

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6218-03
Bill No.: CCS for HCS for SB 994
Subject: Agriculture; Alcohol; Boards, Commissions, Committees; Councils; Business and Commerce
Type: Original
Date: May 10, 2016

Bill Summary: This proposal changes the laws regarding alcohol.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
General Revenue	\$45,000	\$54,000	\$54,000
Total Estimated Net Effect on General Revenue	\$45,000	\$54,000	\$54,000

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Local Government	\$112,500	\$135,000	\$135,000

FISCAL ANALYSIS

ASSUMPTION

§262.823

Officials at the **Department of Agriculture** and **Department of Revenue** each assume this part of the proposal will not have a fiscal impact on their respective organizations.

§311.091 - In response to a similar proposal from this year (HB 2101) the following response was received:

Officials from the **Department of Public Safety - Alcohol and Tobacco Control (ATC)** stated the bill makes the following changes:

- Section 311.091.1 provides for a boat liquor license as long as the boat is licensed by the US Coast Guard to carry thirty or more passengers.
- Section 311.091.2 related to a boat license for boats that could carry forty-five to ninety-nine passengers. This is being deleted because the changes in Subsection 1 will include these boats.

Based on a projected number of licenses issued of 180 times the \$300 boat license fee, ATC estimates an annual increase in license fees of \$54,000 (180 x \$300). In FY 2017, the licenses aren't issued until August 28, 2016; therefore the license would be prorated for ten months generating \$45,000 ($\$54,000 / 12 \text{ months} \times 10 \text{ months}$).

Cities may charge 150% of state liquor license fees (Section 311.220). Based on a projected number of licenses issued of 180 times the \$450 boat license fee, we estimate license fees of \$81,000. In FY 2017, the licenses aren't issued until August 28, 2016; therefore the license would be prorated for ten months generating \$67,500. This number may be inflated for the cities because if the boats are moored in unincorporated areas they would not need a city liquor license.

Counties may charge the same liquor license fees as the State (Section 311.220). Based on a projected number of licenses issued of 180 times the \$300 boat license fee, we estimate license fees of \$54,000. In FY 2017, the licenses aren't issued until August 28, 2016; therefore the license would be prorated for ten months generating \$45,000.

In response to a similar proposal from 2015 (HB 149), officials from the ATC stated their estimate of 180 new licenses is different from their estimate of 50 new licenses for a similar bill in 2014 (HB 1615). ATC stated they received additional information regarding the number of potential licensees and adjusted their estimate accordingly.

ASSUMPTION (continued)

§311.205 - In response to a similar proposal from this year (HB 2104), officials from the **Department of Public Safety - Alcohol and Tobacco Control (DPS - ATC)** assumed changes to Section 311.205 of the proposal would not fiscally impact their agency.

§311.950 - In response to a similar proposal from this year (HB 2282) the following responses were received:

Officials from the **Department of Public Safety - Alcohol and Tobacco Control** assumed the proposal would not fiscally impact their agency.

According to officials from the **Office of the Secretary of State (SOS)**, many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, we also recognize that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what our office can sustain with our core budget. Therefore, we reserve the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

Officials from the **Joint Committee on Administrative Rules** stated this legislation was not anticipated to cause a fiscal impact beyond its current appropriation.

This proposal may increase Total State Revenues.

<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
---	---------------------	---------	---------

GENERAL REVENUE

<u>Income</u> - §311.091- Alcohol and Tobacco Control liquor license for boats carrying 30 passengers or more	<u>\$45,000</u>	<u>\$54,000</u>	<u>\$54,000</u>
--	-----------------	-----------------	-----------------

ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND	<u>\$45,000</u>	<u>\$54,000</u>	<u>\$54,000</u>
---	------------------------	------------------------	------------------------

<u>FISCAL IMPACT - Local Government</u>	<u>FY 2017</u> (10 Mo.)	<u>FY 2018</u>	<u>FY 2019</u>
---	----------------------------	----------------	----------------

LOCAL POLITICAL SUBDIVISIONS

<u>Income</u> - §311.091- Cities liquor license for boats carrying 30 passengers or more	\$67,500	\$81,000	\$81,000
---	----------	----------	----------

<u>Income</u> - §311.091- Counties liquor license for boats carrying 30 passengers or more	<u>\$45,000</u>	<u>\$54,000</u>	<u>\$54,000</u>
---	-----------------	-----------------	-----------------

ESTIMATED NET EFFECT TO LOCAL POLITICAL SUBDIVISIONS	<u>\$112,500</u>	<u>\$135,000</u>	<u>\$135,000</u>
---	-------------------------	-------------------------	-------------------------

FISCAL IMPACT - Small Business

Small businesses which purchase intoxicating liquor, other than malt beverages, for resale in this state would be affected by the provisions of this proposal.

FISCAL DESCRIPTION

Currently, the Missouri Wine and Grape Board may participate in studies in the areas of sales, promotions, and the effective distribution of Missouri wines in order to effectuate the goals of the Board. Under this act, the Board would also be able to oversee and provide any professional or legal services to promote such marketing goals.

FISCAL DESCRIPTION (continued)

Currently, licensed liquor retailers may use table tap dispensing systems that allow patrons to self-dispense up to 32 ounces of beer per patron at their tables. This act expands this statute to allow licensed liquor retailers to use self-dispensing systems that allow patrons to self-dispense up to 32 ounces of beer or 16 ounces of wine. The act removes references to table taps and instead refers to self-dispensing systems.

This act replaces "malt beverages" with "intoxicating liquor".

Any person whose liquor license or permit has been revoked to be eligible to reapply for such license or permit and to work at an establishment holding such license or permit after 5 years.

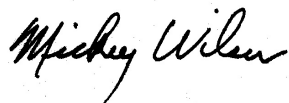
Allows persons to obtain a license to sell liquor by the drink on boats that carry 30 passengers or more.

Allows entertainment facilities to sell alcoholic beverages through the use of mobile applications if such facilities possess requisite licenses and permits. Requires valid, government-issued identification document that includes the photograph and birth date of the individual to verify individual's age is twenty-one years of age or older is presented prior to possession of alcoholic beverage.

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

SOURCES OF INFORMATION

Department of Public Safety - Alcohol and Tobacco Control
Department of Agriculture
Department of Revenue
Office of Secretary of State
Joint Committee on Administrative Rules



Mickey Wilson, CPA
Director
May 10, 2016

Ross Strobe
Assistant Director
May 10, 2016