

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 5394-01  
Bill No.: SB 1002  
Subject: Alcohol  
Type: Original  
Date: March 9, 2020

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Bill Summary: This proposal modifies certain penalty provisions relating to manufacturers and distillers of intoxicating liquor.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 5 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>
<b>Local Government</b>	<b>\$0 to (Unknown)</b>	<b>\$0 to (Unknown)</b>	<b>\$0 to (Unknown)</b>

## FISCAL ANALYSIS

### ASSUMPTION

#### §311.680 - Manufacturers and distillers of intoxicating liquor

**Oversight** notes the **Department of Public Safety - Alcohol and Tobacco Control (DPS-ATC)** stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for this agency.

In response to a similar proposal from 2020 (SB 521), DPS-ATC did not foresee an increase or decrease in state or local revenue due to the changes proposed in §311.680.6. DPS-ATC currently has the ability to fine manufacturers and distillers. The proposed language allows for some flexibility in the amount of the fines; however, the state supervisor may impose the same amounts that are currently imposed. Less than five manufacturers in the past two years have been fined by DPS-ATC; therefore, any change in the amount of fines imposed would have minimal impact.

**Oversight** notes the provisions of 311.680.6 are permissive; therefore, Oversight assumes no fiscal impact for this proposal.

**Oversight** contacted ATC to inquire if any penalties were collected under §311.868 over the past three years. **DPS-ATC** stated there was a minimal number of penalties collected, maybe two or three, and the fines imposed get forwarded to the county where the licensee is located.

**Oversight** notes that violations resulting in fines could vary from year to year. Civil penalties collected are distributed to the school district where the violation occurred; therefore, Oversight will reflect a fiscal impact of \$0 to (Unknown) loss of fine revenue from deleting this section of statute to local school districts on the fiscal note.

<u>FISCAL IMPACT - State Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
 <u>FISCAL IMPACT - Local Government</u>	 FY 2021 (10 Mo.)	 FY 2022	 FY 2023
<b>LOCAL POLITICAL SUBDIVISIONS</b>			
<u>Loss - School districts (\$311.868) Fines from violations</u>	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>
<b>ESTIMATED NET EFFECT TO LOCAL POLITICAL SUBDIVISIONS</b>	<b><u>\$0 to (Unknown)</u></b>	<b><u>\$0 to (Unknown)</u></b>	<b><u>\$0 to (Unknown)</u></b>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

Under current law, any person who manufactures or distills intoxicating liquor is subject to a separate fine for violations of Missouri law in the amount of \$10,000 for the first offense, \$25,000 for the second offense, and \$50,000 for the third and subsequent offenses.

This act repeals those penalty provisions and, in lieu of, adds provisions relating to violations of liquor control to include fines for manufacturers and distillers of intoxicating liquors of not less than \$100 and not more than \$50,000 for each violation. As well as authorize the supervisor of liquor control to warn, place on probations, suspend, or revoke such license.

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 -  
Alcohol and Tobacco Control



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March 9, 2020



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March 9, 2020