

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0058-02
Bill No.: HB 35
Subject: Alcohol; Licenses - Liquor and Beer; Fees
Type: Original
Date: December 13, 2012

Bill Summary: This proposal establishes the Alcohol and Tobacco Control Trust Fund which consists of certain fees collected by the Director of Revenue.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
General Revenue	(\$378,639)	(\$426,753)	(\$401,347)
Total Estimated Net Effect on General Revenue Fund	(\$378,639)	(\$426,753)	(\$401,347)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Alcohol and Tobacco Control Trust	\$378,639	\$426,753	\$401,347
Total Estimated Net Effect on <u>Other</u> State Funds	\$378,639	\$426,753	\$401,347

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
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 2014	FY 2015	FY 2016
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the State Courts Administrator** and the **Office of the State Treasurer** each assume the proposal would not fiscally impact their respective agencies.

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

Officials from the **Office of Administration - Budget and Planning (BAP)** state this legislation would create the Alcohol and Tobacco Control Trust Fund. All fees, except for licensing, inspections, and gauging, would be deposited into this fund and appropriated only for the use of supporting the administration and regulation of liquor and tobacco control. Previously, all fees were deposited into General Revenue.

This proposal will decrease General Revenue, but will not impact Total State Revenue. BAP defers to the Division of Alcohol and Tobacco Control for a specific estimate on the impact to General Revenue.

Officials from the **Department of Revenue (DOR)** state any fee collected under Chapter 311, except those fees collected by the Director of Revenue under Section 311.730.1, RSMo, shall be paid into the state treasury to the credit of the Alcohol and Tobacco Control Trust Fund established in Section 311.735, RSMo.

The Director of Revenue does not directly collect fees or charges for the privilege of selling liquor, but instead serves as a cashiering or depositing role. The fees are actually collected by the Supervisor of Alcohol and Tobacco Control. DOR assumes the proposal would not fiscally impact their agency.

Officials from the **Department of Public Safety - Alcohol and Tobacco Control (ATC)** state Section 311.730 provides that all fees other than licensing and excise taxes are to be deposited into the Alcohol and Tobacco Control Trust Fund. In FY 2012, 'other' collections by ATC were:

1. Miscellaneous fees (sunshine requests, computer printouts, etc.) totaling \$4,652;
2. Penalties on late payments of excise taxes totaling \$104,531; and
3. Late renewal penalty fees totaling \$375,200.

These total \$484,383. However, the late renewal fees have been decreasing each year by about 8% since it was implemented in August 2007. Therefore, ATC projects collections for FY'14,

ASSUMPTION (continued)

FY'15 and FY'16 to be \$454,367, \$426,753 and \$401,347, respectively.

Oversight will reflect this as a loss to the General Revenue Fund and a offsetting gain to the new fund.

New subsection 311.735.1 in the proposal states “The state treasurer shall credit to and deposit in the fund all amounts received under this chapter and chapter 407.” DPS - ATC assumes that this subsection doesn’t require all amounts received under chapter 311 to be deposited into the new fund, only those revenues in which statutes does not explicitly state where the monies should be deposited. For example, section 311.730 states that all license fees and charges for the privilege of selling liquor and wines as well as the inspection and gauging fees on malt liquor shall be paid to the credit of “the ordinary state revenue fund” (General Revenue). With this assumption, **Oversight** will utilize ATC’s estimate of collected revenues that will be deposited into the new Alcohol and Tobacco Control Trust Fund instead of the General Revenue Fund.

Oversight will also assume 10 months of impact in FY 2014 and have reduced ATC’s estimate for that year to \$378,639 ($\$454,367 \times 10/12$).

<u>FISCAL IMPACT - State Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
GENERAL REVENUE			
<u>Loss - Alcohol and Tobacco Control</u>			
Section 311.735 - Creation of new			
Alcohol and Tobacco Control Trust Fund	<u>(\$378,639)</u>	<u>(\$426,753)</u>	<u>(\$401,347)</u>
and the direction of unspecified fees to be			
deposited into the fund instead of the			
General Revenue Fund			
ESTIMATED NET EFFECT TO THE			
GENERAL REVENUE FUND	<u>(\$378,639)</u>	<u>(\$426,753)</u>	<u>(\$401,347)</u>

<u>FISCAL IMPACT - State Government</u>	FY 2014	FY 2015	FY 2016
(continued)	(10 Mo.)		

**ALCOHOL AND TOBACCO
 CONTROL TRUST FUND**

<u>Gain - Alcohol and Tobacco Control</u> Section 311.735 - Creation of new Alcohol and Tobacco Control Trust Fund and the direction of unspecified fees to be deposited into the fund instead of the General Revenue Fund	<u>\$378,639</u>	<u>\$426,753</u>	<u>\$401,347</u>
---	------------------	------------------	------------------

ESTIMATED NET EFFECT TO THE ALCOHOL AND TOBACCO CONTROL TRUST FUND	<u>\$378,639</u>	<u>\$426,753</u>	<u>\$401,347</u>
---	-------------------------	-------------------------	-------------------------

<u>FISCAL IMPACT - Local Government</u>	FY 2014	FY 2015	FY 2016
	(10 Mo.)		

<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
------------	------------	------------

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

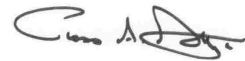
This proposal creates the Alcohol and Tobacco Control Trust Fund, consisting of any fees collected by the Director of the Department of Revenue under the Liquor Control Law that are not required to be deposited into the General Revenue Fund as specified in Chapter 311, RSMo, to be used to support the Division of Alcohol and Tobacco Control within the Department of Public Safety for the administration and regulation of the liquor control and tobacco laws.

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

RS:LR:OD

SOURCES OF INFORMATION

Department of Public Safety
Department of Revenue
Office of Administration - Budget and Planning
Office of the State Treasurer
Attorney General's Office
Office of the State Courts Administrator



Ross Strope
Acting Director
December 13, 2012