

SESSION OF 2012

SUPPLEMENTAL NOTE ON SENATE BILL NO. 299

As Amended by House Committee on Federal
and State Affairs

Brief*

SB 299, as amended, would amend the Liquor Control Act and the Club and Drinking Establishment Act by creating a new class of license for a public venue. A public venue would be defined as an arena, stadium, hall, or theater; all areas inside the venue's admission gates, including uncovered outdoor areas, but not outside the venue's admission gates; used primarily for athletic or sporting events, live theater productions, and live concerts; continuing not less than 4,000 permanent seats; and having not less than two private suites. The public venue licensee would be subject to taxes in the same manner as other licensees selling liquor by the drink under the Club and Drinking Establishment Act.

In certain designated areas, the licensee would be allowed to sell and serve alcoholic beverages by individual drinks, unlimited drinks for a fixed price, unlimited drinks in inclusive packages, and liquor in the original container for consumption in private suites. Such designated areas would have controlled access to the area that has the suites and would be separated from the general admission area by a barrier. The licensee also would be allowed to store alcohol in private suites.

The fee for a public venue license would be \$5,000 with a maximum capacity of not more than 10,000 people; \$7,500 with a maximum capacity of not more than 25,000; and \$10,000 with a maximum capacity exceeding 25,000 people.

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

The bill also would allow a city or county to levy a biennial occupation or license tax of not more than \$500 from the public venue licensee.

Background

Proponents in the Senate Committee on Federal and State Affairs included the Director of Alcoholic Beverage Control, the Kansas Restaurant and Hospitality Association, and League of Kansas Municipalities.

A representative from the Kansas Licensed Beverage Association testified as an opponent. Neutral testimony was provided by a representative of the Kansas Association of Beverage Retailers.

The Senate Committee of the Whole amended the bill to make public venue licenses subject to the same taxes as other licensees selling liquor by the drink. In addition, the Senate Committee of the Whole also reduced two classes of license fees from \$10,000 to \$7,500 and from \$20,000 to \$10,000.

The House Committee on Federal and State Affairs heard from four proponents: the Director of Alcohol Beverage Control and representatives of the Kansas Unified Development and KC American Sportservice, LLC (Livestrong Sporting Park), Kansas Restaurant and Hospitality Associations, and the Kansas Licensed Beverage Association. No other conferees appeared.

The House Committee amended the bill to clarify the delineation between general admissions and suite areas by adding the term "designated areas" for controlled access sections of the facilities; to clarify that public venues included all areas within the admission gates; and adjusted the biennial occupation or license tax to no more than \$500 for local units of government where the public venue is located.

The fiscal note estimates the original bill would increase fee revenues by a minimum of \$80,000 every two years beginning in FY 2013. In addition, the fiscal note estimates the costs to update the computer processing system would increase expenditures by the Department of Revenue from the fee funds in FY 2013 by \$5,040. There was no fiscal note at the time the amended bill was passed by the Senate Committee of the Whole, but revenues would not increase as much in the original bill because two classes of license fees would decrease.