

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5212-01
Bill No.: HB 1394
Subject: Public Assistance; Tobacco Products; Alcohol; Social Services Dept.
Type: Original
Date: April 2, 2012

Bill Summary: Prohibits any public assistance recipient from using benefits to purchase liquor or tobacco products.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
General Revenue	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
Total Estimated Net Effect on General Revenue Fund	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
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 2013	FY 2014	FY 2015
Federal Funds*	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

* Income and expenditures net to \$0.

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
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 2013	FY 2014	FY 2015
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Section 208.024

Officials from the **Department of Health and Senior Services** assume the proposal will have no fiscal impact on their organization.

Officials from the **Department of Mental Health (DMH)** state the MO HealthNet Division will be responsible for implementing the measures necessary to ensure compliance by public assistance recipients. This legislation does not result in any fiscal impact to the DMH.

Officials from the **Department of Social Services (DSS) - Family Support Division (FSD)** state currently purchases made with the Electronic Benefits Transfer (EBT) card are not captured; only the date of the transaction, amount of the transaction, time of the transaction and type (TANF or Food Stamps) of the transaction are captured.

Retailers are responsible for ensuring purchases made with Food Stamp benefits are qualifying purchases. In order to ensure liquor and tobacco products are not purchased with TANF benefits a complete overhaul of retailers' processing systems would need to occur and it is unknown if this is even possible.

It is unclear if the FSD would be responsible for paying for the retailers' system overhaul. Therefore, the cost to implement this legislation is unknown.

Oversight assumes there is the potential for the proposal to have no impact on the state if retailers are required to update their processing systems to ensure that tobacco and alcohol products cannot be purchased using state EBT cards if they want to continue to accept EBT benefit cards from program recipients. However, if DSS is required to revamp its system or reimburse retailers for system updates, the cost is unknown.

Officials from the **DSS - Division of Legal Services (DLS)** state the proposal has no fiscal impact on the DLS. No additional hearings are believed to result from these additional restrictions.

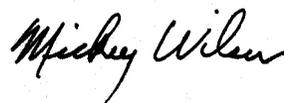
FISCAL DESCRIPTION

This proposal specifies that no temporary assistance for needy families (TANF), food stamps, or other public assistance benefits can be used by a recipient for the purchase of any liquor or tobacco products. The Department of Social Services must implement the necessary measures to ensure that these provisions are complied with by recipients.

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 Mental Health
Department of Health and Senior Services
Department of Social Services



Mickey Wilson, CPA
Director
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