

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0051-04  
Bill No.: Perfected HCS for HB 433  
Subject: Alcohol; Business and Commerce  
Type: Original  
Date: April 11, 2017

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Bill Summary: This proposal modifies provisions relating to the sale of intoxicating liquor.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>
General Revenue	\$16,380	\$21,840	\$21,840
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$16,380</b>	<b>\$21,840</b>	<b>\$21,840</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>
ATC Dedicated Licensing	\$38,220	\$50,960	\$50,960
<b>Total Estimated Net Effect on Other State Funds</b>	<b>\$38,220</b>	<b>\$50,960</b>	<b>\$50,960</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 2018</b>	<b>FY 2019</b>	<b>FY 2020</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 2018</b>	<b>FY 2019</b>	<b>FY 2020</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 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**FISCAL ANALYSIS**

**ASSUMPTION**

Officials from the **Department of Public Safety (DPS) - Alcohol and Tobacco Control (ATC)** state there are currently 1,162 active wine direct shipper licensees and 6 active alcohol carrier licensees. ATC assumes that 40% of the wine direct shipper licensees who ship very little wine into Missouri will not apply if they are required to pay a \$100 annual fee. ATC estimates collections of \$72,800 annually from licensing fees, 698 (1,162 x .60) wine direct shipper licenses X \$100 license fee totaling \$69,800 and 6 carrier licenses X \$500 license fee totaling \$3,000, with 70% of collections going to the ATC Dedicated Fund in the amount of \$50,960 and 30% of collections going to the General Revenue Fund in the amount of \$21,840 as provided for under section 311.730.

wine direct shipper license revenue	\$69,800	General Revenue (30%)	\$21,840
alcohol carrier license	<u>\$ 3,000</u>	ATC Dedicated (70%)	<u>\$50,960</u>
total	\$72,800	Total	\$72,800

**House Amendments 1 - 3:**

Officials from the **ATC** assume the amendments would not have a fiscal impact on their agency.

**This proposal will increase Total State Revenues.**

<u>FISCAL IMPACT - State Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
<b>GENERAL REVENUE FUND</b>			
<u>Income</u> - DPS ATC §§311.185 - 311.420			
fee revenue for wine direct shipper license and/or alcohol carrier license	<u>\$16,380</u>	<u>\$21,840</u>	<u>\$21,840</u>
<b>ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND</b>	<b><u>\$16,380</u></b>	<b><u>\$21,840</u></b>	<b><u>\$21,840</u></b>

<u>FISCAL IMPACT - State Government</u> (continued)	FY 2018 (10 Mo.)	FY 2019	FY 2020
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**ATC DEDICATED FUND**

<u>Income</u> - DPS ATC §§311.185 - 311.420 fee revenue for wine direct shipper license and/or alcohol carrier license	<u>\$38,220</u>	<u>\$50,960</u>	<u>\$50,960</u>
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<b>ESTIMATED NET EFFECT TO THE ATC DEDICATED FUND</b>	<b><u>\$38,220</u></b>	<b><u>\$50,960</u></b>	<b><u>\$50,960</u></b>
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<u>FISCAL IMPACT - Local Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Certain small alcohol-related businesses could be impacted by this proposal.

FISCAL DESCRIPTION

This bill makes changes to the law regarding wine direct shipper licenses. The bill requires a \$100 per year licensing fee. It also requires a winery located out of state to make monthly rather than yearly reports to the supervisor of alcohol and tobacco control listing the total amount of wine shipped into the state.

Under this bill, an alcohol carrier license would be required in order to transport and deliver shipments of intoxicating liquor directly to a resident of this state. The bill sets out certain requirements the alcohol carrier licensees need to meet, including obtaining the signature of a person at least 21 years of age as a condition of delivery. Under this bill, intoxicating liquor can only be shipped from a wine direct shipper or licensed retailer. However, a retailer without an alcohol carrier license can deliver directly to a resident under certain circumstances.

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 - Alcohol and Tobacco Control



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April 11, 2017

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April 11, 2017