

MINUTES OF THE HOUSE FEDERAL & STATE AFFAIRS COMMITTEE

The meeting was called to order by Chairperson Doug Mays at 1:40 p.m. on February 8, 2001 in Room 313-S of the Capitol.

All members were present except: Representative Ray Cox, Excused
Representative R. J. Wilson, Excused

Committee staff present: Theresa M. Kiernan, Revisor of Statutes
Russell Mills, Legislative Research Department
Shelia Pearman, Committee Secretary

Conferees appearing before the committee:

Representative Bill Mason
Gary Winget, Kansans for Life At Its Best
Tom Palace, Executive Director, Petroleum Marketers and Convenience Stores
Robert Alderson, Kansas Food Dealers Association, Casey's General Stores
Terry Presta, Presto Convenience Stores
Neal Whitaker, Kansas Beer Wholesalers Association
Robert Longino, Alcohol Beverage Control
Gary Winget, Kansans for Life At Its Best
R.E. "Tuck" Duncan, Kansas Wine and Spirits Wholesalers Association

Others attending: See attached list

Without objection bill was introduced as requested by John Peterson, Security Benefit regarding replication of funds. [HB 2473]

Without objection bill was introduced as requested by Representative Powell regarding specified limits of gifts and entertainment for legislators. [HB 2489]

Without objection bill was introduced as requested by Representative Powell regarding freedom of conscience for health care workers. [HB 2491]

Without objection bill was introduced as requested by Representative Powell regarding ambulatory surgical care. [HB 2501]

Without objection bill was introduced as requested by Representative Barnes regarding extending maternal consent timeframe for adoption following birth. [HB 2472]

Chairman Mays opened the hearing on **HB 2203 - Consumption of alcoholic liquor in public places.** Representative Mason sponsored this bill which would restrict educational institutions from serving liquor on college campuses. (Attachment #1) He also presented written testimony (Attachment #2) from Pastor Wade C. Graber of the Eldorado First Baptist Church supporting this bill.

Mr. Winget shared his support of **HB 2203** by citing the Michigan Interfaith Council on Alcohol Problems statistic of "as many as three alcohol overdose deaths a day occur in the United States. (Attachment #3) Most alcohol overdose victims are under 21 years old."

The hearing on **HB 2203** was closed.

The hearing on **HB 2195 - Cereal malt beverages; sale of, Sundays** was opened.

Mr. Palace submitted a substitute bill (Attachment #4). He stated retailers near the borders of Missouri and Oklahoma are very frustrated by lost revenues because neighboring states provide the customer the convenience of Sunday purchases. The association desires the opportunity to fairly compete for retention of these customers. He also noted additional hours of allowable sales will result in increased in tax revenue although the amount cannot be predicted at this time.

Mr. Presta encouraged the Legislature to allow retailers to treat Sunday like every other day permitting

sale of alcohol for home consumption. (Attachment #5) We can be proud of the advances of alcohol education.

Mr. Oyer said as a businessman, he needs to be able to compete with restaurants and sports bars as well as retailers in neighboring states. As stated in his testimony (Attachment #6) he and his employees make every attempt possible to prevent juveniles from purchasing alcohol and cigarettes.

Mr. Alderson cited currently a licensed Drinking Establishment may sell alcoholic liquor by the drink to its patrons on a Sunday afternoon; yet, on that same Sunday afternoon, alcoholic beverages in the original and unopened containers cannot be purchased for later consumption in the purchaser's own home. He noted the local option provision in **HB 2195** would provide each community the opportunity to address this issue in its own area rather than on a statewide basis. (Attachment #7)

Mr. Whitaker opposed the bill as originally written. He stated liquor stores in areas surrounded by neighboring states that sale alcohol on Sunday lose revenue every week. In the Kansas City area, it was estimated roughly 40 percent of customers on New Years Eve had Kansas license plate. The current law hampers economic benefit for sales to occur in Kansas. He stated if temperance is not the issue, then the State does not have a legitimate reason to prohibit Sunday sales. (Attachment #8)

Mr. Duncan stated although testimony (Attachment #9) was written and distributed prior to knowledge of amendment, he recommends the committee adopt the amendment.

Mr. Longino stated there are approximately 700 stores licensed by the State to sale. The current bill would provide an owner the option of opening for all alcohol sales on Sunday based upon licensure categories. In 1994, approximately \$56 million in enforcement tax was collected compared to \$73.5 million in 2000. This year's tax collections already exceed those of last year.

Mr. Bossert opposed **HB 2195** despite the proposed amendment because of the inequality in rules (Attachment #10) He noted liquor store must compete with convenience stores in five ways:

1. Convenience stores have 30 percent more business hours because hours at liquor stores are dictated by statute, including being closed on holidays.
2. Liquor stores employees must be at least 21 years old versus convenience store employees may at least 18 years old and must pass background check unlike convenience store employees.
3. Convenience stores can sell at lower costs, sometimes below costs, because profit can be made on the variety of products they are able to sell unlike the strict specifications of products for sale at liquor stores because of products mandate by statute.
4. If convenience store violates law, they only face closing down their alcohol section versus his store having to close during time period.
5. Mr. Bossert had to be resident of state for 5 years, pass a background check by State and must hold bond.

Ms. Mason testified from a different viewpoint, that of a family member of an alcoholic. Because she has first hand knowledge, she voiced her concern for the children who live with parents. She urged the committee to oppose providing additional opportunities for purchasing alcohol. (Attachment #11)

Ms. Campbell opposed to this bill as originally published. She has submitted testimony from members who are on both side of the issue. (Attachment #12)

The hearing on **HB 2195** was closed.

The committee meeting adjourned at 3:05 p.m. The next scheduled meeting is February 13, 2001.