

MINUTES OF THE SENATE FEDERAL AND STATE AFFAIRS COMMITTEE

The meeting was called to order by Chairperson Ralph Ostmeyer at 1:00pm on Tuesday, March 24, 2015, 144-S of the Capitol.

All members were present except:

Senator Jacob LaTurner – Excused

Senator Tom Holland – Excused

Committee staff present:

Heather O'Hara, Legislative Research Department

Connie Burns, Kansas Legislative Committee Assistant

Joanna Wochner, Legislative Research Department

Matt Sterling, Office of Revisor of Statutes

Mike Heim, Office of Revisor of Statutes

Conferees appearing before the Committee:

Scott Schneider, Kansas Beer Wholesalers and Kansas Restaurant & Hospitality Assoc.

Dean Reynoldson, Kansas Alcoholic Beverage Control

Tuck Duncan, Kansas Wine & Spirits Wholesalers Association

Philip Bradley, Kansas Licensed Beverage Association

Jim Rankin, Traveling Vineyard

Jessica Lucas, Youngers Concessions, LLC

John Pinegar, representing the City of Garden City

Others in attendance:

[See Attached List](#)

HB 2223 Alcoholic liquor; dispensing liquor and infusing flavor

Chairman Ostmeyer opened the hearing on **HB 2223**.

Staff provided an overview of the bill.

Scott Schneider, on behalf of the Kansas Restaurant & Hospitality Association, testified in favor of the bill. ([Attachment 1](#)) The bill clarifies the existing statutes regarding the serving of a mixed drink, and seeks to streamline the licensed catering notification requirements.

Philip Bradley, Kansas Licensed Beverage Association, appeared in favor of the bill. ([Attachment 2](#)) The measure addresses the concerns of the ABC and the industry and will allow it safe and controlled process.

Dean Reynoldson, Director of Kansas Alcoholic Beverage Control, (ABC) appeared neutral on the bill. ([Attachment 3](#)) ABC suggested language to amend the definition of dispense to clarify that self-service vending type machines would not be part of the infusion process. This language was adopted by the House Federal and State Affairs Committee.

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Chairman Ostmeyer closed the hearing on **HB 2223**.

HB 2089 - Alcoholic beverages; disqualification of hidden owners from licensure

Chairman Ostmeyer opened the hearing on **HB 2089**.

Staff provided an overview of the bill.

Dean Reynoldson, Director of Kansas Alcoholic Beverage Control, (ABC) testified in favor of the bill. ([Attachment 4](#)) The bill would make the hidden owner ineligible to hold a liquor license. The agency respectfully requests an amendment to resume issuing administrative citations against liquor licensees when violations are observed by local law enforcement agencies.

Amy Campbell, Executive Director, Kansas Association of Beverage Retailers, provided written testimony in support of the bill. ([Attachment 5](#))

Chairman Ostmeyer closed the hearing on **HB 2089**.

HB 2191 Alcoholic beverage; sampling by distributor licensees

Chairman Ostmeyer opened the hearing on **HB 2191**.

Staff provided an overview of the bill.

Tuck Duncan, Kansas Wine & Spirits Wholesalers Association, appeared in favor of the bill. ([Attachment 6](#)) The bill would allow distributors of alcoholic beverages to provide samples to liquor retailers in an area of the licensed premises that is not open to the public. This will better educate retailers so they can be better informed for their customers.

Scott Schneider, on behalf of the Kansas Beer Wholesalers Association, spoke in favor of the bill. ([Attachment 7](#)) The bill would allow distributors of alcoholic products, including beer, to provide samples to liquor retailers.

Chairman Ostmeyer closed the hearing on **HB 2191**.

HB 2125 - Alcoholic beverages; amendments regarding regulation by the division of alcoholic beverage control

Chairman Ostmeyer opened the hearing on **HB 2125**.

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Staff provided an overview of the bill.

Dean Reynoldson, Director of Kansas Alcoholic Beverage Control, (ABC) appeared in favor of the bill. ([Attachment 8](#)) The bill would provide several technical clarifications that codify ABCs current practices relating to the issuance of liquor licenses and administrative actions against liquor licensees for violations. This bill does not provide ABC with any additional authority.

Jim Rankin, ITO Wines, LLC dba Traveling Vineyard, appeared to propose an amendment for his client. ([Attachment 9](#)) The amendment would explicitly allowing wineries holding a special order shipping license to market their product and receive orders via the internet, phone, through the efforts of compensated agents participating in private premises.

Chairman Ostmeyer closed the hearing on **HB 2125**.

HB 2331 - Consumption of alcoholic liquor on public property at a catered event

Chairman Ostmeyer opened the hearing on **HB 2331**.

Staff provided an overview of the bill.

Proponents:

Scott Schneider, on behalf of the Kansas Restaurant & Hospitality Association, testified in favor of the bill. ([Attachment 10](#)) The bill clarifies the existing statutes regarding where a catering event may be held and by whom.

Jessica Lucas, Youngers Concessions, LLC, appeared in favor of the bill. ([Attachment 11](#)) Ms. Lucas stated that her client felt the current law is biased to one vendor at the expense of his business and the customers he serves, and was asking the support in favor of a level playing field and fair competition.

Philip Bradley, Kansas Licensed Beverage Association, KS Craft Brewers Assn., the KS Viticulture and Farm Winery Assn., spoke in favor of the bill. ([Attachment 12](#)) The changes in the bill will allow for full and timely notice while addressing the needs of the small business license; the catered events in the bill would be excellent examples of how the notification process would work. An example of the current notification form was attached to the testimony.

Eric Smith, Legal Counsel, League of Kansas Municipalities, spoke in favor of the bill. ([Attachment 13](#)) KSA 41-710 currently prohibits liquor retailers, microbreweries, micro-distilleries and farm wineries to be within 200 feet of churches, schools, or colleges. This statute can be a barrier to communities desperate to revitalize their downtowns with combination of businesses and non-profit organizations. Section 4 (d) of the bill would allow city governments to pass an ordinance exempting

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alcohol-related businesses from KSA 41-710 if those businesses from KSA 41-710 are located within a commercial district. Because the exemption requires an ordinance, any citizen objections could be aired in an open meeting.

John Pinegar, representing the City of Garden City, presented Gardens City's written testimony in support of the bill. ([Attachment 14](#)) Section 4(d) provides local governing bodies the ability to pass an ordinance exempting alcohol-related businesses from KSA 41-710 if those businesses are located within a core commercial district. As is true with any change to the existing laws of a community, it is imperative to provide the public with the opportunity to have input and Section 4 (d) undoubtedly provides the public with a multitude of opportunities to make their opinion known.

Representative Sharon Schwartz provided written testimony in support of the bill. ([Attachment 15](#))

Representative J.R. Claeys provided written testimony in favor of the bill. ([Attachment 16](#))

Representative Brett Hildabrand provided written testimony in support of the bill. ([Attachment 17](#))

Jessie Sterling, owner, Paint the Towne, provided written testimony in favor of the bill. ([Attachment 18](#))

Chairman Ostmeyer continued the hearing for the opponents on **HB 2331**.

The next meeting is scheduled March 25, 2015. The meeting was adjourned at 2:12 p.m.