

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4066-01
Bill No.: HB 1121
Subject: Alcohol; Public Safety Department; Licenses - Liquor and Beer
Type: Original
Date: December 27, 2013

Bill Summary: This proposal requires brew-on-premises facilities to obtain a license from the Division of Alcohol and Tobacco Control.

FISCAL SUMMARY

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

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 - Division of Alcohol and Tobacco Control (ATC)** estimate there will be 5 brew-on-premises licensed in this manner, resulting in fee revenue of approximately \$250 the first year and \$125 each year thereafter. ATC states they believe there will not be a large number of participants for this type of license.

Oversight will reflect this additional income as "minimal" to the General Revenue Fund.

According to officials from the **Office of the Secretary of State (SOS)**, 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.

Officials from the **Joint Committee on Administrative Rules** state this legislation is not anticipated to cause a fiscal impact beyond its current appropriation.

This proposal could minimally increase Total State Revenues.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
GENERAL REVENUE FUND			
<u>Income</u> - Department of Public Safety - Division of Alcohol and Tobacco Control License revenue for brew-on-premises	<u>Minimal</u>	<u>Minimal</u>	<u>Minimal</u>
ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND	<u>MINIMAL</u>	<u>MINIMAL</u>	<u>MINIMAL</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

Small businesses that provide this service would have to be licensed as a result of this proposal.

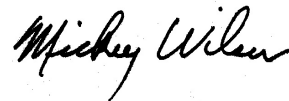
FISCAL DESCRIPTION

This proposal requires brew-on-premises facilities to obtain a license from the Department of Public Safety - Division of Alcohol and Tobacco Control. The initial license fee will be \$50, with an annual renewal fee of \$25.

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
Division of Alcohol and Tobacco Control
Office of the Secretary of State
Joint Committee on Administrative Rules



Mickey Wilson, CPA
Director
December 27, 2013

Ross Strobe
Assistant Director
December 27, 2013