Shawn Sullivan, Director of the Budget



Phone: (785) 296-2436 Fax: (785) 296-0231 shawn.sullivan@ks.gov

Sam Brownback, Governor

January 22, 2018

The Honorable Les Mason, Chairperson House Committee on Commerce, Labor and Economic Development Statehouse, Room 521-E Topeka, Kansas 66612

Dear Representative Mason:

SUBJECT: Fiscal Note for HB 2482 by House Committee on Commerce, Labor and Economic Development

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2482 is respectfully submitted to your committee.

Under current law, public venues, clubs, and drinking establishments are prohibited from serving, mixing, or consumption of alcoholic liquor on its premises between the hours of 2:00 a.m. and 9:00 a.m. HB 2482 would change this prohibition to the hours of 2:00 a.m. and 6:00 a.m. The bill would also define the term "day" to be from 6:00 a.m. to 2:00 a.m. the following calendar day.

The Department of Revenue indicates that HB 2482 has the potential to increase liquor tax collections by permitting public venues, clubs, and drinking establishments to serve alcoholic liquor starting at 6:00 a.m. However, the potential increase in liquor tax collections is estimated to be negligible. The Department does not have data to determine how many public venues, clubs, and drinking establishments would now serve alcoholic liquor earlier than the current law restriction of 9:00 a.m. or if consumer behavior would change as a result of this proposed change to provide a precise estimate of the increase in liquor tax collections. The Department indicates that the administrative costs associated with implementing the provisions of HB 2482 would be negligible and could be absorbed within existing resources.

The Kansas Association of Counties indicates that the bill would have no fiscal effect on counties. The League Kansas Municipalities indicates that the bill has the potential to increase alcohol sales which would provide additional revenues to local governments.

Sincerely,

Shawn Sullivan, Director of the Budget

cc: Lynn Robinson, Department of Revenue Chardae Caine, League of Municipalities Willie Prescott, Office of the Attorney General Melissa Wangemann, Association of Counties