not less than two hundred dollars nor more than two thousand dollars, except outside the corporate limits of a city the fee must not exceed one thousand dollars. The fee for an annual local exclusive on sale local beer license must be set by ordinance or resolution at not less than fifty dollars nor more than five hundred dollars. The fee for an annual local exclusive off sale beer or off sale liquor license must not be more than the fee charged for an on and off sale license. The local governing body may by ordinance or resolution provide for issuance of licenses for any period not to exceed one year and may allow for proration and refunds of license fees. In addition to any other license fee permitted by this section, a license fee may be increased by not more than five dollars for each Sunday the licensee sells alcoholic beverages.

1 March 2017

HB 1245

Senate Industry Business and Labor Committee

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