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**Testimony Re: SB 299, ABC Licensure for Public Venues**  
**Senate Federal and State Affairs Committee**  
**Presented by Ronald R. Hein**  
**on behalf of**  
**Kansas Restaurant and Hospitality Association**  
**January 24, 2012**

Mr. Chairman, Members of the Committee:

My name is Ron Hein, and I am legislative counsel for the Kansas Restaurant and Hospitality Association (KRHA). The Kansas Restaurant and Hospitality Association, founded in 1929, is the leading business association for restaurants, hotels, motels, country clubs, private clubs and allied business in Kansas. Along with the Kansas Restaurant and Hospitality Association Education Foundation, the association works to represent, educate and promote the rapidly growing industry of hospitality in Kansas.

The KRHA supports generally the provisions of SB 299, providing for a licensure mechanism for public venues which are engaged in the sale of cereal malt beverages (CMB) and alcoholic beverages. We understand the difficulties of the Kansas Department of Revenue's Division of Alcoholic Beverage Control (ABC) in dealing with the uniqueness of such large venues versus other drinking establishments, and applaud their efforts to set up a specific classification for licensure for these arena and arena venues.

With that said, however, the KRHA does wish to express some specific concerns regarding the specific provisions of the legislation. We are listing those specific concerns herein, and if members of the committee share some of these concerns, we would look forward to working with the committee to amend this legislation accordingly.

Although the KRHA supports the legislation generally, we would like to express the following concerns:

1. Pursuant to this legislation, it appears that the owner of the premises becomes a guarantor of no minor coming in possession of CMB or alcoholic beverages. This is an unrealistic expectation, and the number of possibilities of "potential minor in possession" accusations being made are significant. For example, when serving CMB, and a drink is being passed down the row from the aisle to the consumer, a

minor could conceivably be in possession of the drink as it is being passed down the aisle, if an adult drinking the beverage has the beverage in the drink slot at the arena, and leaves his seating area, and his son or daughter is next to him in the seating area, would the minor be deemed to be in possession of the beverage, and can an accusation of such be made? We have had examples in the past of adults going to the rest room and asking a son/daughter to hold the beverage until they return, and the arena will have absolutely no control over such circumstances.

We would propose some other solution that would protect the arena from minor in possession accusations that will jeopardize their license and perhaps expose them to criminal violations. For example, we are willing to offer arm bands that can distinguish a person of age from a minor, so that the sellers and dispensers of the beverages will know who is permitted to purchase the product and who is not. We also are willing to look at security provisions in the statute so as to ensure that arenas are not held liable for cases of minors being in possession that are, legitimately beyond the arena's control.

2. KRHA does not support the proposed license fees. During this economic climate the Governor has directed agencies to make changes that support business growth and development. Setting the venue fees to the proposed amounts does not accomplish this directive.
3. The new sections address the return of unopened liquor. We would want to ensure that unused kegs and/or beer can also be returned to the retailer. Perhaps this is addressed and we did not recognize the section.
4. In new section (c)(2) venues would not be allowed to serve more than 2 drinks per guest. This is a common practice for most venues. However, we would like to get additional clarification so that the agency and industry can ensure this is properly implemented. If three individuals each order two drinks would one person be able to purchase the drinks for the group?

KRHA is presenting these concerns with the thought that if the committee feels these concerns are legitimate, that we would request the ability to work with this committee and the ABC in drafting reasonable compromises that would respond to these concerns, while still meeting the goal of the ABC to protect the public from inappropriate behavior on behalf of the arena.

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With the caveat that we would respectfully request that these concerns be addressed by the committee, we do stand in support of the overall establishment of a specific licensing category for venues as set out in the general provisions of SB 276 and would urge this committee to favorably pass SB 299.

Thank you very much for permitting me to testify, and I will be happy to yield to questions.