

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1678-02
Bill No.: HB 648
Subject: Boards, Commissions, Committees, Councils; Business and Commerce
Type: Original
Date: March 14, 2005

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Grape and Wine Fund	\$1,336,733	\$1,648,516	\$1,697,971
Marketing Development Fund	(\$1,336,733)	(\$1,648,516)	(\$1,697,971)
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials with the **State Treasurer's Office** and **Department of Economic Development** assume no fiscal impact to their agency.

Officials with the **Department of Agriculture** assume the proposal will transfer the Grape and Wine monies currently going into the Market Development Fund to the Wine and Grape Fund. AGR also assumes the proposal will change the Grape and Wine Board from advisory appointed by the Director of Agriculture to appointment by the Governor and confirmed by the Senate.

In 2003 over 9.2 million gallons of wine were sold in Missouri. There is a 12 cents-per-gallon tax on each gallon of wine sold in Missouri. In calendar year 2003, this tax generated a total of \$1.1 million, which is the last year for which official figures have been provided by Missouri Liquor Control. The calendar year 2004 revenue estimate is approximately \$1.3 million, with a continued increase to \$1.5 million expected in calendar year 2006.

<u>FISCAL IMPACT - State Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
GRAPE AND WINE FUND			
<u>Transfer In - Grape and Wine Fund</u>	<u>\$1,336,733</u>	<u>\$1,648,516</u>	<u>\$1,697,971</u>
ESTIMATED NET EFFECT ON GRAPE AND WINE FUND	<u>\$1,336,733</u>	<u>\$1,648,516</u>	<u>\$1,697,971</u>
MARKETING DEVELOPMENT FUND			
<u>Transfer Out - Marketing Development Fund</u>	<u>(\$1,336,733)</u>	<u>(\$1,648,516)</u>	<u>(\$1,697,971)</u>
ESTIMATED NET EFFECT ON MARKETING DEVELOPMENT FUND	<u>(\$1,336,733)</u>	<u>(\$1,648,516)</u>	<u>(\$1,697,971)</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Yes.

DESCRIPTION

This bill establishes the Missouri Wine and Grape Board to promote the growth and development of the grape-growing industry in Missouri. The 11-member board will consist of seven current members of the Missouri Wine and Grape Advisory Board and four ex officio members, including the president of the Missouri Grape Growers Association, the president of the Missouri Vintners Association, the president of the Missouri Wine Marketing and Research Council, and

DESCRIPTION (continued)

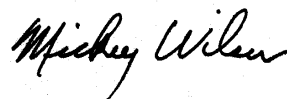
the Director of the Department of Agriculture. All board members including the ex officio members will be voting members. The appointment, terms, meeting requirements, powers, and duties of the board are specified in the bill. An executive director will be hired to administer, manage, and direct the affairs of the board.

The Missouri Wine and Grape Fund is created for the deposit of moneys that currently are credited to the Marketing Development Fund. The moneys in the fund will be used exclusively for the research and advisement of grapes and grape products in Missouri.

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 Economic Development
State Treasurer's Office
Department of Agriculture



Mickey Wilson, CPA
Director
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