

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2485-04
Bill No.: SCS for SB 616
Subject: Alcohol; Business and Commerce; Public Safety Department
Type: Original
Date: April 5, 2007

Bill Summary: This proposal modifies provisions relating to liquor control.

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND | | | |
|---|------------------|------------------|-----------------|
| FUND AFFECTED | FY 2008 | FY 2009 | FY 2010 |
| General Revenue | \$193,700 | \$176,850 | \$91,226 |
| | | | |
| Total Estimated Net Effect on General Revenue Fund | \$193,700 | \$176,850 | \$91,226 |

| ESTIMATED NET EFFECT ON OTHER STATE FUNDS | | | |
|---|------------|------------|------------|
| FUND AFFECTED | FY 2008 | FY 2009 | FY 2010 |
| | | | |
| | | | |
| Total Estimated Net Effect on <u>Other</u> State Funds | \$0 | \$0 | \$0 |

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

| ESTIMATED NET EFFECT ON FEDERAL FUNDS | | | |
|---|----------------|----------------|----------------|
| FUND AFFECTED | FY 2008 | FY 2009 | FY 2010 |
| | | | |
| | | | |
| Total Estimated Net Effect on <u>All</u> Federal Funds | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE) | | | |
|---|----------------|----------------|----------------|
| FUND AFFECTED | FY 2008 | FY 2009 | FY 2010 |
| | | | |
| | | | |
| Total Estimated Net Effect on FTE | 0 | 0 | 0 |

Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

| ESTIMATED NET EFFECT ON LOCAL FUNDS | | | |
|--|----------------|----------------|----------------|
| FUND AFFECTED | FY 2008 | FY 2009 | FY 2010 |
| Local Government | \$0 | \$0 | \$0 |

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Public Safety - Division of Alcohol and Tobacco Control (ATC)** assume the proposal would have the following fiscal impact:

Section 311.070 revises trade practice limits set years ago between manufacturers and wholesalers towards retailers and provides limits that more match today's market. It also clearly defines what manufacturers and wholesalers may give to retail business associations, and provides rules on licensees nonalcoholic product sales. ATC assumes no fiscal impact from this part of the proposal.

Section 311.240.5 would allow the Division to collect penalties from licensees who habitually renew late each year. There is currently no provisions for penalties to licensees who annually renew their liquor license late.

Using FY 2006 as a basis the following estimate of revenue can be assumed:

- \$193,700 collections from late fees for the 1st year. This is an estimate based on the FY 2006 late renewals in June (for May) of 1,937 at \$100 each.
- \$176,850 collections from late fees for the 2nd year. This is an estimate based on July late renewals of 400 X \$200 and half of the previous year estimate. It is estimated that the second year, the late renewals will drop by half.
- \$ 91,226 collections from late fees for the 3rd year. This includes July late renewals of half of the initial year, and a third of the initial year for June late renewals.

Officials from the **Office of the Attorney General** assume that any potential costs arising from this proposal could be absorbed with existing resources.

This proposal could increase Total State Revenues.

| <u>FISCAL IMPACT - State Government</u> | FY 2008 (10 Mo.) | FY 2009 | FY 2010 |
|---|-------------------------|-------------------------|------------------------|
| GENERAL REVENUE | | | |
| <u>Income - Alcohol & Tobacco Control</u> | | | |
| Late fees allowed in Section 311.240.5 | <u>\$193,700</u> | <u>\$176,850</u> | <u>\$91,226</u> |
| ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND | <u>\$193,700</u> | <u>\$176,850</u> | <u>\$91,226</u> |

| <u>FISCAL IMPACT - Local Government</u> | FY 2008 (10 Mo.) | FY 2009 | FY 2010 |
|---|---------------------|------------|------------|
| | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |

FISCAL IMPACT - Small Business

Small liquor-by-the-drink businesses could be fiscally impacted as a result of this proposal.

FISCAL DESCRIPTION

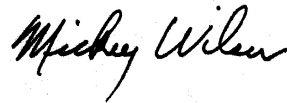
If a renewal application for a license is not timely submitted, an additional late charge shall be added. The amount of the fee shall increase the longer it is late but shall not be more than \$300.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

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SOURCES OF INFORMATION

Department of Public Safety
Office of the Attorney General

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
April 5, 2007