

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 6197-01  
Bill No.: HB 1954  
Subject: Alcohol; Licenses - Liquor and Beer; Fees  
Type: Original  
Date: April 10, 2012

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Bill Summary: This proposal modifies provisions relating to alcohol regulation fees and establishes the Alcohol and Tobacco Control Trust Fund.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Alcohol and Tobacco Control Trust	\$2,370,000	\$2,500,000	\$2,500,000
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$2,370,000</b>	<b>\$2,500,000</b>	<b>\$2,500,000</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 2013</b>	<b>FY 2014</b>	<b>FY 2015</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 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

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).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Office of Administration - Budget and Planning** state the proposed legislation would create the Alcohol and Tobacco Control Trust Fund to support the Division of Alcohol and Tobacco Control. The fund would be used for the administration and regulation of liquor and tobacco control. The proposal creates a new \$100 transaction fee to be paid by all licensees and deposited in the Alcohol and Tobacco Control Trust Fund. This would be an increase to total state revenue.

Budget and Planning defers to the Division of Alcohol and Tobacco Control for more specific estimates on the impact of the Alcohol and Tobacco Control Trust Fund.

Officials from the **Department of Public Safety - Division of Alcohol and Tobacco Control (ATC)** state they issue almost 30,000 liquor licenses each year. Of that amount, 5,000 liquor licenses are issued for a period less than 30 days, and thus the transaction fee does not apply to those licenses (picnics and caterers licenses). The remaining 25,000 licenses are issued for periods that exceed 30 days and will result in an additional \$100 transaction for each license. During July and August of 2011, ATC issued 1,270 new or renewal licenses, therefore for FY 2013, the fee collected on all new licenses issued, and for all licenses renewed from August 28, 2012 through June 30 of 2013 will result in approximately \$2.37 million  $((25,000 - 1,270) \times \$100)$  to the credit of the ATC trust fund. For future fiscal years, we expect the amount to be \$2.5 million  $(25,000 \times \$100)$ .

Officials from the **Department of Revenue, Office of the State Treasurer,** and the **Department of Public Safety - Missouri Highway Patrol** each assume the proposal would not fiscally impact their respective agencies.

**This proposal will increase Total State Revenues.**

<u>FISCAL IMPACT - State Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
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**ALCOHOL AND TOBACCO  
 CONTROL TRUST FUND**

<u>Income</u> - Division of Alcohol and Tobacco Control - new \$100 transaction fee for applicants for new or renewal of liquor license	<u>\$2,370,000</u>	<u>\$2,500,000</u>	<u>\$2,500,000</u>
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<b>ESTIMATED NET EFFECT TO THE ALCOHOL AND TOBACCO CONTROL TRUST FUND</b>	<b><u>\$2,370,000</u></b>	<b><u>\$2,500,000</u></b>	<b><u>\$2,500,000</u></b>
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<u>FISCAL IMPACT - Local Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Small businesses that obtain a liquor license would have to pay an additional \$100 transaction fee as a result of this proposal.

FISCAL DESCRIPTION

This proposal requires an applicant for a new or renewal liquor license to pay an additional \$100 transaction fee when a liquor license is issued or renewed for a period of more than 30 days. Moneys from the fee are to be deposited into the newly created Alcohol and Tobacco Control Trust Fund to be used by 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.

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SOURCES OF INFORMATION

Department of Public Safety  
Department of Revenue  
Office of the State Treasurer  
Office of Administration - Budget and Planning



Mickey Wilson, CPA  
Director  
April 10, 2012