

HCS HB 1162 -- EXCISE TAX AND ALCOHOL-RELATED PROBLEMS

SPONSOR: Cooper, 155 (Deeken)

COMMITTEE ACTION: Voted "do pass" by the Committee on Health Care Policy by a vote of 11 to 0.

This substitute creates the Fund for the Reduction of Alcohol-Related Problems and Underage Drinking to be administered by the State Treasurer. The fund will receive moneys through appropriation by the General Assembly, private donations, and excise tax revenues from the sale of alcohol. The funds will be implemented over a three-year period, beginning in Fiscal Year 2008 with one-third of the amount received to be deposited into the fund. For Fiscal Year 2009, two-thirds will be deposited; and for Fiscal Year 2010, all moneys received will be deposited into the fund.

Half of the moneys in the fund will be used for prevention and law enforcement and half for treatment and recovery of alcohol-related problems through statutory programs. "Alcohol-related problems" are defined and described, along with examples of services and programs.

The provisions of the substitute will expire six years from the effective date.

FISCAL NOTE: Estimated Cost on General Revenue Fund of \$0 in FY 2007, \$9,057,551 in FY 2008, and \$18,115,103 in FY 2009. No impact on Other State Funds in FY 2007, FY 2008, and FY 2009.

PROPOSERS: Supporters say the bill will give the citizens of Missouri the opportunity to decide if they are willing to support an excise tax increase on the sale of alcohol. Currently, Missouri has the second lowest excise tax on beer, and the tax has not been increased in 36 years. Treatment and prevention are the best methods in handling alcohol-related problems; however, limited budgets result in treatment centers having long waiting lists and often turning people away at crucial times. The bill will have only an insignificant affect on non-problem drinkers and no affect on those who do not drink.

Testifying for the bill were Representative Deeken; Missouri Recovery Network; United Methodist Church Missouri Conference Task Force on Alcohol, Tobacco, and Other Drugs; Mothers Against Drunk Driving - Missouri; National Alliance on Mental Illness; Preferred Family Healthcare; Crossroads Community Recovery Center; Missouri's Youth/Adult Alliance; National Council on Alcoholism and Drug Abuse; Southeast Missouri Youth Substance Abuse Coalition; Amanda Davis; Jamie Myers; Amanda Underwood; Patty Berger; Edward Duff; Kathy Neal; Kelly Vansell; Donald V. Cline; Ed Moses; Don Carter; Bill Tackett; Connie Berhorst; Daphne Walker-Thoth; Jamie Scott; and Gary Hillebrand.

OPPONENTS: Those who oppose the bill say that one industry should not be singled out to pay for services that are available to everyone. Last year this industry paid \$29 million in excise tax fees, and there is a need to see where this money is being spent. Some argue that the increase in the tax will be ineffective since treatment success is greater for those who seek help, rather than for those who were court ordered. It is the responsibility of parents to look after their children and not the duty of the government. Some questioned if citizens would be able to understand the bill if it went to a referendum.

Testifying against the bill were Anheuser-Busch, Incorporated; Missouri Beer Wholesalers Association; Miller Brewing Company; and Missouri Wine and Grape Board.

OTHERS: Others testifying on the bill say that more money for alcohol and drug treatment will help many people.

Others testifying on the bill were Missouri Partners in Prevention; Department of Mental Health; and Honorable Peggy D. Davis.

Dominic Lackey, Legislative Analyst