February 19, 2013

The Honorable Ralph Ostmeyer, Chairperson
Senate Committee on Federal and State Affairs
Statehouse, Room 136-E
Topeka, Kansas  66612

Dear Senator Ostmeyer:

SUBJECT:   Fiscal Note for SB 203 by Senate Committee on Federal and State Affairs

In accordance with KSA 75-3715a, the following fiscal note concerning SB 203 is respectfully submitted to your committee.

SB 203 would amend the Club and Drinking Establishment Act to clarify that hotels are allowed to distribute coupons redeemable for drinks containing alcoholic liquor. The hotel would be required to remit the liquor drink tax in accordance with the Liquor Drink Tax Act. When the entire premise of a hotel is not licensed as a drinking establishment, the club or drinking establishment redeeming coupons issued by the hotel would be required to collect and remit the tax. In any case, the tax would be based on a price which is not less than the acquisition cost of the drink.

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<th>FY 2013 SGF</th>
<th>FY 2013 All Funds</th>
<th>FY 2014 SGF</th>
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Since the provisions of SB 203 codify a long time practice of the alcoholic beverage industry which the Division of Alcoholic Beverage Control (ABC) has allowed, the Department of Revenue indicates that it would have no fiscal effect on revenues. The Department estimates the bill would increase its expenditures by $4,800 in FY 2014 to implement minor changes to the ABC computer system. Any fiscal effect associated with SB 203 is not reflected in The FY 2014 Governor’s Budget Report.

Sincerely,

Steven J. Anderson, CPA, MBA
Director of the Budget

cc:  Steve Neske, Revenue