HB 275-FN – AS INTRODUCED

2013 SESSION

13-0366 06/09

HOUSE BILL 275-FN

- AN ACT requiring the liquor commission to establish a pilot program for the sale of New Hampshire microbrewery and nano brewery beers at certain state liquor stores.
- SPONSORS: Rep. Cushing, Rock 21; Rep. Chandley, Hills 22; Rep. Muns, Rock 21; Rep. O'Flaherty, Hills 12; Sen. Fuller Clark, Dist 21

COMMITTEE: Commerce and Consumer Affairs

ANALYSIS

This bill requires the liquor commission to establish a pilot program for the sale in certain state liquor stores of microbrewery and nano brewery beers that are brewed in New Hampshire.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

HB 275-FN – AS INTRODUCED

13-0366 06/09

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Thirteen

AN ACT requiring the liquor commission to establish a pilot program for the sale of New Hampshire microbrewery and nano brewery beers at certain state liquor stores.

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

1 1 Commission to Sell; Microbrewed and Nano Brewed Beer. Amend RSA 176:11, I to read as 2 follows:

I. It shall be the duty of the commission to buy and have in its possession liquor **and beer** for sale in the manner provided in this title. Such liquors **and beers** shall be free from adulteration and misbranding within the meaning of the provisions of RSA 146. All liquors sold for medicinal use shall conform to the standards and tests for such liquors as laid down in the United States Pharmacopoeia, official at the time of sale. All purchases of liquor **and beer** shall be made by the commission directly and not through the department of administrative services. The commission shall be subject to all the provisions so far as applicable of RSA 9.

10 2 New Hampshire Products. Amend RSA 176:12 to read as follows:

11 176:12 New Hampshire Products. The commission, wherever feasible, shall purchase and list 12 for sale in all state stores the domestic liquor and wines manufactured or bottled in this state by a 13 manufacturer. The commission shall purchase and list for sale New Hampshire 14 microbrewed and nano brewed beer in the state liquor stores specified in the commission's 15 pilot program.

16

3 Gross Revenue. Amend RSA 176:16, I to read as follows:

I. Except as provided in paragraph II, the state treasurer shall credit all gross revenue derived by the commission from the sale of liquor *and beer*, or from license fees, and interest received on such moneys, to a special fund, to be known as the liquor commission fund, from which the treasurer shall pay all expenses of the commission incident to the administration of this title. Any balance left in such fund after such expenses are paid shall be deposited in the general fund on a daily basis.

23

4 Gross Revenue. Amend RSA 176:16, III to read as follows:

III. Fifty percent of the amount by which the current year gross profits exceed fiscal year 25 2001 actual gross profit, but not more than 5 percent of the current year gross profits derived by the 26 commission from the sale of liquor **and beer** and other revenues, shall be deposited into the alcohol 27 abuse prevention and treatment fund established by RSA 176-A:1.

28 5 Purchases by Liquor Commission. Amend RSA 176:17 to read as follows:

29 176:17 Purchases by the Liquor Commission. The liquor commission shall purchase all liquor,

HB 275-FN – AS INTRODUCED - Page 2 -

wine, *beer*, and beverages from primary sources. For the purposes of this title, primary source means the manufacturer or producer, whether or not it is within the state. If a primary source is not available, the commission may, if it feels it is in the best interests of the state, vote at its regular meeting to allow an exemption and shall explain why such exemption has been allowed.

5 6 Pilot Program Established. Sale of New Hampshire Microbrewery and Nano Brewery Beer at 6 State Liquor Stores. The liquor commission shall establish a 2-year pilot program for the purpose of 7 selling New Hampshire microbrewed and nano brewed beer in the state liquor stores located in 8 Hampton on I-95, northbound and southbound, and in Hooksett on I-93, northbound and 9 southbound.

10 7 Effective Date. This act shall take effect 60 days after its passage.

LBAO 13-0366 01/07/13

HB 275-FN - FISCAL NOTE

AN ACT requiring the liquor commission to establish a pilot program for the sale of New Hampshire microbrewery and nano brewery beers at certain state liquor stores.

FISCAL IMPACT:

The Liquor Commission states this bill, <u>as introduced</u>, may decrease state general fund revenue by an indeterminable amount in FY 2014 and FY 2015. There is no fiscal impact on county and local revenue, or state, county, and local expenditures.

METHODOLOGY:

The Liquor Commission states this bill requires the Commission to establish a 2-year pilot program for the sale of New Hampshire microbrewery and nano brewery beers at the liquor stores located in Hampton on I-95, northbound and southbound, and in Hooksett on I-93, northbound and southbound. The Commission states general fund revenue may decrease as a result of this program by an indeterminable amount as a result of providing shelf space for the beer that has a lower profit margin than wine and spirits. The Commission indicates the markup on beer ranges between 10 to 20 percent, wine ranges between 40 and 55 percent, and spirits ranges between 47 and 50 percent.