

Approved 4/10/85
Date

MINUTES OF THE SENATE COMMITTEE ON FEDERAL AND STATE AFFAIRS

The meeting was called to order by Senator Edward F. Reilly, Jr. at
Chairperson

254-E a.m./~~noon~~ March 6, 1985 in room 254-E of the Capitol.

All members were present ~~except~~

Committee staff present:

Fred Carman, Assistant Revisor of Statutes
Russell Mills, Legislative Research
Emalene Correll, Legislative Research
June Windscheffel, Committee Secretary

Conferees appearing before the committee:

SB46 - Drinking age and other regulation of alcoholic beverages.

The Chairman said that he will conduct discussion on SB46 this morning, and he has asked Staff to put some things together for the Committee. He asked that before the Committee starts on the elements of SB46 that Staff brief the Committee on measures that have been considered in the Senate and/or House, and which have not met with success. He called upon Russell Mills.

Staff reviewed 1985 HB2504, a measure which contained a number of proposed amendments to the Liquor Control Act and the Private Club Act. The bill contained proposed changes regarding agreements between clubs and motels, fundraiser private parties at private clubs, a club on trains, and temporary memberships for military personnel.

Senator Morris moved that a bill be introduced with the fundraiser, train, military and other items that have passed the Senate. 2d by Senator Martin.

There was also discussion of SB2067, concerning age for consumption of cereal malt beverage.

Senator Morris withdrew his motion, and Senator Martin withdrew his second.

Senator Walker made the conceptual motion that the Committee amend all these provisions into the House Bill. 2d by Senator Strick. There was discussion among the Committee. Motion carried.

The Chairman said the Committee would go through the Subcommittee items one by one. He commended Senator Vidricksen and Senators Hoferer and Anderson, of the Subcommittee, for the Subcommittee Report.

There was discussion on SB46, Item #1. Senator Walker moved to amend the first recommendation from September 1, 1986, to August 1, 1986. 2d by Senator Morris. Motion carried. Amendment adopted.

Senator Walker moved the Committee adopt the recommendation of the Subcommittee on Item #1 as amended. 2d by Senator Morris. There was Committee discussion. Motion carried.

Senator Reilly said that he would like for Staff to put in a clause that if for any reason the federal government should change its position that this law would be nullified and that portion of raising the age would be returned to the lower age.

The Minutes of February 27, 1985, were approved on a motion by Senator Morris. 2d by Senator Anderson. Motion carried.

The meeting was adjourned.

Jan. 1985

SUBCOMMITTEE REPORT

March 1, 1985

TO: Senate Committee on Federal and State Affairs

FROM: Subcommittee on Senate Bill No. 46

The following report contains the recommendations of the Subcommittee on S.B. 46, which would make a number of changes in the current statutes concerning cereal malt beverage (3.2 beer).

1. S.B. 46 would raise the legal age for consumption of cereal malt beverage or purchase of cereal malt beverage to 19 on July 1, 1985, to 20 on July 1, 1986, and to 21 on July 1, 1987.

Recommendation. The Subcommittee recommends that the legal drinking age for 3.2 beer be raised to 21 effective September 1, 1986, a month earlier than mandated by federal law.

Reasoning. Raising the age to 21 on September 1 would not run into the start of the school year in the fall of 1986. The Subcommittee heard testimony on the stairstep method of raising the age, but decided the best method to raise the age to 21 would be to do so at the one time mentioned. This would allow time for all parties, including the Legislature, to work out other problems that will occur with the raising of the drinking age. Also, we recommend that the new law be rescinded if the federal government changes its position not requiring the drinking age of 21.

2. S.B. 46 would abolish the distinction between 3.2 beer and strong beer and define both as cereal malt beverage and allow such beverage to be sold in any outlet that currently can sell either 3.2 beer or strong beer.

Recommendation. The Subcommittee makes no recommendation on the distinction between 3.2 and strong beer at this time.

Reasoning. The Subcommittee did not receive the Attorney General's opinion on the constitutionality of this proposal in time to make a decision on this subject. Therefore, we make no recommendation and allow the full Committee to address this issue, after receipt of the requested opinion.

3. S.B. 46 would permit a 3.2 wholesaler to also hold a wine and spirits license.

Recommendation. The Subcommittee makes no recommendation on this proposal.

Reasoning. The Subcommittee should remember that if single strength beer is adopted, changes will have to be made in the wine and spirits and beer wholesaler statutes. At the present time, beer is sold wholesale by the wine and spirits wholesalers, but beer wholesalers are prohibited from selling wine or wine coolers, even

though their parent companies are producing these products. This area will need further consideration.

4. S.B. 46 would establish an enforcement tax of 5 percent on the retail sale of cereal malt beverage and make sales of cereal malt beverage in private clubs subject to the 10 percent liquor excise tax.

Recommendation. The Subcommittee makes no recommendation on the 5 percent enforcement tax on cereal malt beverage. This issue can be settled only if one category of beer is marketed in Kansas. We recommend that the 10 percent excise tax be placed on 3.2 beer sold in private clubs and that the new revenues be earmarked for drug and alcohol education programs.

Reasoning. This would bring that commodity in line with so-called strong beer sold in private clubs that is presently taxed at the 10 percent rate. We recommend that these funds be earmarked to go to drug and alcohol education programs.

5. S.B. 46 would permit minors to sell cereal malt beverage in closed containers if they are age 18, and in open containers in licensed establishments if the establishments have 50 percent of gross sales in food.

Recommendation. The Subcommittee recommends the adoption of this proposal as it is written in the bill.

Reasoning. This would allow those 18 and older to work in these establishments.

6. S.B. 46 would allow sales of cereal malt beverage on election days and on Sundays after 1:00 p.m.

Recommendation. The Subcommittee recommends allowing sales of beer on Sundays after 1:00 p.m. until regular closing time in all legally licensed on-premise and off-premise establishments, including liquor stores.

Reasoning. Only three states have a ban on Sunday sales in the United States: Utah, Arkansas, and Kansas. This would bring Kansas more in line with our surrounding states to eliminate border hopping. Private clubs now are permitted to sell beer for on-premise consumption on Sunday.

Recommendation. We recommend that all licensed establishments close during the open hours of polling places during all elections and expand this to require closing of the private clubs.

Reasoning. This would treat all licensed entities equally under the law.

7. S.B. 46 would alter the closing hours of retail taverns to allow them to stay open until 1:30 a.m.

Recommendation. The Subcommittee recommends that licensed taverns and other on-premise licensed outlets be allowed to sell beer and stay open until 1:30 a.m. on Fridays and Saturdays.

Reasoning. This would treat private clubs and taverns more equitably under the law. In Nebraska, sales of liquor for on-premise consumption are prohibited after 1:00 a.m. Localities may further prohibit or restrict. In Missouri, sales of liquor for on-premise consumption are prohibited after 1:30 a.m. Border hopping has always been a concern. This change would help eliminate that problem. We feel that no purpose is served by allowing private clubs to operate until 3:00 a.m. in the state of Kansas.

We recommend that all private clubs in the state of Kansas be required to close at 1:30 a.m.

Senator Ben Vidricksen, Chairman

Senator Jeanne Hoferer

Senator Eugene Anderson