



March 22, 2019

To: House Committee on Federal & State Affairs
From: R.E. "Tuck" Duncan, General Counsel
RE: SB70

In consultation with the Director of the Kansas Alcoholic Beverage Control counsel was involved in the drafting of SB70 to create this act concerning temporary permits in order to consolidate various provisions enacted over the years regarding the issuance of temporary permits and to codify certain regulations. Art. 15, Sec.10, Kansas constitution provides for consumption in "public places for which a temporary permit has been issued as authorized by law." The Director hosted a meeting last year of interested parties including representatives of several cities, ABC personnel and yours truly. SB70 is the by-product of that discussion.

New Section 1 has its origins from current law K.S.A. 41-2645.

New Section 2 has its origins from K.A.R. 14-23-8 and current regulations.

New Section 3 has its origins from K.A.R. 14-23-11 and current regulations

New Section 4 has its origins from K.S.A. 41-308d; wine, beer and spirits tastings.

New Section 5 eliminates the requirement that temporary permit holders must "tag" kegs.

New Section 6 incorporates this act into the Liquor Control Act enforcement provisions and provides for the issuance of rules and regulations.

Section 7, as amended by the Senate, makes a technical change and established sample sizes which are applicable to retailers, drinking establishments and temporary permit holders.

Section 8 makes a technical amendment in line 20.

Section 9 amends the law regarding consumption in public places and makes substantive changes regarding the extension of premises (p.9 line 27), allowing product on the premises of the permit holder (p.9, line 43), make a reference change at p.11, line16, and the term "special event" is eliminated when referencing temporary permits. (p.13, lines 6-9).

Section 10 makes a change in language for samples.

Section 11 paragraph (c) clarifies when licensee premises may be extended into public rights-of-way.

Sections 12 renames certain licenses (eliminate the "/").

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Section 13 relates to sampling in drinking establishments.

Section 14 relates to sampling in Class B clubs.

Section 15 relates to sampling in drinking establishments.

Section 16 is the common consumption area amendments made by the House in HB2239¹

Sections 17 and 18 are technical. The law is effective July 1.

The Kansas Wine & Spirits Wholesalers Association supports the efforts of the agency to improve the process of issuing temporary permits and endorses SB70 as amended by the Kansas Senate. Thank you.

¹ Minutes Content for Mon, Feb 18, 2019

Hearing on: HB2239 - Liquor sales by licensees in common consumption areas.

The Chair opened the hearing on **HB2239**.

Mr. Heim provided a history of the legislation, 2017 **Substitute for HB 2277**, that enabled cities and counties to create common consumption areas (CCA) for the sale and consumption of liquor;. Mr. Heim explained **HB 2239** would allow an establishment participating in a CCA to establish a non-contiguous service area within the CCA for sale and consumption of alcohol. Responding to a question, he replied that multiple vendors would be allowed in the area.

Mike Nolan, Assistant to the City Manager, City of Lenexa, testified in support of the bill (Attachment 3). He stated that the City has numerous events throughout the year with two restaurants that serve alcohol. The bill will allow a satellite area within the same building. Responding to questions, Mr. Nolan replied that the designated area allows minors, and he noted that there are currently five CCA's in five different counties, but he does not believe the other CCA have multiple or daily events.

Trey Cocking, Deputy Director, Kansas League of Municipalities, spoke as a proponent (Attachment 4). He said that the bill provides a slight update on the present statute. Responding to a question, he replied that a 20-block area could qualify as a consumption area if all the streets were cordoned off. It is the responsibility of local officials to apply for a permit.

Philip Bradley, CEO, Kansas Licensed Beverage Association, also spoke as a proponent (Attachment 5). He noted that the area in Lenexa is unique in that the building contains two floors; the bill will make is simpler for patrons to move about the building.

Debbi Beavers, Director, Alcoholic Beverage Control, testified as neutral (Attachment 5). She recommended that cities or counties check their resolution or ordinance to ensure that sales by the licensees are authorized in the permitted area, and she suggested the bill to include language so that the approval from the common-consumption area permit holder be kept on the licensed premises and be available for inspection. Responding to a question, Ms. Beavers replied that a city or county or another entity may hold the permit.

The Chair closed the hearing on **HB2239** and requested Revisor staff to prepare the recommended amendment for the Committee meeting on Wednesday, February 20.