

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0316-01
Bill No.: HB 179
Subject: Alcohol; Business and Commerce; Entertainment; Sports and Amusements.
Type: Original
Date: March 9, 2005

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
General Revenue	\$8,000	\$8,500	\$8,500
Total Estimated Net Effect on General Revenue Fund	\$8,000	\$8,500	\$8,500

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
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 2006	FY 2007	FY 2008
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Local Government	\$20,000	\$21,250	\$21,250

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Public Safety - Alcohol and Tobacco Control (ATC)** state the proposal allows places of entertainment in St. Charles County to sell liquor by the drink on Sundays and decreases the gross annual sales requirement within the definition of “place of entertainment” from \$250,000 to \$150,000. Additional fees for places of entertainment who sell liquor by the drink are increased from \$200 to \$300 per year.

ATC states there are currently 55 Sunday Entertainment Licensees that will have a license fee increase of \$100. This fee will increase in May 2006 when these licenses are renewed, therefore, 12 months of impact in FY 2006 for the additional \$100. Also, there will be 10 new licenses issued in St. Charles County. Therefore, the additional revenue that will be collected from this bill is calculated as follows:

	<u>Annual Fees</u>	<u>FY 2006 Fees (10 months)</u>
55 licenses x \$100	\$5,500	\$5,500
10 new licenses x \$300	\$3,000	\$2,500
TOTAL	\$8,500	\$8,000

Therefore, ATC assumes an increase to the state’s General Revenue Fund of \$8,000 in FY 2006 and then \$8,500 per year after that.

RS:LR:OD (12/02)

ASSUMPTION (continued)

ATC states cities may charge 150% of the state liquor license fees (Section 311.220). Counties may charge a fee equal to state liquor license fees (Section 311.220). It is also assumed under this proposal that all places of entertainment are within municipalities (100% + 150%). Therefore, the additional revenue at the local level is calculated as follows:

	<u>Annual Fees</u>	<u>FY 2006 (10 months)</u>
GR licenses fees from	\$8,500	\$8,000
City and County Multiplication	x 2.5	x 2.5
TOTAL	\$21,250	\$20,000

Officials from **St. Charles County, St. Louis County, City of St. Louis,** and the **City of Kansas City** did not respond to Oversight's request for fiscal impact.

This proposal may increase Total State Revenues.

<u>FISCAL IMPACT - State Government</u>	<u>FY 2006</u> (10 Mo.)	<u>FY 2007</u>	<u>FY 2008</u>
GENERAL REVENUE			
<u>Income</u> - Increase in liquor license fees from \$200 to \$300	\$5,500	\$5,500	\$5,500
<u>Income</u> - liquor license fee revenue from change in definition of "place of entertainment"	<u>\$2,500</u>	<u>\$3,000</u>	<u>\$3,000</u>
ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND	<u>\$8,000</u>	<u>\$8,500</u>	<u>\$8,500</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
CITIES AND COUNTIES			
<u>Income</u> - Increase in liquor license fees from \$200 to \$300	\$13,750	\$13,750	\$13,750
<u>Income</u> - liquor license fee revenue from change in definition of "place of entertainment"	<u>\$6,250</u>	<u>\$7,500</u>	<u>\$7,500</u>
ESTIMATED NET EFFECT TO CITIES AND COUNTIES	<u>\$20,000</u>	<u>\$21,250</u>	<u>\$21,250</u>

FISCAL IMPACT - Small Business

Small liquor-by-the-drink businesses could pay a higher license fee as a result of this proposal.

DESCRIPTION

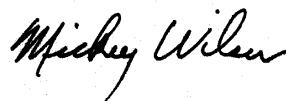
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This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Public Safety

NOT RESPONDING: St. Charles County, St. Louis County, City of St. Louis, City of Kansas City



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