

February 11, 2022

The Honorable John Barker, Chairperson
House Committee on Federal and State Affairs
Statehouse, Room 346-S
Topeka, Kansas 66612

Dear Representative Barker:

SUBJECT: Fiscal Note for HB 2566 by House Committee on Federal and State Affairs

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2566 is respectfully submitted to your committee.

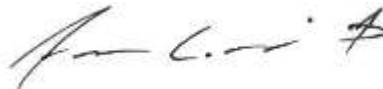
HB 2566 would create a new microwinery liquor license. The new license would be nearly identical to the current farm winery license. The bill would require a certificate of farm-related activity from the Kansas Department of Agriculture for farm winery licenses. The bill would provide guidelines for conversion of a microwinery license to a farm winery license and vice-versa. The bill would also allow the issuance of a permit to import into the state small quantities of wine for use in educational or scientific tasting programs but would disallow the resale of such wine. HB 2566 would take effect July 1, 2022.

Estimated State Fiscal Effect				
	FY 2022 SGF	FY 2022 All Funds	FY 2023 SGF	FY 2023 All Funds
Revenue	--	--	--	--
Expenditure	--	--	\$163,000	\$163,000
FTE Pos.	--	--	--	--

The Department of Agriculture reports that any expenditures related to the enactment of HB 2566 will be absorbed within current resources. The Kansas Department of Revenue estimates expenditures of \$163,000 in FY 2023 to update IT systems, forms, handbooks, and the agency website. The agency does not anticipate a net increase in licenses but states some existing farm winery license holders may convert their existing license to a microwinery license.

The Office of Judicial Administration states enactment of HB 2566 could increase the number of cases filed in district court because it potentially creates criminal and civil cases for unlawfully selling wine and allows individuals to seek an injunction with the court. This could result in more time spent by court employees and judges processing and deciding these cases. The Office estimates enactment of the bill could result in the collection of docket fees and fines assessed in those cases filed under the bill's provisions. According to the Office, a fiscal effect cannot be estimated. Any fiscal effect associated with HB 2566 is not reflected in *The FY 2023 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam Proffitt", with a stylized flourish at the end.

Adam Proffitt
Director of the Budget

cc: Lynn Robinson, Department of Revenue
Vicki Jacobsen, Judiciary
Kellen Liebsch, Agriculture