

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1605-02
Bill No.: SB 461
Subject: Health, Public; Business and Commerce
Type: Original
Date: March 6, 2001

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
General Revenue	(\$604,011)	(\$634,212)	(\$665,923)
Total Estimated Net Effect on <u>All</u> State Funds	(\$604,011)	(\$634,212)	(\$665,923)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
None			
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 3 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Health (DOH)** state that currently each manufacturer and distributor pays an annual license fee of \$1.00 and an inspection fee of three-tenths cent per gallon for beverages manufactured or sold in Missouri. DOH states they perform between 40 and 50 inspections per year. DOH states they would continue to inspect these manufacturer and distributor under 196.055. DOH states the total revenue received from these fees in FY 1998 was \$481,415, FY 1999 in \$485,705, and in FY 2000 \$547,856. DOH, assuming a 5% increase each year, project that revenues would be \$604,011 in FY 2002, \$634,212 in FY 2003, and \$665,923 in FY 2004. DOH states the three year totals \$1,904,146. DOH state the 5% assumption is based on: 1) improved tracking system; 2) staff with complete program responsibility; 3)increased audit and payment follow-up. DOH assumes that all current manufacturers/distributors could qualify for the FDA exemption. DOH states the revenue currently collected goes directly to General Revenue and is not specifically earmarked for DOH. Therefore, DOH has projected a loss to General Revenue.

This proposal would result in a decrease in Total State Revenues.

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
---	---------------------	---------	---------

GENERAL REVENUE FUND

<u>Loss - Department of Health</u>			
Licensing and inspection fees	<u>(\$604,011)</u>	<u>(\$634,212)</u>	<u>(\$665,923)</u>

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(\$604,011)</u>	<u>(\$634,212)</u>	<u>(\$665,923)</u>
---	---------------------------	---------------------------	---------------------------

<u>FISCAL IMPACT - Local Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Small businesses would expect to be fiscally impacted to the extent they would incur a reduction in licensing and inspection fees as a result of the requirements of this proposal.

DESCRIPTION

This proposal would revise inspection provisions for beverage manufacturers and distributors. A new section 196.367 would be created to exempt any manufacturer or distributor from the inspection provisions in Sections 196.365 - 196.445, RSMo, if it has received approval after federal food safety inspection and if it satisfies all applicable Food and Drug Administration regulations.

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 Health



Jeanne Jarrett, CPA
Director

March 6, 2001