

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4163-01
Bill No.: HB 1185
Subject: Alcohol
Type: Original
Date: April 7, 2014

Bill Summary: This proposal prohibits caffeinated malt beverages from being imported, produced, manufactured, distributed, or sold at any retail outlet in the state.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
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 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 - Alcohol and Tobacco Control (ATC)** assume the proposal would not fiscally impact their agency.

In response to a similar proposal from 2013 (HB 109), ATC stated 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 that time, there were 20 coffee malt beverage products and 21 chocolate malt beverage products in the Missouri market. The ATC did 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.

The ATC stated it could absorb expenditures necessary to implement HB 109 within their current appropriations.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (6 Mo.)	FY 2016	FY 2017
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Local Government

FY 2015
(6 Mo.)

FY 2016

FY 2017

\$0

\$0

\$0

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

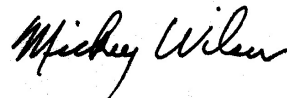
The proposed legislation appears to have no direct fiscal impact.

This proposal would be effective January 1, 2015

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
Alcohol and Tobacco Control



Mickey Wilson, CPA
Director
April 7, 2014

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