

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 2694S.01I  
Bill No.: SB 697  
Subject: Alcohol; Transportation; Department of Public Safety  
Type: Original  
Date: April 17, 2023

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Bill Summary: This proposal modifies provisions relating to the delivery of intoxicating liquor.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>
General Revenue	\$1,050	\$1,050	\$1,050
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$1,050</b>	<b>\$1,050</b>	<b>\$1,050</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>
Division of Alcohol and Tobacco Control Fund (0544)	(\$510,877)	(\$436,610)	(\$444,144)
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>(\$510,877)</b>	<b>(\$436,610)</b>	<b>(\$444,144)</b>

Numbers within parentheses: () indicate costs or losses.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</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 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>
Division of Alcohol and Tobacco Control Fund (0544)	4 FTE	4 FTE	4 FTE
<b>Total Estimated Net Effect on FTE</b>	<b>4 FTE</b>	<b>4 FTE</b>	<b>4 FTE</b>

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

#### §§311.185, 311.186, 311.187, and 311.420 – Delivery of intoxicating liquor

Officials from the **Department of Public Safety - Division of Alcohol and Tobacco Control (ATC)** state section 311.185 is revised to remove the alcohol carrier license and requirements for such license and moves it to new section 311.186 while also adding a license fee for the alcohol carrier license. There currently is no license fee for this license type. There are 7 alcohol carriers currently licensed so this new license fee would generate \$3,500 (7 x \$500) in revenue. Section 311.730 requires 70% of license fees to be deposited to the Alcohol and Tobacco Control fund, and the other 30% to be deposited to General Revenue. This equates to an annual revenue gain of \$2,450 ( $\$3,500 \times .70$ ) to the Alcohol and Tobacco Control fund and an annual revenue gain of \$1,050 ( $\$3,500 \times .30$ ) to the General Revenue fund.

New section 311.186.3(7)(b) allows alcohol carriers to deliver intoxicating liquor to Missouri residents for licensed retailers, which is currently not allowed. The division has been reviewing alcohol carrier and wine direct shipper shipments over the last few years and have found a large amount and variety of violations that include shipping without a license. By adding retailers to the allowable shippers, this will increase the probability of violations. ATC does not have adequate staff to manage the shipments and violations of wine direct shippers so additional staff will be needed to manage the current shipping issues as well as to manage the addition of retailer shipments. ATC is asking for one (1) FTE senior auditor to lead and manage the audit team, two (2) FTE auditors to reconcile wine direct shipper and alcohol carrier reports as well as review retailer shipments for issues, and one (1) FTE administrative support professional to manage disciplinary conferences and administrative actions against licensees for shipping violations. The estimated cost for four (4) FTE and equipment and expense is \$481,627.

New section 311.186.3(8) requires alcohol carriers to provide a monthly report of shipments to the division. They currently are only required to maintain records and provide the records to the division when requested. By requiring monthly reporting, the division would need to add a standardized report for alcohol carriers to the online system that is currently being built. ATC estimates that it will cost around \$30,000 to add a new reporting requirement to the system.

**Oversight** does not have any information contrary to that provided by ATC. Therefore, Oversight will reflect ATC's estimated impact for fiscal note purposes.

Officials from the **City of Kansas City** and the **City of Springfield** assume the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note.

**Oversight** only reflects the responses received from state agencies and political subdivisions; however, other cities and counties were requested to respond to this proposed legislation but did

not. A listing of political subdivisions included in the Missouri Legislative Information System (MOLIS) database is available upon request.

<u>FISCAL IMPACT – State Government</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026
<b>GENERAL REVENUE</b>			
Revenue – ATC (§311.186) Carrier license fee	<u>\$1,050</u>	<u>\$1,050</u>	<u>\$1,050</u>
<b>ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND</b>	<b><u>\$1,050</u></b>	<b><u>\$1,050</u></b>	<b><u>\$1,050</u></b>
<b>DIVISION OF ALCOHOL AND TOBACCO CONTROL FUND (0544)</b>			
Revenue – ATC (§311.186) Carrier license fee	\$2,450	\$2,450	\$2,450
Cost – ATC (311.186.3(7)(b))			
Personal services	(\$182,833)	(\$223,788)	(\$228,264)
Fringe benefits	(\$120,351)	(\$146,063)	(\$147,737)
Equipment and expense	(\$180,143)	(\$69,209)	(\$70,593)
Programming Services (§311.186.3(8))	<u>(\$30,000)</u>	<u>\$0</u>	<u>\$0</u>
Total cost - ATC	<u>(\$513,327)</u>	<u>(\$439,060)</u>	<u>(\$446,594)</u>
FTE Change - ATC	4 FTE	4 FTE	4 FTE
<b>ESTIMATED NET EFFECT TO THE DIVISION OF ALCOHOL AND TOBACCO CONTROL FUND</b>	<b><u>(\$510,877)</u></b>	<b><u>(\$436,610)</u></b>	<b><u>(\$444,144)</u></b>
Estimated Net FTE Change to the Division of Alcohol and Tobacco Control Fund	4 FTE	4 FTE	4 FTE

<u>FISCAL IMPACT – Local Government</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

Certain small businesses that sell intoxicating liquor could be impacted by this proposal.

FISCAL DESCRIPTION

This act modifies provisions relating to the delivery of intoxicating liquor.

ALCOHOL CARRIER LICENSES (Sections 311.185, 311.186, & 311.420)

This act modifies provisions relating to alcohol carrier licenses issued by the Division of Alcohol and Tobacco Control. This act repeals provisions relating to alcohol carrier licenses for shipments of wine and provides that licenses may be issued to carriers to transport intoxicating liquor directly to a resident of this state 21 years of age or older. An applicant for an alcohol carrier license shall pay a fee of \$500 per year.

This act provides that all alcohol carrier licensees shall follow packaging and delivering requirements as provided in the act.

ALCOHOL DELIVERY BY RETAILERS (Section 311.187)

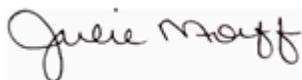
This act provides that any licensed retailer may deliver intoxicating liquor directly to residents of Missouri or use a third-party delivery service to deliver intoxicating liquor.

All sales for delivery shall be made on the licensed premises and shall ensure the delivery is not made to a person under the age of 21 as provided in the act.

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 – Division of Alcohol and Tobacco Control  
City of Kansas City  
City of Springfield



Julie Morff  
Director  
April 17, 2023



Ross Strobe  
Assistant Director  
April 17, 2023