

February 9, 2021

The Honorable Robert Olsen, Chairperson
Senate Committee on Commerce
Statehouse, Room 236A-E
Topeka, Kansas 66612

Dear Senator Olsen:

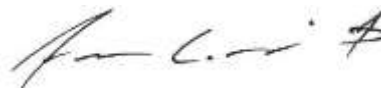
SUBJECT: Fiscal Note for SB 126 by Senate Committee on Commerce

In accordance with KSA 75-3715a, the following fiscal note concerning SB 126 is respectfully submitted to your committee.

SB 126 would authorize the sale of alcoholic liquor by a Class A club to nonmembers of the club at special events. This could only occur during events in which the licensee would have to electronically notify the Alcohol Beverage Control Director (ABC) at least 48 hours prior to the event. The Director would then have to notify local law enforcement. The notification would need to contain the time, location and the names of the contracting parties of the event and the licensee would need to retain all documents for a period of three years for inspection by the Director.

The Department of Revenue estimates the enactment of SB 126 would increase expenditures by \$10,500 from the State General Fund in FY 2022 for costs to make changes to the Class A handbook and establish an electronic notification system for Class A club licensees to report special events to ABC. The Kansas Association of Counties and the League of Kansas Municipalities indicates SB 126 may increase tax revenues for counties and cities from the sale of alcohol; however, but the fiscal effect cannot be estimated. The Kansas Association of Counties indicates the potential for additional tax revenue would need to be balanced against the potential costs for additional law enforcement. Any fiscal effect associated with SB 126 is not reflected in *The FY 2022 Governor's Budget Report*.

Sincerely,



Adam Proffitt
Director of the Budget

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