

March 3, 2016

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 468 by Senate Committee on Ways and Means

In accordance with KSA 75-3715a, the following fiscal note concerning SB 468 is respectfully submitted to your committee.

SB 468 would amend the Kansas Liquor Control Act by allowing a city or county to establish an entertainment district where alcoholic liquor may be consumed on public streets, alleys, roads, sidewalks, highways, parks and other open public lands located within the entertainment district. The boundaries of the entertainment district must be clearly identified. The bill prohibits alcoholic liquor to be consumed in a vehicle within the entertainment district and an open container of alcoholic liquor cannot be removed from the entertainment district.

The Department of Revenue indicates that SB 468 would have no fiscal effect on state revenues. The Department of Revenue estimates that the bill would require \$2,322 from the State General Fund in FY 2017 for administrative costs to implement the bill, including updating and testing of internal computer systems. The required programming for this bill by itself would be performed by existing staff of the Department of Revenue. However, if the combined effect of implementing this bill and other enacted legislation exceeds the Department's programming resources, or if the time for implementing the changes is too short, expenditures for outside contract programmer services beyond the Department's current budget may be required.

The Kansas Association of Counties and the League of Kansas Municipalities indicate the bill has the potential to increase economic activity within an entertainment district that could benefit cities and counties. There may also be additional costs for local governments from establishing an entertainment district, such as additional law enforcement. However, the Kansas Association of Counties and the League of Kansas Municipalities do not have data to provide a

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precise estimate of the amount of increased economic activity or any additional costs for law enforcement from the enactment of SB 468.

Sincerely,

A handwritten signature in black ink, appearing to read "Shawn Sullivan", with a horizontal line extending to the right.

Shawn Sullivan,
Director of the Budget

cc: Melissa Wangemann, Association of Counties

Larry Baer, League of Municipalities

Jack Smith, Department of Revenue