

SESSION OF 2011

SUPPLEMENTAL NOTE ON SENATE BILL NO. 54

As Amended by Senate Committee on
Federal and State Affairs

Brief*

SB 54, as amended, would impose a fixed cap on the number of licenses to sell alcoholic liquor at retail for consumption off licensed premises that can be issued by the Alcoholic Beverage Control (ABC) from July 1, 2011, until December 31, 2016.

Beginning January 1, 2012, ABC would be able to issue retail liquor licenses to any qualified applicant including convenience and grocery stores provided the cap is not exceeded. Retail licensees would be able to sell goods or service other than alcoholic liquor on the licensed premises starting January 1, 2012, except for existing liquor stores who would not be able to sell goods or services other than alcoholic liquor prior to January 1, 2017.

On or after January 1, 2012, any licensee holding a retailer's license to sell alcoholic liquor would be able to transfer the license to any qualified applicant, convenience or grocery store. The buyer and seller would have to submit the relevant information to the ABC for approval, and the buyer would be required to pay a state transfer fee of \$25 and a state application fee of \$50. From that date, corporations owning convenience or grocery stores would be eligible for a retail license.

The bill would prohibit persons under 21 years of age to sell, stock or handle any alcoholic liquor. In addition, the bill would prohibit any person who has been adjudged guilty of a felony to sell any alcoholic liquor.

*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 would allow distributors to establish minimum order quantities or order prices for the distribution of alcoholic liquor to a retailer.

A retailer's license could not be issued to corporations, persons, partnerships, or to a trust unless they met the licensing requirements for natural persons under current law, except for residency and citizenship requirements.

Under the bill, 3.0 percent of the revenue collected from liquor taxes would be credited to the local cereal malt beverage sales tax fund which would be distributed to each city and county which levied a local retail liquor sales tax. The amount distributed would be determined by the Department of Revenue based on a weighted population average.

Background

Proponents of the original SB 54 included representatives from the Center for Applied Economics of the University of Kansas School of Business, Moon's Hometown Market, Puffy's Steak and Ice House, Coalition for Jobs and Consumer Choice, Quik Trip Corporation, Williams Brother's Supermarket, G. A. Kruger, Inc., Casey's General Store, Haag Oil Company, RED Brokerage, Cameron Group, Landmark Investment Group, Petroleum Market Association, and several individuals.

Opponents of the original bill included representatives of Kansas Association of Beverage Retailers, Library Discount Liquor, Ken-Mar Liquor, Tope Cellars Select Wine and Spirits, R & J Discount Liquor, Plashka and Kramer Liquor, Kansas Association of Beverage Retailers, Kansas Wine and Spirits Wholesalers Association, Keep Kansas in Business, Jefferson County Sheriff's Office, Kansas Beer Wholesalers Association, Woman's Christian Temperance Association, Kansas for Addiction Prevention, Liquor Barn & Papa Top Liquor, Kansas Family Policy Council, Wolf Liquor, and several individuals.

Neutral testimony was provided by representatives of the Kansas Association of Counties, League of Kansas Municipalities Kansas Association of Chiefs of Police and Kansas Peace Officer's Association, Kansas Licensed Beverage Association, Kansas Secretary of State, and the Division of Alcoholic Beverage Control.

The Committee amended the bill by deleting the three tier classes of retail licenses, adding clean up language by the Secretary of State's Office dealing with corporations filing for a liquor license, placing a cap on the issuance of a retail liquor license until January 2016, prohibiting individuals under 21 years of age to sell, stock or handle alcoholic liquor, and allowing distributors to set a minimum price and quantity of liquor.

The fiscal note from the Division of Budget was not available on the amended version of SB 54.