

February 24, 2021

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

Dear Senator Alley:

SUBJECT: Fiscal Note for SB 252 by Senate Committee on Federal and State Affairs

In accordance with KSA 75-3715a, the following fiscal note concerning SB 252 is respectfully submitted to your committee.

SB 252 would create a fulfillment house license to be issued by the Director of Alcoholic Beverage Control (ABC). The holder of a fulfillment house license would be allowed to provide services for the warehousing, packaging and shipping of alcoholic liquor produced by and belonging to a special order shipping licensee. To obtain a fulfillment house license an applicant would be required to pay a license fee of \$100 and any license issued would remain valid for two years from the date specified on the license. A licensee would be required to make reasonable efforts to confirm that any winery for whom they ship is the holder of a special order shipping license. In addition, all containers of alcoholic liquor shipped would be required to contain the name, address and license number of both the fulfillment house and the special order shipper for whom the alcohol is being shipped.

The containers would also be required to contain a conspicuously printed statement of "SIGNATURE OF PERSON AGE 21 OR OLDER REQUIRED FOR DELIVERY." The bill would also require all shipments to be shipped using a common carrier in accordance with current law. SB 252 would require fulfillment house licensees to keep records of all shipments for a period of three years to include:

1. The name, address and license number of the special order shipper for whom the alcoholic liquor is being shipped;
2. The name and license number of the common carrier used;

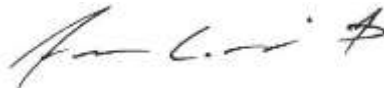
3. The date of each shipment;
4. The carrier tracking number;
5. The name and address of the consignee; and
6. The weight of the package and the product type of alcoholic liquors shipped.

These records would be required to be submitted electronically each month to ABC. The bill provides that a willful failure or refusal to file this report would result in a civil penalty of no more than \$100. The bill would include technical amendments.

Estimated State Fiscal Effect				
	FY 2021 SGF	FY 2021 All Funds	FY 2022 SGF	FY 2022 All Funds
Revenue	--	--	--	\$5,000
Expenditure	--	--	\$56,000	\$56,000
FTE Pos.	--	--	--	--

The Kansas Department of Revenue estimates SB 252 would increase expenditures by \$56,000 from the State General Fund in FY 2022 for system updates; 760 hours needed to make changes to forms, websites and the Public One Stop Service Engine System; and to create a handbook. The Department estimates the bill would increase revenues to the Liquor Control Act License Fund by \$5,000 for 50 licenses at \$100 per license. Any fiscal effect associated with SB 252 is not reflected in *The FY 2022 Governor's Budget Report*.

Sincerely,



Adam Proffitt
Director of the Budget

cc: Lynn Robinson, Department of Revenue