

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 5079-02  
Bill No.: Perfected HB 2028  
Subject: Alcohol; Licenses - Liquor and Beer  
Type: Original  
Date: April 19, 2016

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Bill Summary: This proposal relates to liquor control.

**FISCAL SUMMARY**

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 5 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

☐ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

In response to the original proposal, officials from the **Department of Public Safety - Alcohol and Tobacco Control (ATC)** assumed the proposal would not fiscally impact their agency.

#### House Amendment 1:

**Oversight** assumes House Amendment 1 would not have a fiscal impact on the state or local political subdivisions.

#### House Amendment 2:

In response to a similar proposal from this year (HCS for HB 2445), officials from the **Department of Public Safety (DPS) - Alcohol and Tobacco Control (ATC)** assumed the proposal would not create a fiscal impact on their agency.

**Oversight** notes that the Division of Alcohol and Tobacco Control Fund (0544) was created by Truly Agreed To and Finally Passed SB 373 in the 2015 session. The balance of the fund on January 31, 2016 was \$149,630.

Oversight also notes that the appropriations for the ATC for FY 2016 (TAFP version of HB 8) and FY 2017 (in the introduced and perfected versions of HB 2008) were:

Fund	FY 2016 TAFP	FY 2017 Introduced	FY 2017 Perfected
General Revenue (0101)	\$843,441	\$0	\$0
Alcohol and Tobacco Control (0544)	\$0	\$858,560	\$1,604,690
Federal Funds (0152)	\$165,552	\$167,594	\$167,594
Healthy Families (0625)	\$145,618	\$147,870	\$147,870
TOTAL	\$1,154,611	\$1,174,024	\$1,920,154
FTE	19 FTE	19 FTE	27 FTE

Actual expenditures for the ATC for the last three years have been:

FY 2013                \$1,099,542;  
FY 2014                \$1,005,623; and  
FY 2015                \$ 941,642

ASSUMPTION (continued)

Oversight also notes that the Department recommendation for FY 2017 was for 27 FTE, with the additional 8 FTE (\$746,130) coming from the ATC dedicated funding. According to DPS's FY 2017 budget submission, the 19 core FTE from FY 2016 was reduced to 3 FTE, with 16 FTE switching from General Revenue to the Alcohol and Tobacco Control Fund.

House Amendment 3:

In response to a similar proposal from this year (SB 859), officials from the **Department of Public Safety - Alcohol and Tobacco Control** assumed the proposal would not fiscally impact their agency.

House Amendment 4:

In response to a similar proposal from this year (HB 2282), officials from the **Department of Public Safety - Alcohol and Tobacco Control** assumed the proposal would not fiscally impact their agency.

In response to a similar proposal from this year (HB 2282), officials from the **Office of the Secretary of State (SOS)**, assumed many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, we also recognize that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what our office can sustain with our core budget. Therefore, we reserve the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

**Oversight** assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

In response to a similar proposal from this year (HB 2282), officials from the **Joint Committee on Administrative Rules** stated this legislation is not anticipated to cause a fiscal impact beyond its current appropriation.

<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
	<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.

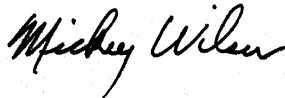
FISCAL DESCRIPTION

The proposed legislation appears to have no direct fiscal impact.

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  
Office of the Secretary of State  
Joint Committee on Administrative Rules



Mickey Wilson, CPA  
Director  
April 19, 2016

Ross Strope  
Assistant Director  
April 19, 2016