

HB 315-FN – AS INTRODUCED

2013 SESSION

13-0738  
08/03

HOUSE BILL            **315-FN**  
AN ACT                relative to liquor commission discounts.  
SPONSORS:            Rep. Ulery, Hills 37  
COMMITTEE:           Commerce and Consumer Affairs

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ANALYSIS

This bill eliminates certain liquor commission discounts.

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Explanation:        Matter added to current law appears in ***bold italics***.  
                         Matter removed from current law appears ~~[in brackets and struck through.]~~  
                         Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

*In the Year of Our Lord Two Thousand Thirteen*

AN ACT                   relative to liquor commission discounts.

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

1           1 Liquor Commission Discounts. Amend RSA 178:28, III-V-b to read as follows:

2           III. The commission [~~may~~] **shall** adopt procedures by which on-premises licensees may  
3 purchase liquor for resale by credit card **or debit card** from state liquor stores, the warehouse, or  
4 the commission direct delivery system.

5           IV. A schedule of hours and procedures by which holders of off-premises retail licenses may  
6 purchase fortified wines and table wines by the bottle at state retail liquor stores.

7           V. A schedule of hours and procedures by which fortified wines and table wines may be  
8 purchased at the discount price for resale by holders of off-premises retail licenses at percentages of  
9 discount to be determined by the commission[~~Discounts for holders of off-premises retail licenses~~  
10 ~~with annual wine purchases under \$350,000] **which** shall be no less than 15 percent less than the  
11 regular retail price in the liquor stores and 20 percent less than the regular price F.O.B. at the  
12 warehouse.~~

13           [~~V a. For the purpose of this provision, any person holding 2 or more licenses under~~  
14 ~~RSA 178:18 with combined annual wine purchases under \$350,000 shall receive at least 15 percent~~  
15 ~~less than the regular retail price in the liquor stores and at least 20 percent less than the regular~~  
16 ~~price F.O.B. at the warehouse. All combined annual wine purchases over \$350,000 shall receive at~~  
17 ~~least 10 percent less than the regular price F.O.B. at the warehouse.~~

18           ~~V.b. The commission, in its discretion, may adjust discounts for off-premises licensees to~~  
19 ~~optimize the profitability of the commission and maintain proper controls; provided that the~~  
20 ~~commission does not reduce discounts below the percentages stated in paragraphs V or V a.]~~

21           2 Effective Date. This act shall take effect 60 days after its passage.

**HB 315-FN - FISCAL NOTE**

AN ACT                    relative to liquor commission discounts.

**FISCAL IMPACT:**

The Liquor Commission states this bill, as introduced, will decrease state revenue by \$4,712,419 in FY 2014, \$4,806,668 in FY 2015, \$4,902,801 in FY 2016, and \$5,000,857 in FY 2017. There will be no impact on state, local, or county expenditures, or county and local revenue.

**METHODOLOGY:**

The Liquor Commission states this bill amends RSA 178:28 by removing the \$350,000 ceiling for annual wine purchases subject to a 15 percent to 20 percent discount from the Commission. Currently, RSA 178:28 establishes a minimum discount of 15 percent less than the regular retail price in state liquor stores, and 20 percent less than the regular price at the warehouse for fortified wines and tables wines bought by license holders purchasing less than \$350,000 worth of such wines annually. By removing the \$350,000 ceiling on annual sales subject to the discount, the bill allows all license holders to receive the same discount, regardless of how much wine they purchase annually. Since all wine purchases are currently subject to a discount of at least ten percent, the Commission states the bill will result in an additional five percent discount for license holders purchasing at least \$350,000 worth of wine annually. Based on FY 2012 sales data of \$90,588,608 and applying a two percent growth factor, the Commission predicts the bill will result in the following revenue decrease beginning in FY 2014:

	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
<b>Gross sales to license holders purchasing at least \$350,000 annually</b>	\$94,248,388	\$96,133,356	\$98,056,023	\$100,017,143
<b>Revenue decrease resulting from additional 5% discount</b>	<b>\$4,712,419</b>	<b>\$4,806,668</b>	<b>\$4,902,801</b>	<b>\$5,000,857</b>