Approved: May 11, 2015

MINUTES OF THE HOUSE COMMERCE, LABOR AND ECONOMIC DEVELOPMENT COMMITTEE

The meeting was called to order by Chairperson Mark Hutton at 1:30 pm on Monday, May 04, 2015, 346-S of the Capitol.

All members were present except:

Representative Will Carpenter – Excused

Representative Brandon Whipple – Excused

Representative Scott Schwab, appointed substitute member to the committee

Representative Jim Ward, appointed substitute member to the committee

Committee staff present:

Reed Holwegner, Legislative Research Department

Linda Herrick, Kansas Legislative Committee Assistant

Jason Thompson, Office of Revisor of Statutes

Chuck Reimer, Office of Revisor of Statutes

Jason Long, Office of Revisor of Statutes

Conferees appearing before the Committee:

David Dillon, Uncork Chairman

Mike O'Neal, CEO, The Kansas Chamber

Amy Campbell, Kansas Association of Beverage Retailers

Tuck Duncan, Kansas Wine and Spirits Wholesalers Association

Others in attendance:

See Attached List

<u>Hearing on Amendment to: HB2200 — Alcoholic beverages; expansion of retailer's licenses and the transfer thereof.</u>

Chairperson Hutton opened the hearing on this bill.

Jason Long, Revisors Office, provided copies of the amendment to HB2200 (Attachment 1) and gave an overview following a retail licensure chart (Attachment 2). This amendment allows each county to individually vote to approve the sale of alcoholic liquor or beer by grocer stores situated in the county and the same of beer by convenience stores situated in the county. This would involve implementation by county rather than statewide. Mr. Long concluded his explanation and answered questions.

David Dillon, Uncork Ks Chairman, provided proponent testimony (<u>Attachment 3</u>). He noted the customer would be the center of this debate. Kansas has widely varying views, and putting this matter to a vote allows local views to be expressed in each community.

Mike O'Neal, The Kansas Chamber, provided proponent testimony (Attachment 4). He supports the amendment which would enact the county option retailer's act. The Chamber supports free enterprise and encourages competition.

Amy Campbell, representing the Kansas Association of Beverage Retailers, gave opponent testimony

CONTINUATION SHEET

MINUTES of the Committee on Commerce, Labor and Economic Development at 1:30 pm on Monday, May 04, 2015, 346-S of the Capitol.

(Attachment 5). She noted there is no reason to assume that all grocery and convenience stores will choose to sell strong beer in a county that adopts the change. Every retailer will be affected by a checkerboard market system on a county by county basis.

Tuck Duncan, representing Kansas Wine & Spirits Wholesalers Association, also provided opposing testimony (Attachment 6). He indicated the county option would provide consumer confusion, distributor logistics, and increased cost of regulation.

Whitney Damron provided opponent written only testimony (Attachment 7).

After questions, the hearing was closed.

Chairperson Hutton suggested the Committee try to work the bill today. Reed Holwegner reviewed the Rules of the House. The Committee was open to add any further amendments.

<u>Representative Claeys moved, seconded by Representative Schwab, the proposed amendment to become House Substitute for HB2200. With 8 ayes and 7 nays, the motion carried.</u>

The meeting adjourned at 3:15 p.m.