

MINUTES OF THE SENATE FEDERAL AND STATE AFFAIRS COMMITTEE

The meeting was called to order by Chairperson Ralph Ostmeier at 10:30 am on Monday, March 30, 2015, 144-S of the Capitol.

All members were present

Committee staff present:

Heather O'Hara, Legislative Research Department
Connie Burns, Kansas Legislative Committee Assistant
Joanna Wochner, Legislative Research Department
Mike Heim, Office of Revisor of Statutes

Conferees appearing before the Committee:

Dean Reynoldson, Kansas Alcoholic Beverage Control
Tuck Duncan, Kansas Wine & Spirits Wholesalers Association
Dale Goter, City of Wichita
Ed Klumpp, Ks Assoc. of Chiefs of Police, Ks Sheriffs Assoc, and Ks Peace Officers Assoc.

Others in attendance:

[See Attached List](#)

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

Chairman Ostmeier continued the hearing on **HB 2331**.

Dean Reynoldson, Director of Kansas Alcoholic Beverage Control, (ABC) appeared in opposition on the bill. ([Attachment 1](#)) ABC takes no position on any sections of the bill with the exception of Section 1 as it relates to the BYOB provisions that would amend KSA 41-104. Contrary to media reports, ABC has taken no enforcement action against art studios, but have merely answered questions as to what current state law is. BYOB is not allowed under current law without a liquor license. This language was adopted by the House Federal and State Affairs Committee in **HB 2413**, the bill provided for a permit rather than a license in order to minimize the regulatory burden and the cost to the art studios. It was carefully crafted to avoid unintended consequences that could open up BYOB for high risk bars. The creation of a permit for art studios is becoming a trend across the country. The amendment to **HB 2331** goes much further than what ABC recommended allowing any business to authorize consumption of liquor on its premises.

Tuck Duncan, Kansas Wine & Beer Garden, spoke in opposition on the bill. ([Attachment 2](#)) The Kansas State Fair Board did not ask for this legislation, and the Kansas Wine & Beer Gardens oppose the provision in Section 5 as drafted. The bill would change the manner in which local distributors operate, it would shift monitoring of vendors from local to state control. Mr. Duncan respectfully asks the Committee to take no action on this legislation at this time and afford him the opportunity to meet and confer with the Fair Board and other affected parties with the expectation that they will return with amendments satisfactory to all.

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MINUTES of the Committee on Federal and State Affairs at 10:30 am on Monday, March 30, 2015, 144-S of the Capitol.

Dale Goter, Government Relations Manager, City of Wichita, appeared as an opponent on the bill. [\(Attachment 3\)](#) The City of Wichita opposes the bill as it was amended and adopted by the House Committee of the Whole on March 19, 2015. Without limitations, the bill will create enormous law enforcement problems. There are a number of businesses that would use the opportunity to foster illegal activity and circumvent the intent of existing statutory boundaries that regulate alcohol consumption.

Ed Klumpp, Kansas Association of Chiefs of Police, Kansas Sheriffs Association, and Kansas Peace Officers Association, appeared as an opponent on the bill. [\(Attachment 4\)](#) The House Committee of the Whole added Section 1 of **HB 2331**, this provision as written will authorize the consumption or mixing of drinks in any business establishment in Kansas that is not licensed by the ABC. This proposal has a very high potential of unintended consequences and is likely to make any Kansas business a drinking establishment outside any regulation. This will most likely occur in the many troubling businesses that law enforcement deals with such as strip clubs, massage parlor, and porn shops.

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

Discussion and Final Action:

HB 2088 - Alcoholic beverages; issuance of citations by the division of alcoholic beverage control

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

HB 2191 Alcoholic beverage; sampling by distributor licensees

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

HB 2223 Alcoholic liquor; dispensing liquor and infusing flavor

SB 217 - Allowing farm wineries to sell wine at more than one farmers' market

*Senator Longbine moved a balloon that would clarify who can receive a citation for an alleged violation in **HB 2088**. Senator LaTurner seconded the motion. The motion carried. [\(Attachment 5\)](#)*

*Senator Longbine moved the language of **HB 2088** as amended into **HB 2089**. Senator LaTurner seconded the motion. The motion carried.*

*Senator LaTurner moved the language of **HB 2089** as amended, **HB 2125**, and **HB 2191** into **HB 2223**. Senator Wolf seconded the motion. The motion carried.*

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

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Senator Olson moved to pass **HB 2223** out favorably as amended. Senator LaTurner seconded the motion. The motion carried.

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

Senator LaTurner moved the Tuck Duncan amendment. Senator Wolf seconded the motion. The motion carried. ([Attachment 6](#))

Senator Longbine moved to insert the language of **SB 217** into **HB 2331**. Senator LaTurner seconded the motion. The motion carried.

Senator Longbine moved the Traveling Vineyards wine club amendment. Senator LaTurner seconded the motion. The motion carried.

Senator LaTurner moved to pass **HB 2331** out favorably as amended. Senator Wolf seconded the motion.

The Committee delayed action on the motion pending the drafting of an amendment.

The next meeting is scheduled March 31, 2015. The meeting was adjourned at 11:50 a.m.