

February 13, 2015

The Honorable Ralph Ostmeyer, Chairperson
Senate Committee on Federal and State Affairs
Statehouse, Room 136-E
Topeka, Kansas 66612

Dear Senator Ostmeyer:

SUBJECT: Fiscal Note for SB 152 by Senate Committee on Federal and State Affairs

In accordance with KSA 75-3715a, the following fiscal note concerning SB 152 is respectfully submitted to your committee.

SB 152 would add definitions for “dispense” and “infuse” to the Kansas Liquor Control Act. Dispense would mean to portion out servings of liquor for consumption, to include pouring drinks and opening original containers of alcoholic liquor. Infuse would mean to add flavor or scent to a liquor by steeping additional ingredients in the liquid. The bill would require alcoholic liquor to be dispensed only from original containers except the licensee, agent or employee may dispense from (1) a machine or container used to mix alcoholic liquor with other liquids or solids; (2) from a machine or container used to chill liquor, which may contain additional liquids or solids; or (3) from a container used to infuse alcoholic liquor with other substances.

Drinking establishments would be prohibited from refilling any original container with alcoholic liquor or any other substance. Drinking establishments would be allowed to infuse alcoholic liquor with spices, herbs, fruits, vegetables, candy or other substances intended for human consumption, if no additional fermentation occurs during the process. The bill also would require a caterer to provide electronic notification to the Director of Alcoholic Beverage Control prior to any event where the caterer will sell liquor by the drink, which the Director would make available to local law enforcement. The caterer would be required to maintain documentation on the event for three years including agreements, receipts, employees assigned to the event and records of alcohol purchased.

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Estimated State Fiscal Effect				
	FY 2015 SGF	FY 2015 All Funds	FY 2016 SGF	FY 2016 All Funds
Revenue	--	--	--	--
Expenditure	--	--	--	\$42,422
FTE Pos.	--	--	--	--

The Department of Revenues estimates SB 152 would increase expenditures for FY 2016 by \$42,422, including \$24,272 for a part-time administrative employee to facilitate the processing of caterers' notifications with the licensing unit and communication with local law enforcement agencies. The estimate also includes \$18,150 for licensing equipment and to update the liquor processing system. Any fiscal effect associated with SB 152 is not reflected in *The FY 2016 Governor's Budget Report*.

Sincerely,



Shawn Sullivan,
Director of the Budget

cc: Jack Smith, KDOR