

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3512-04
Bill No.: Perfected SCS for SB 834
Subject: Aircraft and Airports; Alcohol; Licenses - Liquor and Beer.
Type: Original
Date: March 7, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
General Revenue	\$1,600	\$1,600	\$1,600
Total Estimated Net Effect on <u>All</u> State Funds	\$1,600	\$1,600	\$1,600

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
None			
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Local Government	\$2,800	\$2,800	\$2,800

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Public Safety - Division of Liquor Control (DLS)** state this proposal would allow their agency to issue a license for Sunday liquor by the drink at establishments within an international airport. The license fee for this would be \$200 annually.

DLS estimates that eight Sunday licenses will be issued as a result of this proposal. Therefore, DLS estimates that \$1,600 (\$200 x 8) will be generated annually by the bill. DLS also assumes any cost associated with this proposal can be absorbed through existing appropriations.

DLS states that Section 311.220 RSMo allows cities to charge one and one half of the state liquor license fee amount, and the county to charge an equal amount of the state liquor license fee amount. Therefore, DLS estimates the Kansas City International Airport, estimated to have 4 licenses, would generate \$1,200 (4 licenses x 1.5 times x \$200) in annual revenue for the City of Kansas City, and \$800 (4 licenses x \$200) in annual revenue for Platte County. DLS also estimates the St. Louis International Airport, estimated to have 4 licenses, would generate \$800 for St. Louis County, and \$0 city revenue since the St. Louis International Airport is not located within a city.

In response to similar legislation from this year, officials from the **City of Kansas City (CKC)** assumed this proposal would allow airlines, such as American Airlines and Delta Air Lines, to sell liquor by the drink in airline clubs (also called first class lounges) in Missouri's international airports (Kansas City and St. Louis). CKC assumes this proposal would result in annual city revenues of under \$1,000 from sales of licenses to businesses at the airport and for the employees who serve liquor. CKC also assumes the cost of issuance of the licenses will approximate the revenue generated, resulting in no net fiscal impact for the city.

Oversight assumes the city and county officials could issue the necessary liquor licenses with existing resources.

In response to similar legislation from this year, officials from the **Department of Transportation** assume this proposal would not fiscally impact their agency.

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

Oversight assumes, with the emergency clause, a full year of income would be collected in FY 2003.

FISCAL IMPACT - State Government

FY 2003

FY 2004

FY 2005

GENERAL REVENUE

Revenue - Fees for Sunday by-the-drink
liquor licenses at international airports

\$1,600

\$1,600

\$1,600

FISCAL IMPACT - Local Government

FY 2003

FY 2004

FY 2005

COUNTIES AND CITY

Revenue - Fees for Sunday by-the-drink
liquor licenses at international airports

\$2,800

\$2,800

\$2,800

FISCAL IMPACT - Small Business

This proposal would impact small businesses that intend to sell liquor on Sundays within Kansas City International Airport or Lambert Airport.

DESCRIPTION

This proposal allows the Supervisor of Liquor Control to issue a retail license to sell intoxicating liquor between the hours of 11:00 a.m. and midnight on Sunday to any establishment located in an international airport and owned or leased and operated by an airline. This license will cost \$200 in addition to all other fees required by law. City and county regulations and fees will also apply to the license.

This proposal has an emergency clause.

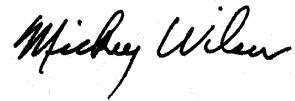
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

RS:LR:OD (12/01)

Department of Public Safety - Division of Liquor Control
Department of Transportation
City of Kansas City

NOT RESPONDING: **City of St. Louis, St. Louis County, Platte County**

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Acting Director

March 7, 2002