

Alcoholic Beverage Control
109 SW 9th Street, 5th Floor
PO Box 3506
Topeka KS 66601-3506
Mark A. Burghart, Secretary



Phone: 785-296-7015
Fax: 785-296-7185
Kdor_abc.email@ks.gov
www.ksrevenue.org
Laura Kelly, Governor

MEMORANDUM

TO: Rep. Will Carpenter, Chairman, House Federal and State Affairs Committee

FROM: Debbi Beavers, Director, Alcoholic Beverage Control Division. Email: debbi.beavers@ks.gov; Desk Phone 785-368-6290; Cell 785-260-1008.

DATE: January 31, 2023

SUBJECT: HB 2058 Proponent Testimony

Mr. Chairman:

The ABC stands in support of this bill. During the ABC briefing to this committee, I testified that unlawful known shipments of alcohol to Kansas consumers is a known problem.

- Special Order Shipper license – authorizes direct shipments of wine by a wine manufacturer, in-state or out-of-state, provided they possess this license. Shipments are limited to 12 standard cases (12-750ml bottles or equivalent) to one address or person. The 2019 Legislature changed the filing frequency from annually to requiring the licensee to report and remit gallonage tax quarterly. Liquor enforcement tax is filed monthly.
- Fulfilment House license – authorizes providing services for warehousing, packaging, order fulfillment and shipping of wine produced by and belonging to any duly licensed special order shipping licensee. The licensee is required to report monthly.
- Common Carriers – are not licensed by the ABC but they are required to submit monthly reports of shipments of known alcoholic liquor from outside of the State of Kansas.

Because Special Order Shippers only report their shipments quarterly, this makes it difficult for the Division to identify unlawful shipments because we cannot run match reports for months after the shipment has been delivered. Changing the reporting frequency from quarterly to monthly will allow the ABC to identify unlawful shipments in a timely manner. Additionally, tax collections will increase.

Thank you, Mr. Chairman.