

March 3, 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 2406 by House Committee on Federal and State Affairs

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2406 is respectfully submitted to your committee.

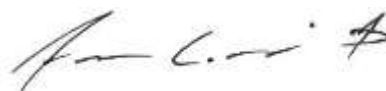
HB 2406 would allow the sale of alcohol on Memorial Day, Independence Day, and Labor Day. The bill would also allow for the sale of alcoholic liquor to be sold on Sundays between the hours of 10:00 a.m. and 11:00 p.m. as opposed to the current hours of 12:00 p.m. to 11:00 p.m.

The Department of Revenue indicates that enactment of the bill would require it to revise its retailers' handbook which would have a negligible fiscal effect that could be absorbed within existing resources. Any fiscal effect associated with HB 2406 is not reflected in *The FY 2022 Governor's Budget Report*.

The Kansas Association of Counties indicates that enactment of the bill could result in increased tax revenue for counties because licensees would be able to sell alcohol for longer hours. However, it is unclear if such increased revenue would be offset by enforcement costs and a fiscal effect cannot be estimated.

The League of Kansas Municipalities indicates that by increasing the hours for sale on Sunday and during summer holidays, enactment of the bill could increase sales tax revenue for cities. However, the League notes that if a petition is submitted requiring an election in order to expand the hours of Sunday sales, cities would bear the cost of holding such an election. A fiscal effect cannot be determined because the number of additional sales and potential elections cannot be estimated.

Sincerely,



Adam Proffitt
Director of the Budget

cc: Jay Hall, Association of Counties
Lynn Robinson, Department of Revenue