

Fiscal Estimate - 2007 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 07-1930/1	Introduction Number AB-0474	
Description Increasing the tax on fermented malt beverages to fund law enforcement grants and alcohol and drug abuse treatment and prevention programs, granting rule-making authority, and making appropriations		
Fiscal Effect		
State:		
<input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate		
<input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget		
<input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
<input checked="" type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs		
Local:		
<input type="checkbox"/> No Local Government Costs <input checked="" type="checkbox"/> Indeterminate		
1. <input type="checkbox"/> Increase Costs 3. <input type="checkbox"/> Increase Revenue 5. Types of Local Government Units Affected		
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities		
2. <input type="checkbox"/> Decrease Costs 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Counties <input type="checkbox"/> Others		
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts		
Fund Sources Affected		
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS		
Affected Ch. 20 Appropriations		
Agency/Prepared By	Authorized Signature	Date
DOA/ Nancy Foss (608) 266-5877	Martha Kerner (608) 266-1359	8/13/2007

Fiscal Estimate Narratives

DOA 8/13/2007

LRB Number	07-1930/1	Introduction Number	AB-0474	Estimate Type	Original
Description Increasing the tax on fermented malt beverages to fund law enforcement grants and alcohol and drug abuse treatment and prevention programs, granting rule-making authority, and making appropriations					

Assumptions Used in Arriving at Fiscal Estimate

The proposed bill would increase the tax rate for the tax on fermented malt beverages from \$2 per barrel to \$10 per barrel. As part of this increase, an amount of the taxes collected on fermented malt beverages equal to \$2 per barrel will be used by the Office of Justice Assistance (OJA) to provide grants to counties and municipalities to reduce crimes related to alcohol use by employing additional law enforcement officers, obtain equipment and training and pay overtime salary and fringe benefits of the law enforcement officers.

Based on Section 10 of the bill, it is estimated that OJA would have \$9,400,000 available to fund these grants. Since no award may be granted in excess of \$250,000 to any county or municipality, it is likely that there would be 35 to 50 annual awards per year. Criteria that will be used to allocate the funds will be developed by OJA and are not subject to administrative rules.

There is a match required of at least 10 percent of the grant amount. As it is not possible to identify which counties and municipalities would be awarded grants in any given year, it is not possible to identify where the minimum of \$940,000 funds match would be generated.

OJA has no administrative funds available to implement, monitor, and administer the proposed grant program. Since the bill would only allow funds raised by the \$2 per barrel tax increase to be used for grants, it is estimated that OJA would need \$301,400 GPR annually and 3.50 GPR FTE for administrative functions (develop the application, create the selection criteria, review plans, provide the fiscal functions required for grant payments, etc.).

Long-Range Fiscal Implications

Unknown. At a minimum, the annual GPR administrative costs would be \$301,400 plus pay plan and increased fringe benefit costs.

Fiscal Estimate Worksheet - 2007 Session

Detailed Estimate of Annual Fiscal Effect

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Description Increasing the tax on fermented malt beverages to fund law enforcement grants and alcohol and drug abuse treatment and prevention programs, granting rule-making authority, and making appropriations			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes	\$301,400		\$
(FTE Position Changes)			
State Operations - Other Costs			
Local Assistance	9,400,000		
Aids to Individuals or Organizations			
TOTAL State Costs by Category	\$9,701,400		\$
B. State Costs by Source of Funds			
GPR	301,400		
FED			
PRO/PRS	9,400,000		
SEG/SEG-S			
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)			
	Increased Rev	Decreased Rev	
GPR Taxes	\$		\$
GPR Earned			
FED			
PRO/PRS	9,400,000		
SEG/SEG-S			
TOTAL State Revenues	\$9,400,000		\$
NET ANNUALIZED FISCAL IMPACT			
	State	Local	
NET CHANGE IN COSTS	\$9,701,400		\$
NET CHANGE IN REVENUE	\$9,400,000		\$
Agency/Prepared By		Authorized Signature	Date
DOA/ Nancy Foss (608) 266-5877		Martha Kerner (608) 266-1359	8/13/2007