

Approved: 4-27-95
Date

MINUTES OF THE HOUSE COMMITTEE ON FEDERAL AND STATE AFFAIRS.

The meeting was called to order by Chairperson Garry Boston at 1:30 p.m. on March 22, 1995 in Room 526-S of the Capitol.

All members were present except: Representative John Ballou, Absent
Representative Les Donovan, Absent
Representative Cliff Franklin, Absent
Representative Clyde Graeber, Absent
Representative Doug Lawrence, Absent
Representative Ellen Samuelson, Absent
Representative Don Smith, Absent
Representative Jene Vickrey, Absent

Committee staff present: Mary Galligan, Legislative Research Department
Lynne Holt, Legislative Research Department
Mary Ann Torrence, Revisor of Statutes
June Evans, Committee Secretary

Conferees appearing before the committee: R. E. "Tuck" Duncan

The Chairperson stated that HCR 5001 replaced HCR 5008 which was moved out favorably February 1 and need to get it out of our committee.

Representative Spangler moved and Representative Cox seconded to move HCR 5001 out of committee with no action. The motion carried.

SB 256: Concerning microbreweries; amending K.S.A. 41-308b and repealing the existing section.

The Chairperson opened the hearing on SB 256.

R. E. "Tuck" Duncan, Kansas Wine & Spirits Wholesalers Association, Inc., a proponent for SB 256 asked that HB 2557 be amended into SB 256. (See Attachment #1)

The Chairperson closed the hearing on SB 256.

Representative Lloyd moved and Representative Findley seconded to adopt the proposed amendment. The motion carried.

Representative Lloyd moved and Representative Findley seconded to amend Section 7 (a), line 3 and add after containers "of alcoholic beverage." The motion carried.

Representative Packer moved and Representative Spangler seconded to move SB 256 out of committee favorably as amended. The motion carried.

The meeting adjourned at 2:00 p.m. The next meeting will be March 23.

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

To: House Committee on Federal and State Affairs
From: R.E. "Tuck" Duncan
RE: SB256

We have no opposition to SB256 in its current form, and ask that the committee amend into it those provisions of HB2557, on which you have already held hearings, for which there was no controversy. Those items, as excerpted from the bill text are: [Please note I have also included the amendment requested by the Alcoholic Beverage Control.]

1. Cooperative use of docks for will-call:

- 15 306. A spirits distributor's license, shall allow:
4 306a. On and after January 1, 1988, a wine distributor's license shall allow:

A beer distributor's license shall allow:

(e) *The storage and delivery to a retailer licensed under the Kansas liquor control act or a retailer licensed under K.S.A. 41-2702 and amendments thereto, on the distributor's licensed premises, of alcoholic liquor or cereal malt beverage of another licensed distributor authorized by law to sell such alcoholic liquor or cereal malt beverage to such retailer, in accordance with an agreement entered into with such other distributor and approved by the director.*

2. Allowing withdrawal of inventory from warehouse:

- 15 (b) *Notwithstanding any other provision of the Kansas liquor control*
16 *act, a distributor may withdraw from the distributor's inventory alcoholic*
17 *liquor or cereal malt beverage for use as samples in the course of the*
18 *business of the distributor or at industry seminars. The withdrawal of*
19 *such alcoholic liquor or cereal malt beverage shall be in accordance with*
20 *rules and regulations adopted by the secretary in accordance with K.S.A.*
21 *41-210 and amendments thereto.*

A.B.C. amendment: "...and shall be subject to the tax imposed by K.S.A. 79-4101 et seq. based on the applicable current posted bottle or case price."

3. Deleting provisions that may violate GATT:

Sec. 4. K.S.A. 41-708 is hereby amended to read as follows: 41-708. No retailer licensed under this act shall purchase or receive alcoholic liquor from any source except from a distributor licensed under this act and having a place of business in this state: *Provided, except* that a licensed retailer may purchase confiscated alcoholic liquor at a sheriff's sale: ~~And provided further,~~ That a licensed retailer may purchase or receive beer from a licensed beer manufacturer having a place of business in this state. Any retail licensee who shall violate *violates* this section shall be is guilty of a misdemeanor; and upon conviction thereof shall be punished by a fine of not less than ~~two hundred dollars (\$200)~~ \$200 nor more than ~~one thousand dollars (\$1,000)~~ \$1,000, to which may be added imprisonment for not more than six (~~6~~) months, and the license of such licensee may be revoked as provided by law.

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4. Conforming CMB case sales to current beverage alcohol laws:

38 (d) No distributor shall sell alcoholic liquor or cereal malt beverage
39 to a retailer licensed under the Kansas liquor control act or to a retailer
40 licensed under K.S.A. 41-2702 and amendments thereto at a discount for
41 multiple case lots.

5. Temporary permit for auctions and decanter sales:

42 New Sec. 7. (a) The director may issue, in accordance with rules and
43 regulations of the secretary: (1) To one or more charitable organizations
1 a temporary permit authorizing the sale of alcoholic liquor at an auction;
2 or (2) to an individual a temporary permit authorizing the sale of one or
3 more limited issue porcelain containers. The permit shall be issued in the
4 names of the charitable organizations or individual to which it is issued.

5 (b) Applications for temporary permits shall be required to be filed
6 with the director not less than 14 days before the event for which the
7 permit is sought unless the director waives such requirement for good
8 cause. Each application for a permit authorizing an auction shall state the
9 purposes for which the proceeds of the event will be used. The application
10 shall be upon a form prescribed and furnished by the director and shall
11 be filed with the director in duplicate. Each application shall be accom-
12 panied by a permit fee of \$25 for each day for which the permit is issued,
13 which fee shall be paid by a certified or cashier's check of a bank within
14 this state, United States post office money order or cash in the full amount
15 thereof. All permit fees collected by the director pursuant to this section
16 shall be remitted to the state treasurer, who shall deposit the entire
17 amount in the state treasury and credit it to the state general fund.

18 (c) Temporary permits shall specify the premises for which they are
19 issued and shall be issued only for premises where the city, county or
20 township zoning code allows use for which the permit is issued.

21 (d) A temporary permit shall be issued for a period of time not to
22 exceed three consecutive days, the dates and hours of which shall be
23 specified in the permit. Not more than one temporary permit may be
24 issued to any one applicant in a calendar year.

25 (e) All proceeds from an auction for which a temporary permit is
26 issued shall be used only for the purposes stated in the application for
27 such permit.

28 (f) A temporary permit shall not be transferable or assignable.

29 (g) The director may refuse to issue a temporary permit to any char-
30 itable organization or individual which has violated any provision of the
31 Kansas liquor control act.

Thank you for your consideration of these matters.