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MEMORANDUM

TO: Representative Steve Brunk, Chairman, House Committee on Federal and State Affairs

FROM: Dean Reynoldson, Director of Kansas Alcoholic Beverage Control

DATE: 18 March 2015

SUBJECT: House Bill 2413

Mr. Chairman and members of the committee. Thank you for allowing us to testify about this bill as a neutral party.

As we discussed with the committee at our annual legislative briefing January 20th, K.S.A. 41-719 prohibits an unlicensed business from allowing customers to bring their own liquor and consume it on the premises. Specifically, K.S.A. 41-719 prohibits the consumption on private property and lists several exceptions. BYOB at a private business is not listed as an exception. ABC has held this position for decades and our position is supported by Attorney General's Opinion 93-35.

We also understand the motivation to amend the law to allow art studios to permit their customers to bring their own alcohol and consume it on the premises. Mr. Chairman, you requested during the January 20th that the agency attempt to arrive at a potential statutory solution. We suggested language to amend law to allow art studios to qualify for a permit to allow their customers, under carefully crafted circumstances, to bring their own liquor and consume it on the licensed premises. We appreciate the fact that House Bill 2413 is largely the language we suggested as a possible solution in January.

We weighed two key factors in putting together the language:

1. We wanted to minimize the cost and regulatory burden on art studios. For this reason, we suggested the creation of a permit rather than a license.
2. We wanted to avoid, as much as possible, unintended consequences. We crafted the language to apply only to art studios in order to avoid creating a loophole where other types of businesses, such as an adult entertainment establishment, could avoid obtaining a liquor license and the regulation and oversight that comes with such a license. That is why the new section of the bill applies only to art studios.

On the last point – avoiding unintended consequences - we would like to propose the addition of one word to avoid other businesses using “art” as a loophole to allow customers to BYOB. We suggest inserting the word “primarily” in line 6:

New Section 1. (a) Any business ***primarily*** engaged in the practice of teaching or allowing its patrons to produce artwork may apply to the director for an annual art studio permit.

Thank you Mr. Chairman for the opportunity to testify about this bill.