

April 13, 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 2453 by House Committee on Federal and State Affairs

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2453 is respectfully submitted to your committee.

HB 2453 would authorize a retailer, their representative, or a third-party delivery platform, to deliver cereal malt beverages or beer containing not more than 6.0 percent alcohol by volume directly to a customer's home or other address. The bill would create certain requirements for representatives and third-party delivery platforms regarding packaging, transporting, and delivering cereal malt beverages or beer, including verifying identification and obtaining a signature from the buyer. Any licensee representative or third-party delivery platform would be required to hold a valid delivery permit issued by the Director of the Department of Revenue Division of Alcoholic Beverage Control, which would include a \$25 delivery permit fee. The bill would also allow a retailer to use electronic means to market, receive, and process orders.

The bill would require a third-party delivery platform to follow certain guidelines regarding agreements between the platform and a retailer. In addition, the Department of Revenue Division of Alcoholic Beverage Control would have the authority to inspect the premises of a retailer, representative, or third-party delivery platform and could impose a civil fine up to \$500 for each violation as well as suspend the retailer's or delivery permit holder's authority to deliver cereal malt beverage or beer for up to 30 days. The bill would become effective upon its publication in the statute book.

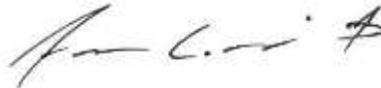
The Department of Revenue Division of Alcoholic Beverage Control estimates that enactment of the bill would decrease revenues received by the liquor enforcement tax and would increase sales tax. The Division also indicates that it would be required to make modifications to its licensing systems to create a new permit as well as update its website, create a handbook, and

update the active license database to reflect the new permits issued. However, a precise fiscal effect cannot be determined. Any fiscal effect associated with HB 2453 is not reflected in *The FY 2022 Governor's Budget Report*.

The League of Kansas Municipalities indicates that enactment of the bill could result in additional tax revenues for cities if the sales of cereal malt beverages and beer increase as a result of the bill, but a fiscal effect cannot be determined.

The Kansas Association of Counties indicates that enactment of the bill could create additional obligations for county law enforcement agencies and district courts. However, a fiscal effect cannot be determined.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam Proffitt", with a stylized flourish at the end.

Adam Proffitt
Director of the Budget

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