

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3892-02
Bill No.: Truly Agreed to and Finally Passed SCS for SB 1062
Subject: Licenses - Professional; Alcohol.
Type: Original
Date: May 17, 2004

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
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 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Public Safety - Alcohol and Tobacco Control** state this proposal provides for a new section of law that will create two new caterers license types. One of the new annual caterers licenses will cost \$500 and be limited to fifty days. The other annual caterers license will cost \$1,000 and be for an unlimited number of days during the year.

The catering licenses are presently available under Section 311.085 at \$10 per day. These two new license types will allow annual licenses and eliminate the necessity of getting a license for every day or event. Therefore, the revenue collections will not change and current appropriations can cover additional licensing expenditures related to this change.

In response to a previous version of this proposal, officials from the **Department of Revenue** assumed the proposal would have no fiscal impact on their agency.

Officials from the **City of Springfield** assume the proposal would not have a fiscal impact to them.

ASSUMPTION (continued)

In response to a previous version of this proposal, officials from the **City of Kansas City** stated the proposal would fiscally impact them in the following ways:

Savings: Staff processing time will be reduced. This reduction will allow for time devoted to processing applications with greater fee value; total savings offset per year: \$375.00

Costs: The only additional cost that may be incurred is staff time to add this type of permit into the KIVA permitting and tracking system and to build an application and process for this type of permit.

Losses: Most of the revenue received for catering permits is received from the large event caterers. These caterers account for at least 75% of revenues received. It is our conclusion that larger caterer will benefit from this legislation, thereby reducing our catering revenue by at least \$59,460 or 50%. However, if the fee for the annual catering license accounts, in some way, for the amount catering events hosted by larger caterers, the loss maybe offset.

Officials from **Greene County**, the **City of St. Louis** and the **City of Columbia** did not respond to our request for fiscal impact.

Oversight will assume cities and counties will be able to administer this proposal without incurring additional expenses. Oversight will also utilize the Division of Alcohol and Tobacco Control's assumption that this proposal will be revenue-neutral at both the state and local levels.

<u>FISCAL IMPACT - State Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Small business caterers that serve alcohol could be fiscally impacted by this proposal.

DESCRIPTION

This substitute proposal allows caterers to have special licenses to sell liquor at certain functions. There are two special licenses that may be issued. One license is valid for a maximum of fifty days and the fee is \$500. The other license available is for an unlimited number of functions and is valid for one year. The fee for this license is \$1,000.

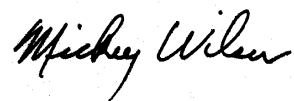
The substitute proposal requires that those being issued such licenses must report to the supervisor of alcohol and tobacco control the location of each function at least three days in advance.

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
Department of Revenue
City of Kansas City
City of Springfield

NOT RESPONDING: City of St. Louis, City of Columbia, Greene County



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