

March 4, 2020

The Honorable John Barker, Chairperson
House Committee on Federal and State Affairs
Statehouse, Room 285-N
Topeka, Kansas 66612

Dear Representative Barker:

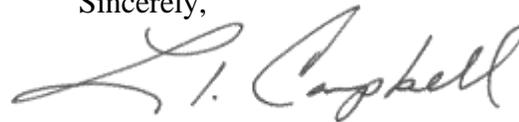
SUBJECT: Fiscal Note for HB 2672 by House Committee on Federal and State Affairs

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2672 is respectfully submitted to your committee.

HB 2672 would amend the Club and Drinking Establishment Act to allow licensees to purchase and sell cereal malt beverages using a state-issued liquor license instead of also having to use an off-premise cereal malt beverage (CMB) retailer license. Currently, licensees are required to pay a fee for a state liquor license to sell alcoholic liquor and beer, and a fee for a CMB retailer license to sell cereal malt beverages. The bill includes technical amendments.

The Department of Revenue indicates HB 2672 would have no fiscal effect on state revenues. The Department indicates that the bill would require it to revise certain license handbooks and license privileges that are printed on the license certificates; however, those costs are estimated to be negligible and could be absorbed within existing resources. This bill also is estimated to decrease local license fee revenues; however, the specific estimate of lower license fee revenues was not calculated by the Department of Revenue. The Department of Revenue indicates that local license fees for CMB retailer licenses varies from \$25 to \$200. The Kansas Association of Counties and the League of Kansas Municipalities indicate that the bill would reduce revenues to local governments from retailers no longer being required to obtain a CMB retailer license to sell cereal malt beverages. These fees are used in part to finance local governments.

Sincerely,



Larry L. Campbell
Division of the Budget

cc: Jay Hall, Association of Counties
Ben Cleaves, Transportation
Lynn Robinson, Department of Revenue
Trey Cocking, League of Municipalities