

Approved: 2-9-12
Date

MINUTES OF THE SENATE FEDERAL AND STATE AFFAIRS COMMITTEE

The meeting was called to order by Chairman Pete Brungardt at 10:30 a.m. on January 19, 2012, in Room 144-S of the Capitol.

All members were present except:
Senator Steve Morris-excused

Committee staff present:
Jason Long, Office of the Revisor of Statutes
Dennis Hodgins, Kansas Legislative Research Department
Julian Efird, Kansas Legislative Research Department
Connie Burns, Committee Assistant

Conferees appearing before the Committee:
Joe Grishabor, Dillon's Food Stores
Dale Goter, City of Wichita
Tuck Duncan, Kansas Wine and Spirits Wholesalers Association
Sarah Byrne, Alcoholic Beverage Control, Kansas Department of Revenue
Patsy Congrove, Kansas Department of Revenue

Others attending:
See attached list.

Introduction of Bills

Joe Greishabor, President of Dillon's Food Stores, Hutchinson, Kansas, requested a bill introduction to amend existing package liquor retail sale laws to permit sale of full strength beer, wine and spirits in certain grocery and convenience stores beginning in 2013.

Senator Longbine moved that this request should be introduced as a committee bill. Senator Owens seconded the motion. The motion carried.

SB 274 -- Alcoholic beverages; authorizing extended temporary permits for special events.

Chairman Brungardt opened the hearing on **SB 274**

Staff provided an overview of the bill.

Dale Goter, Government Relations Manager, City of Wichita, appeared as a proponent on the bill. (Attachment 1) The current statute allows for an individual to apply for as many as four three-day permits in the course of single year. Although the Festival could avail itself of all four three-day permits to accommodate the 10 day event, it would have no further opportunity during that year to conduct additional events. Passage of the bill would allow the Festival promoter to participate in one or more of those shorter events, as well.

CONTINUATION SHEET

The minutes of the Federal and State Committee at 10:30 a.m. on January 19, 2012, in Room 144-S of the Capitol.

Tuck Duncan, Kansas Wine & Spirits Wholesalers Association, spoke in favor of the bill. (Attachment 2) The Kansas Wine & spirits Wholesalers Association supports the provisions of the bill; and request an amendment that would allow the permittee to sell excess inventory. The amendment has been discussed with the Alcoholic Beverage Control and understands that there is no objection.

Written testimony was provided by Sandy Jacquot, Director of Law/General Counsel, League of Kansas Municipalities, in support of the bill. (Attachment 3) The bill will allow cities that have longer events to utilize the authority granted by statute; as a safeguard, the event must be approved by the city or county and the permit is limited to ten consecutive days.

Sarah Byrne, Assistant Attorney General, Alcoholic Beverage Control, (ABC) appeared as neutral on the bill. (Attachment 4) KDOR does not oppose the bill, however, the department feels the bill, as proposed, is contradictory. The department provided amended language for Section 1, subsection (f)(3). Another potential issue is the application of federal regulations to certain practices that normally take place between industry members (distributors, suppliers, and manufacturers) and the temporary permit holders. Under both state and federal law, industry members are generally prohibited from providing equipment, supplies or services to licensees; the prohibition does not extend to providing equipment, services and supplies to “temporary retailers”.

Any state issues can be addressed. However, Kansas has no authority to amend or repeal federal regulations. The extension of the temporary permit beyond four consecutive days may jeopardize the industry members’ ability, under federal law, to provide equipment, services and supplies to temporary permit holders.

Chairman Brungardt closed the hearing on **SB 274**

SB 270 - Alcoholic beverages; authorizing extended temporary permits for special events.

Chairman Brungardt opened the hearing on **SB 270**.

Patsy Congrove, Charitable Gaming Distributor, Kansas Department of Revenue, appeared in support of the bill. (Attachment 5) The bill would allow KOR to release the names, addresses, license numbers and email addresses of all licensed bingo organizations, distributors and premises lessors. By being able to provide this information the Department is better able to provide quality customer service.

A technical clean up amendment was requested for page 4 of the bill.

Chairman Brungardt closed the hearings on **SB 270**.

The next meeting is scheduled for January 24, 2011. The meeting was adjourned at 11:05 a.m.