

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4086-03
Bill No.: HCS for HB 1058
Subject: Alcohol; Fees; Tobacco Products
Type: Original
Date: January 29, 2014

Bill Summary: This proposal creates the Alcohol and Tobacco Control Trust Fund consisting of specified fees collected by the Division of Alcohol and Tobacco Control to be used for the administration and regulation of the liquor control and tobacco laws.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
General Revenue	(\$378,621)	(\$431,872)	(\$411,196)
Total Estimated Net Effect on General Revenue	(\$378,621)	(\$431,872)	(\$411,196)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Alcohol and Tobacco Control Trust	\$378,621	\$431,872	\$411,196
Total Estimated Net Effect on <u>Other</u> State Funds	\$378,621	\$431,872	\$411,196

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
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 2015	FY 2016	FY 2017
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Public Safety - Division of Alcohol and Tobacco Control (ATC)** state Section 311.730 provides that all fees other than licensing and excise taxes are to be deposited into the Alcohol and Tobacco Control Trust Fund. In FY 2013, miscellaneous fees (sunshine requests, computer printouts, etc.) were \$7,547, Penalties and interest on late payments of excise taxes were \$165,878 and late renewal penalty fees were \$331,900. These fees total to \$505,325.

The late renewal fees have been decreasing each year by about 8% since it was implemented in August 2007. Therefore, projections of collections for FY 2014, FY 2015 and FY 2016 are \$478,773, \$454,345 and \$431,872, respectively.

Using ATC's assumptions, **Oversight** assumes collections for FY 2017 would be \$411,196.

Oversight will reflect this as a loss to the General Revenue Fund and a offsetting gain to the new fund.

Oversight will also assume 10 months of impact in FY 2015 and have reduced ATC's estimate for that year to \$378,620 ($\$454,345 \times 10/12$).

In response to a previous version of this proposal, officials from the **Office of the State Treasurer** and the **Department of Revenue** each assumed the proposal would not fiscally impact their respective agencies.

Officials from the **Office of Administration - Budget and Planning (BAP)** state this legislation would create the Alcohol and Tobacco Control Trust Fund. All fees, except for licensing, inspections, and gauging, would be deposited into this fund and appropriated only for the use of supporting the administration and regulation of liquor and tobacco control. Previously, all fees were deposited into General Revenue.

This proposal will decrease General Revenue, but will not impact Total State Revenue. BAP defers to the Division of Alcohol and Tobacco Control for a specific estimate on the impact to General Revenue.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
GENERAL REVENUE			
<u>Loss</u> - Alcohol and Tobacco Control Section 311.735 - Creation of new Alcohol and Tobacco Control Trust Fund and the direction of unspecified fees to be deposited into the fund instead of the General Revenue Fund	<u>(\$378,621)</u>	<u>(\$431,872)</u>	<u>(\$411,196)</u>
ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND	<u>(\$378,621)</u>	<u>(\$431,872)</u>	<u>(\$411,196)</u>
 ALCOHOL AND TOBACCO CONTROL TRUST FUND			
<u>Gain</u> - Alcohol and Tobacco Control Section 311.735 - Creation of new Alcohol and Tobacco Control Trust Fund and the direction of unspecified fees to be deposited into the fund instead of the General Revenue Fund	<u>\$378,621</u>	<u>\$431,872</u>	<u>\$411,196</u>
ESTIMATED NET EFFECT TO THE ALCOHOL AND TOBACCO CONTROL TRUST FUND	<u>\$378,621</u>	<u>\$431,872</u>	<u>\$411,196</u>
 <u>FISCAL IMPACT - Local Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

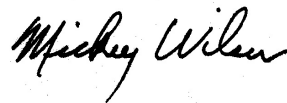
FISCAL DESCRIPTION

This proposal creates the Alcohol and Tobacco Control Trust Fund, consisting of any fees collected by the Division of Alcohol and Tobacco Control under the Liquor Control Law that are not required to be deposited into the General Revenue Fund as specified in Chapter 311, RSMo, to be used to support 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.

SOURCES OF INFORMATION

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



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Director
January 29, 2014

Ross Strobe
Assistant Director
January 29, 2014