

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0735-01
Bill No.: HB 149
Subject: Alcohol; Boats and Watercraft
Type: Original
Date: December 16, 2014

Bill Summary: This proposal allows any person to apply for a liquor license to sell intoxicating liquor on a boat carrying 30 passengers or more.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
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 2016	FY 2017	FY 2018
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
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 2016	FY 2017	FY 2018
Local Government	\$112,500	\$135,000	\$135,000

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Public Safety - Alcohol and Tobacco Control (ATC)** state 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 2016, the licenses aren't issued until August 28, 2015; 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 2016, the licenses aren't issued until August 28, 2015; 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 2016, the licenses aren't issued until August 28, 2015; therefore the license would be prorated for ten months generating \$45,000.

The estimate of 180 new licenses is different from ATC's estimate of 50 new licenses for last year's bill (HB 1615). ATC stated they received additional information regarding the number of potential licensees and adjusted their estimate accordingly.

This proposal may increase Total State Revenues.

<u>FISCAL IMPACT - State Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
GENERAL REVENUE			
<u>Income</u> - 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>	FY 2016 (10 Mo.)	FY 2017	FY 2018
LOCAL POLITICAL SUBDIVISIONS			
<u>Income</u> - Cities			
liquor license for boats carrying 30 passengers or more	\$67,500	\$81,000	\$81,000
<u>Income</u> - 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 that would now qualify for a liquor license as a result of this proposal could be positively impacted.

FISCAL DESCRIPTION

This proposal reduces the number of passengers necessary to apply for a boat liquor license under Section 311.091, RSMo, from 100 to 30 passengers. The same application process currently used for passenger boats with 100 or more persons will now apply to smaller passenger boats.

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



Mickey Wilson, CPA
Director
December 16, 2014

Ross Strobe
Assistant Director
December 16, 2014