

Approved _____
Date 4-12-91

MINUTES OF THE Senate COMMITTEE ON Federal and State Affairs

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

11:20 a.m./~~p.m.~~ on April 11, 1991 in room 254-E of the Capitol.

All members were present ~~except~~:

Committee staff present:

Mary Galligan, Legislative Research Department
Mary Torrence, Office of Revisor of Statutes
Deanna Willard, Committee Secretary

Conferees appearing before the committee:

Tuck Duncan, Kansas Wine and Spirits Wholesalers Association
Neal Whitaker, Kansas Beer Wholesalers Association

Hearing on: HB 2552 - concerning alcoholic liquor; relating to brand registration and price posting.

Tuck Duncan, Kansas Wine and Spirits Wholesalers Association, gave testimony in support of this bill and of amending in Sunday sales of non-alcoholic beer, the provisions of SB 384, and the cleanup of K.S.A. 41-2632(b)(1) he had requested at the April 2 meeting. (Attachment 1) He said the House vote to allow Sunday sales of NABs was 66 yes, 58 no. He said retail liquor dealers may not sell below acquisition cost, unless they are having a closeout and first notify the ABC. This bill would allow dealers to sell the same as any other merchant--by advertising price and brand.

Neal Whitaker, Kansas Beer Wholesalers Association, said we are one of few states that regulate non-alcoholic beer, that anyone who is going to buy this product knows what it is.

Concern was expressed that non-alcoholic beer is treated the same as beer in taxes and regulation, but days of sale would differ, which would be confusing.

A motion was made by Senator Anderson and seconded by Senator Yost to amend the bill to permit Sunday NAB sales, allow liquor distributors and manufacturers to provide licensees with information regarding availability of brands of liquor and things of value as authorized in rules and regulations, and to allow a distributor to have an interest in licensed premises outside his franchise territory.

A substitute motion was made by Senator Morris and seconded by Senator McClure to report HB 2552 favorably. The motion failed.

The Chairman read testimony from the Kansas Beer Wholesalers Association and the ABC at the hearing 3-25-91 on SB 384.

Senator Anderson withdrew his motion.

A motion was made by Senator Anderson and seconded by Senator Strick to amend HB 2552 to permit Sunday sales of NABs. The motion carried. Senators Daniels and Morris wished to be recorded as voting "no."

A motion was made by Senator McClure and seconded by Senator Yost to amend in the language pertaining to providing information

CONTINUATION SHEET

MINUTES OF THE Senate COMMITTEE ON Federal and State Affairs,
room 254-E, Statehouse, at 11:20 a.m.~~p.m.~~ on April 11, 1991

to licensees regarding availability of brands. The motion carried.

A motion was made by Senator Yost and seconded by Senator Vidricksen to amend in the language pertaining to a distributor's interest in premises outside his franchise territory. The motion carried. Senator Bond wished to be recorded as "not voting"; Senators Daniels, McClure, and Morris wished to be recorded as voting "no."

A motion was made by Senator Strick and seconded by Senator Yost to recommend HB 2552 as amended. The motion carried. Senator Bond wished to be recorded as "not voting"; Senators Daniels and Morris wished to be recorded as voting "no."

A motion was made by Senator Strick to reconsider SB 410. No action was taken on the motion.

A committee member said the action to reconsider would have had to take place at the next meeting following the adverse vote.

The meeting was adjourned at 11:55 a.m.

K · A · N · S · A · S
WINE & SPIRITS
WHOLESALE ASSOCIATION, INC.

To: Senate Federal and State Affairs Committee

From: Tuck Duncan
Kansas Wine and Spirits Wholesalers Association.

I have been requested by the Chairman to give you a "staff-type" briefing regarding the elimination of price posting by suppliers and distributors. For almost 30 years there has been some form of price posting. With the elimination of affirmation laws and minimum mark-ups the Alcoholic Beverage Control has determined that the practice of posting prices with the agency is no longer required. The elimination of price posting will save the agency considerable expense. The House amended the bill to provide that suppliers give 45 days notice to distributors of any price changes, and that distributors designate on or before the first of each month their price for a specified period so as to prevent discrimination in pricing. I'll be pleased to respond to any questions you may have. Thank you.

Senate F&SA
4-11-91
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