

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1645-01
Bill No.: HB 737
Subject: Alcohol; Business and Commerce; Public Safety Department
Type: Original
Date: March 7, 2007

Bill Summary: This proposal prohibits the Supervisor of Alcohol and Tobacco Control from restricting the use of any self-service, coin-operated, mechanical devices, or automated dispensers for selling or dispensing intoxicating liquor.

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND | | | |
|---|--------------------------|--------------------------|--------------------------|
| FUND AFFECTED | FY 2008 | FY 2009 | FY 2010 |
| General Revenue | (Up to \$423,720) | (Up to \$361,359) | (Up to \$372,199) |
| | | | |
| Total Estimated Net Effect on General Revenue Fund | (Up to \$423,720) | (Up to \$361,359) | (Up to \$372,199) |

| ESTIMATED NET EFFECT ON OTHER STATE FUNDS | | | |
|---|------------|------------|------------|
| FUND AFFECTED | FY 2008 | FY 2009 | FY 2010 |
| | | | |
| | | | |
| 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 2008 | FY 2009 | FY 2010 |
| | | | |
| | | | |
| Total Estimated Net Effect on <u>All</u> Federal Funds | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE) | | | |
|---|--------------------|--------------------|--------------------|
| FUND AFFECTED | FY 2008 | FY 2009 | FY 2010 |
| General Revenue | Up to 6 FTE | Up to 6 FTE | Up to 6 FTE |
| | | | |
| Total Estimated Net Effect on FTE | Up to 6 FTE | Up to 6 FTE | Up to 6 FTE |

☐ 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 2008 | FY 2009 | FY 2010 |
| Local Government | \$0 | \$0 | \$0 |

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Public Safety - Alcohol and Tobacco Control (ATC)** state the bill would allow any liquor licensee to have alcohol vaporizers or alcohol beverage vending machines, without imposing any restrictions on these types of devices, or the sales of alcohol through such venues. There are no requirements for vending machines that dispense alcoholic products to be located within the unobstructed line of sight and/or under the direct supervision of an adult responsible for preventing persons less than twenty-one years of age or an intoxicated person from purchasing alcoholic product from such machine. There would be no safeguards in place to prevent sales to persons less than twenty-one years of age or intoxicated persons. This would require extensive amounts of monitoring to assure that sales are made in compliance with liquor control laws.

The ATC estimates the need for an additional two agents per District (6 Agents) and all necessary equipment to monitor liquor licensees who use any self-service, coin-operated, mechanical devices, or automatic dispensers of intoxicating liquor or nonintoxicated beer.

ATC assumes a total cost to the General Revenue Fund of \$423,720 in FY 2008, \$361,359 in FY 2009 and \$372,199 in FY 2010.

Oversight is unsure to the degree to which automatic dispensers of intoxicating liquor or nonintoxicating beer will be prevalent in the state with the passage of this proposal. Therefore, Oversight will range the fiscal impact of the proposal as 'up to' the estimated costs as provided by ATC.

| | | | |
|---|---------------------|---------|---------|
| <u>FISCAL IMPACT - State Government</u> | FY 2008 (10 Mo.) | FY 2009 | FY 2010 |
|---|---------------------|---------|---------|

GENERAL REVENUE FUND

| | | | |
|--|--------------------|-------------------|-------------------|
| <u>Costs - Department of Public Safety</u> | Up to: | Up to: | Up to: |
| Personal Service | (\$174,523) | (\$215,711) | (\$222,182) |
| Fringe Benefits | (\$78,989) | (\$97,631) | (\$100,560) |
| Expense and Equipment | <u>(\$170,208)</u> | <u>(\$48,017)</u> | <u>(\$49,457)</u> |
| <u>Total Costs - DPS</u> | (\$423,720) | (\$361,359) | (\$372,199) |
| FTE Change - DPS | Up to 6 FTE | Up to 6 FTE | Up to 6 FTE |

| | | | |
|---|-------------------------------------|-------------------------------------|-------------------------------------|
| ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND | (Up to <u>\$423,720</u>) | (Up to <u>\$361,359</u>) | (Up to <u>\$372,199</u>) |
|---|-------------------------------------|-------------------------------------|-------------------------------------|

| | | | |
|--|-------------|-------------|-------------|
| Estimated Net FTE Change for General Revenue Fund | Up to 6 FTE | Up to 6 FTE | Up to 6 FTE |
|--|-------------|-------------|-------------|

| | | | |
|---|---------------------|---------|---------|
| <u>FISCAL IMPACT - Local Government</u> | FY 2008 (10 Mo.) | FY 2009 | FY 2010 |
|---|---------------------|---------|---------|

| | | |
|------------|------------|------------|
| <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
|------------|------------|------------|

FISCAL IMPACT - Small Business

Small businesses that sell liquor by the drink could be fiscally impacted as a result of this proposal.

FISCAL DESCRIPTION

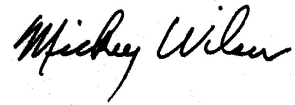
This bill prohibits the Supervisor of the Division of Alcohol and Tobacco Control in the Department of Public Safety from restricting the use of any self-service, coin-operated mechanical devices or automatic dispensers for selling or dispensing intoxicating liquor or nonintoxicating beer.

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

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
March 7, 2007