

February 2, 2021

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

Dear Representative Barker:

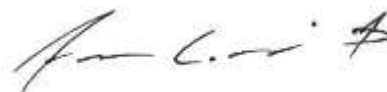
SUBJECT: Fiscal Note for HB 2137 by House Committee on Federal and State Affairs

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2137 is respectfully submitted to your committee.

HB 2137 would permit the sale of cereal malt beverage (CMB) by liquor by-the-drink license holders, sales of temporary permit holders, and consumption in common consumption areas. The bill would update the Liquor Control Act and the Club and Drinking Establishment Act to include the sale of CMB. The bill would allow a retail liquor store to sell CMB at wholesale to an on-premise liquor licensee or a CMB retailer.

The Department of Revenue indicates HB 2137 would have no fiscal effect on CMB or liquor tax revenue. The bill would have no fiscal effect on the operations of the Department of Revenue. The Department indicates that there would be a small reduction in the number of on-premises CMB retailer licenses issued by the city or county that could have an impact on their budgets due to reduced license fee collections; however, the reduction in licensee fee revenue is estimated to be negligible. Any fiscal effect associated with HB 2137 is not reflected in *The FY 2022 Governor's Budget Report*.

Sincerely,



Adam Proffitt
Director of the Budget

cc: Jay Hall, Association of Counties
Lynn Robinson, Department of Revenue
Wendi Stark, League of Municipalities