

Nick Jordan, Secretary
Dean Reynoldson, Director

Sam Brownback, Governor

MEMORANDUM

TO: Representative Ralph Ostmeyer, Chairman, Senate Committee on Federal and State Affairs

FROM: Dean Reynoldson, Director of Kansas Alcoholic Beverage Control

DATE: 31 March 2015

SUBJECT: Senate Bill 298

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

Section 9 would amend K.S.A. 41-102 to add a definition for a "convenience store," "grocery store" and "liquor store." It appears the Director of ABC would have to promulgate rules and regulations to further define what a "convenience store," "grocery store" and "liquor store" are and to determine whether a particular business would qualify as such. This has the potential of becoming contentious.

The definitions in the bill are as follows:

on page 5, lines 38-41:

(i) "Convenience store" means a retail business with primary emphasis placed on providing the public a convenient location to quickly purchase from a wide array of consumable products (predominantly food or food and gasoline) and services.

On page 6, lines 19-24:

(q) "Grocery store" means an establishment primarily engaged in retailing a general line of groceries, including, but not limited to, packaged food, fresh and frozen food, prepared foods and other consumable products, and includes establishments primarily engaged in retailing a general line of groceries in combination with general lines of new merchandise.

on page 6, lines 25-27:

(r) "Liquor store" means a store whose primary business is the retail sale of alcoholic liquor in the original and unopened container and not for consumption on the premises.

Section 18 calls for the Secretary of Revenue, rather than the ABC Director, to revoke a retailer's license when the retail business has failed to operate for a period of 180 days (dormancy clause). This language should be amended to call for the ABC Director to revoke the license. The liquor laws do not give the Secretary of Revenue authority to revoke liquor licenses. That authority rests, under current law, exclusively with the ABC Director.

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