

STATE OF KANSAS

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GOVERNOR JEFF COLYER, M.D.  
SAMUEL M. WILLIAMS, SECRETARY

**MEMORANDUM**

**TO:** Sen. Bud Estes, Chairman, Senate Federal and State Affairs Committee  
**FROM:** Debbi Beavers, Director, Alcoholic Beverage Control Division  
**DATE:** February 28, 2018  
**SUBJECT:** Neutral Testimony on House Bill 2502

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Mr. Chairman and members of the committee. ABC is neutral on this bill.

This bill provides clarification for some issues important to the Alcoholic Beverage Control (ABC) regarding SB 13 which passed in 2017.

Cereal Malt Beverage (CMB) licenses are issued locally by the city or county and not by the ABC division. Effective April 1, 2019 the ABC director will have oversight over the sale of beer not more than 6% alcohol by volume (ABV) sold by CMB retailers to promote an orderly market but no ability for ABC to take civil action against a CMB retailer license. As written, new section 1 grants authority for the ABC director to issue a citation to a CMB retailer for any violation of the Kansas liquor control or the Kansas CMB act, or any rules and regulations promulgated with regard to the sale, consumption or possession of beer not more than 6% ABV. A civil fine not exceeding \$1,000 for each violation may be imposed upon the written order of the director to the CMB retailer who committed the violation. The CMB retailer has the right to appeal the order. Any fines collected would be deposited into the state general fund.

Section 2 clarifies the requirements of the report required by the ABC director to the 2029 legislature is based upon information available to the director. The original language requirements would require the department to commission a long term impact study to fulfil all report requirements.

Section 3 authorizes the director to refuse to issue a State CMB stamp for a new or renewed CMB retailer license if the retailer owes a fine imposed by the director.

Thank you Mr. Chairman.