

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0190-01
Bill No.: HB 109
Subject: Alcohol; Business and Commerce; Public Health
Type: Original
Date: January 17, 2013

Bill Summary: This proposal prohibits the sale and offering for sale of caffeinated malt beverages.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
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 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 **Department of Public Safety - Alcohol and Tobacco Control (ATC)** believe that there may be products in the market that have very low levels of caffeine or added stimulants that would be prohibited by this proposed legislation.

At the current time, there are 20 coffee malt beverage products and 21 chocolate malt beverage products in the Missouri market. The ATC does not know if these 41 products contain caffeine or not, as labeling forms don't require companies to list caffeine percentages. It is unknown if this bill will affect small businesses materially, but we do know that removing high levels of caffeine and other stimulants from alcoholic beverages at the FDA's insistence in 2009 and 2010 did not reduce alcohol sales in the state of Missouri.

In addition, most major producers of caffeinated alcoholic beverages removed their problem drinks from the Missouri market or reformulated the drinks by the end of December 2010 after the FDA notified the manufacturers that it intended to look into the safety and legality of these products.

It is believed that the ATC could absorb expenditures necessary to implement this legislation within current appropriations.

Officials from **Joint Committee on Administrative Rules** state the legislation is not anticipated to cause a fiscal impact beyond their current appropriation.

Officials from the **Office of the Secretary of State (SOS)** assume many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, we also recognize that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what our office can sustain with our core budget. Therefore, we reserve the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Oversight assumes the SOS could absorb the cost of the proposal within their current appropriation level.

RS:LR:OD

<u>FISCAL IMPACT - State Government</u>	FY 2014 (6 Mo.)	FY 2015	FY 2016
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2014 (6 Mo.)	FY 2015	FY 2016
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Small businesses that sell caffeinated malt beverages could be negatively impacted as a result of this proposal.

FISCAL DESCRIPTION

The proposed legislation appears to have no fiscal impact.

The proposal has effective date of January 1, 2014.

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
Joint Committee on Administrative Rules
Office of the Secretary of State



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Ross Strobe
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January 17, 2013

RS:LR:OD