

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1910-03  
Bill No.: HCS for SS for SB 373  
Subject: Alcohol; Fees; Law Enforcement Officers and Agencies; Licenses - Liquor and Beer; Public Safety Department  
Type: Original  
Date: May 8, 2015

Bill Summary: This proposal creates the Division of Alcohol and Tobacco Control Fund for the enforcement of liquor and tobacco control laws and directs fees from liquor licenses and permits to the fund.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
General Revenue	(\$2,738,955)	(\$3,286,746)	(\$3,286,746)
<b>Total Estimated Net Effect on General Revenue</b>	<b>(\$2,738,955)</b>	<b>(\$3,286,746)</b>	<b>(\$3,286,746)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Division of Alcohol and Tobacco Control	\$2,738,955	\$3,286,746	\$3,286,746
<b>Total Estimated Net Effect on Other State Funds</b>	<b>\$2,738,955</b>	<b>\$3,286,746</b>	<b>\$3,286,746</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 2016</b>	<b>FY 2017</b>	<b>FY 2018</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 2016</b>	<b>FY 2017</b>	<b>FY 2018</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 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**FISCAL ANALYSIS**

**ASSUMPTION**

Officials from the **Department of Public Safety - Alcohol and Tobacco Control (ATC)** state they collected \$4,695,352 in licensing fees in FY 2014. ATC expects FY 2015 will result in similar collections. Seventy percent of this amount is 3,286,746. Since the law will not go into effect until August 28, 2015, ATC will collect for 10 months of the 12 month fiscal year, or \$2,738,955 ( $\$4,695,352 \times 70\% \times 10/12$ ).

In FY 2017 and ongoing, ATC will collect 70% for the full year or \$3,286,746. ATC assumes this would be a loss to the General Revenue Fund and a gain to the new ATC Fund.

**Oversight** notes that the core appropriation for the Division of Alcohol and Tobacco Control operations is \$1,149,403 (\$839,384 General Revenue, \$165,005 Federal, and \$145,014 from the Healthy Families Trust Fund) for FY 2015.

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

<u>FISCAL IMPACT - State Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
---	---------------------	---------	---------

**GENERAL REVENUE**

<u>Loss - 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>(\$2,738,955)</u>	<u>(\$3,286,746)</u>	<u>(\$3,286,746)</u>
---	----------------------	----------------------	----------------------

<b>ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND</b>	<b><u>(\$2,738,955)</u></b>	<b><u>(\$3,286,746)</u></b>	<b><u>(\$3,286,746)</u></b>
---	-----------------------------	-----------------------------	-----------------------------

<u>FISCAL IMPACT - State Government</u> (continued)	FY 2016 (10 Mo.)	FY 2017	FY 2018
--	---------------------	---------	---------

**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>\$2,738,955</u>	<u>\$3,286,746</u>	<u>\$3,286,746</u>
---	--------------------	--------------------	--------------------

<b>ESTIMATED NET EFFECT TO THE ALCOHOL AND TOBACCO CONTROL TRUST FUND</b>	<b><u>\$2,738,955</u></b>	<b><u>\$3,286,746</u></b>	<b><u>\$3,286,746</u></b>
---	---------------------------	---------------------------	---------------------------

<u>FISCAL IMPACT - Local Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
---	---------------------	---------	---------

	<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

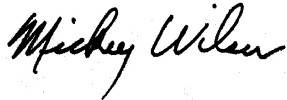
This proposal creates the Division of Alcohol and Tobacco Control Fund. Under this act, 70 percent of the fees collected for liquor licenses and permits are directed to the fund. Money in the fund may only be used by the Division of Alcohol and Tobacco Control for the administration and enforcement of the liquor control laws and laws prohibiting the sale of tobacco to minors.

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

L.R. No. 1910-03  
Bill No. HCS for SS for SB 373  
Page 5 of 5  
May 8, 2015

SOURCES OF INFORMATION

Department of Public Safety - Alcohol and Tobacco Control  
Office of the State Treasurer  
Missouri Gaming Commission



Mickey Wilson, CPA  
Director  
May 8, 2015

Ross Strobe  
Assistant Director  
May 8, 2015