

REVISED
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SUPPLEMENTAL NOTE ON SENATE BILL NO. 203

As Amended by Senate Committee on Federal
and State Affairs

Brief*

SB 203, as amended, would make changes and add new provisions to laws relating to alcoholic liquor, namely the Kansas Liquor Control Act and the Club and Drinking Establishment Act. The bill as amended would:

- Allow the sale or serving of certain mixed alcoholic beverages, and any others approved by the Director of Alcoholic Beverage Control, in a pitcher containing not more than 64 fluid ounces;
- Permit certain licensees to offer self-service alcoholic liquor, beer, cereal malt beverage, or wine from automated devices on the licensee's premises.
 - The licensee and Kansas Racing and Gaming Commission would be required to monitor such consumption and the licensee have the ability to control the consumption from automated devices;
- Allow hotels, if the entire premises is licensed as a drinking establishment, to distribute coupons to its guests, redeemable on the hotel premises for drinks containing alcoholic liquor;

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

- Require those licensed hotels to remit liquor drink tax on each drink served based on a price, which is not less than the acquisition cost of the drink;
- Allow other hotels for which the entire premises are not licensed as drinking establishments to distribute coupons to their guests redeemable at clubs and drinking establishments, in accordance with rules and regulations adopted by the Department of Revenue;
- Require each club or drinking establishment redeeming hotel coupons to remit liquor tax on each drink served based on a price not less than the acquisition cost of the drink;
- Delete a requirement that clubs and drinking establishments provide price lists;
- Allow a licensee under the Kansas Liquor Control Act or Club and Drinking Establishment Act to bring about a civil action for damages (\$1,000 and attorney fees) against an individual who is 18 years of age who presents fraudulent or false evidence of age for the purpose of acquiring alcoholic liquor; and
- Allow a licensee under the Kansas Liquor Control Act or Club and Drinking Establishment Act to bring about a civil action for damages (\$1,000 and attorney fees) against an individual who is of legal consumption age and acquires alcoholic liquor for the purposes of providing it to a person under the age of 21 years.

Background

At the Senate Committee hearing, testimony in support of the bill was provided by representatives of the Kansas

Department of Revenue, the Kansas Restaurant and Hospitality Association, the Kansas Licensed Beverage Association, and the Kansas Star Casino.

The bill as introduced would have amended the Club and Drinking Establishment Act to clarify that hotels would be allowed to distribute coupons redeemable for drinks containing alcoholic liquor and, if the hotel were licensed to sell alcoholic beverages, would be required to remit the liquor drink tax in accordance with the Liquor Drink Tax Act. When the entire premise of a hotel is not licensed as a drinking establishment, the club or drinking establishment redeeming coupons issued by the hotel would be required to collect and remit the appropriate tax. In either case, the tax would be based on a price, which would be not less than the acquisition cost of the drink.

The Senate Committee on Federal and State Affairs amended the bill to allow the selling of certain mixed alcoholic liquor in pitchers, allow the regulated self-service of alcoholic liquor, delete a current requirement for a price list to be provided by clubs and drinking establishments, establish civil penalties relating to individuals providing false proof of age for the purpose of acquiring alcohol, and establish civil penalties relating to individuals of legal consumption age who provide alcohol to persons under 21 years of age.

The fiscal note provided by the Division of the Budget on the bill as introduced indicates the bill would have no impact on Department of Revenue revenues and would increase FY 2014 All Fund expenditures by \$4,800.