

Approved _____

3/9/87
Date

MINUTES OF THE SENATE COMMITTEE ON FEDERAL AND STATE AFFAIRS

The meeting was called to order by Senator Bill Morris at
Vice- Chairperson

11:00 a.m./~~p.m.~~ on March 6, 1987 in room 254-E of the Capitol.

All members were present except:

Senator Reilly was excused.

Committee staff present:

Emalene Correll, Legislative Research
Mary Galligan, Legislative Research
Mary Torrence, Assistant Revisor of Statutes
June Windscheffel, Secretary to the Committee

Conferees appearing before the committee:

Mr. John Lamb, Director, Alcoholic Beverage Control
Mr. Neal Whitaker, Kansas Beer Wholesalers Association
Mr. John Webb, Kansas Alcoholic Beverage Dealers Association
Mr. Adrian Farver, Kansas Hospitality Industry for Progressive Liquor
Laws

Senator Arasmith moved that the Minutes of March 5, 1987, be approved. The motion was seconded by Senator Strick. The motion carried.

The Chairman, Senator Morris, called the Committee's attention to SB 355, concerning cereal malt beverage retailers' licenses, state stamp. A balloon bill had been prepared for the Committee by Staff. It was pointed out that this comes as one of the recommendations from the Liquor Law Review Commission.

The first conferee was Mr. John Lamb, Director of the Alcoholic Beverage Control. The statement of Mr. Lamb was before the Committee. (Attachment #1) The ABC Division supports implementation of a cereal malt beverage stamp and the review system, as outlined in SB 355. However, the ABC requests that the bill be amended to provide for lead time in terms of when the license becomes valid. They also suggest a January 1, 1988, implementation date to be consistent with the calendar year issuing system used by most local governments.

Mr. Neal Whitaker, of Kansas Beer Wholesalers Association, was the next conferee. Mr. Whitaker said they support developing the cereal malt beverage registry establishments, however, they do not support the ABC Director having the power to approve whether or not those establishments get a local licensure.

Mr. John Webb, representing the Kansas Alcoholic Beverage Dealers Association, was the next conferee. A handout from Mr. Webb was before the Committee. (Attachment #2) He said the consideration of this bill is serious because of the ramifications of it. His handout was to point out the inconsistency of the beverage laws of the State of Kansas.

The Kansas Hospitality Industry for Progressive Liquor Laws was represented by Mr. Adrian Farver. He testified that they support the concept of the central registry. They support the Liquor Law Review Commission recommendation.

The Chairman thanked all the conferees for appearing.

SB 352, qualifications for alcoholic beverage licenses, was next for consideration. Senator Bond made the conceptual motion

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON FEDERAL AND STATE AFFAIRS,
room 254-E, Statehouse, at 11:00 a.m. ~~XXX~~ on March 6, 19 87

reinsert the the stricken language on lines 208 and 209 of page 6 of the bill. It was seconded by Senator Anderson. The motion carried.

On page 4, Senator Martin moved that the bill should read for at least 10 years, to strike "five" and reinsert "ten". The motion includes restating the language on 160 through 162. It was seconded by Senator Strick. The motion carried.

Senator Bond made the conceptual motion to exempt members of governing bodies of townships, cities and counties, to not hinder them from licensing, unless they directly appoint law enforcement officials. The motion was seconded by Senator Anderson. Also included in the motion was to take out "moral character." The motion carried. The Chairman said that staff will come back to the next meeting to address these concerns, and that the conceptual motion will entail staff's drawing the bill up so that the Committee may look at it Monday.

The meeting was adjourned at noon.

3/6/87
Attachment #1

MEMORANDUM

TO: Senator Ed Reilly
Chairman, Federal and State Affairs Committee
FROM: John Lamb
Director, Alcoholic Beverage Control Division
DATE: March 6, 1987
SUBJECT: Senate Bill 355

SENATE BILL 355

The ABC Division supports implementation of a cereal malt beverage stamp and review system, outlined in Senate Bill 355. The ABC respectfully requests that the bill be amended to provide for lead time in terms of when the license becomes valid.

In the bill's current form, a CMB license would not become valid until the city or county receives approval from the ABC in the form of a stamp. A CMB retailer would have to wait for the ABC to process the license before opening for business. This could be remedied by allowing the locally approved license to be valid without the State stamp for a period of 30 days. This would allow the CMB licensee to operate while the ABC is reviewing the application. The 30 day period would be necessary given the fact that most CMB licenses are issued on a calendar year basis, that is, they are valid until December 31.

The ABC would also prefer a January 1, 1988 implementation date in order to be consistent with the calendar year issuing system utilized by most local governments.

Proposed language (for "e" in section 1) - Each applicant for a retailers license or license renewal shall submit to the director, within 5 days of issuance of by the licensing authority, a copy of the completed application for such license or license renewal, renewed by the licensing authority if the applicant is qualified to receive the same, along with a \$25 fee. The license is effective for a period of 30 days after issuance of the same as a temporary license and shall continue for one year from issuance if the stamp provided herein is issued by the director and affixed to said license. The director shall review the application for compliance with State statutes within 30 days of the issuance of the license or renewal of the license. The director shall authorize a State stamp to be affixed to such license and it must be affixed to such license within 30 days after the issuance of such license by licensee for the license to be effective for its entire term. No such stamp shall be affixed to any license except as authorized by the director and if the director does not approve the issuance of or renewal of such license pursuant to State statutes, the director shall not issue said stamp to the licensee and the license shall expire 30 days after its issuance by the licensing authority, unless the stamp has been issued by the director.

(section 3) - This act shall take effect and be in force from and after July 1, 1988.

Attachment #1
FSA 3/6/87

John Webb 3/6/87
U.S. Alcoholic Bev. Dealers Assn.
Attachment #2

	% by VOLUME		% by WEIGHT	
	Strong	3.2	Strong	3.2
BUDWEISER	4.7	3.9	3.7	3.2
BUDWEISER LIGHT	4.2	3.5	3.3	2.8
MICHELOB	5.0	3.9	3.9	3.1
MICHELOB LIGHT	4.2	3.9	3.3	3.1
COORS	3.6	3.2		
MILLER	4.0	3.2		
Average Alcohol by Volume	25.7	21.6	Average Alcohol by Volume	
	$25.7 \div 6 = 4.28\%$		$21.6 \div 6 = 3.60$	

WHY DO WE TREAT ALCOHOLIC BEVERAGES DIFFERENTLY?

		Actual Alcoholic Consumption
TRADITIONAL	5 oz GLASS OF WINE	
	11% by Volume	
	5 oz x .11 =	.55 oz
TRADITIONAL	1.25 oz MIXED DRINK	
	40% by Volume	
	1.25 x .40 =	.50 oz
TRADITIONAL	12 oz SERVING OF STRONG BEER	
	4.28 by Volume	
	12 oz x .0428 =	.514 oz
TRADITIONAL	12 oz SERVING OF CEREAL MALT	
	.0360 by Volume	
	12 oz x .0360 =	.432 oz

Attachment # 2
FSA 3/6/87

ALCOHOL CONTENT

The alcohol content of a beverage may be expressed in three different ways:

- * Proof Spirits - Proof spirits is measured as an alcohol/water mixture of a beverage containing a standard amount of alcohol. (The U.S. standard is 100 proof.)
- * Percent Alcohol by Volume - The alcohol content is measured as a percent of the overall volume of the alcohol/water mixture or of the beverage.
- * Percent Alcohol by Weight - The alcohol content is measured as a percent of the weight as related to the volume using the specific gravity of ethyl alcohol. The specific gravity of ethyl alcohol is equal to .8 that of an equal volume of distilled water at four degrees Centigrade.

The use of these measures is not standardized. Several countries use proof spirits to measure all alcoholic beverages, including beer and wine.

Conversion Formula

Given any one of the three measures of alcohol content, the other two can be found by applying the following formula:

$$\text{Proof} \div 2 = \frac{\text{Alcohol by Volume}}{\text{Volume}} \times .8 = \frac{\text{Alcohol by Weight}}{\text{Weight}}$$

"Strong" and "Weak" Beer - This table shows the relationship between regular "full strength" or "strong" beer and so-called "weak" beer:

Alcohol by Volume		Alcohol by Weight
4% X .8	=	3.2%

KANSAS ALCOHOLIC BEVERAGE CONSUMPTION BY CATAGORY
FISCAL YEAR 1986

	July - June FY - 1986	Rate of Tax @ Gallon	Total Gallons By Catagory	Average Amount of Alcohol By Volume	Actual Alcohol Consumption	Percent of Total Consumption
Distilled Spirits	\$ 7,299,205.28 ÷	\$ 2.50 =	2,919,682.11 x	40%	= 1,167,872.84	36.4%
Fortified Wines	\$ 128,502.59 ÷	\$.75 =	171,336.78 x	18%	= 30,840.62	1.0%
Light Wines	\$ 353,924.61 ÷	\$.35 =	1,011,213.17 x	11%	= 111,233.45	3.5%
Strong Beer	\$ 4,163,484.62 ÷	\$.18 =	23,130,470.11 x	4.2%	= 971,479.74	30.3%
Cereal Malt Beverage	\$ 4,622,087.44 ÷	\$.18 =	25,678,263.55 x	3.6%	= 924,417.49	28.8%
					<u>3,205,844.14</u>	<u>100.0</u>

59.1%