

COMMITTEE ON LEGISLATIVE RESEARCH
 OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3455-08
Bill No.: Perfected SS for SCS for SBs 817, 978 & 700
Subject: Dram shop liability.
Type: Original
Date: March 20, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
None			
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
None			
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
 This fiscal note contains 3 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the State Courts Administrator, Office of the Attorney General, Department of Labor and Industrial Relations** and the **Department of Public Safety - Division of Liquor Control** each assume this proposal would not fiscally impact their respective agencies.

Officials from the **Department of Insurance** assume they can absorb the additional duties and costs associated with this proposal with existing resources.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Small businesses that sell intoxicating beverages by the drink would, seemingly, be asserted a level of protection from liability with this proposal.

DESCRIPTION

This proposal revises the dram shop liability statute. The proposal provides that a cause of action may be brought against a person licensed to sell intoxicating liquor by the drink when it is proven by clear and convincing evidence that the seller knew or should have known that intoxicating liquor was sold to a person under 21 or was knowingly served to a visibly intoxicated person. A "visibly intoxicated

DESCRIPTION (continued)

person" is shown by the person's impairment is shown by significantly uncoordinated physical

action or significant physical dysfunction. A person's blood alcohol content will not constitute prima facie evidence to establish "visible intoxication". The person who became intoxicated may not sustain such a lawsuit.

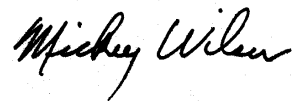
A seller will have an affirmative defense if proof of age is demanded and the drivers license or official state personal identification card appearing to be genuine is shown. Sellers shall have the right of full indemnification for damages against the intoxicated person.

Any insurance company that sells liability insurance which provides coverage for dram shop liability shall report all costs associated to the Department of Insurance. The proposal also states that no employer may discharge his or her employee for refusing service to a visibly intoxicated person and that all servers of intoxicating liquor by the drink shall receive training to recognize visibly intoxicated persons.

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

Office of the Attorney General
Office of the State Courts Administrator
Department of Public Safety
 Division of Liquor Control
Department of Labor and Industrial Relations
Department of Insurance



Mickey Wilson, CPA
Acting Director
March 20, 2002