



STANDARD BEVERAGE
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To: Members of The House Commerce Committee

From: Ross Schimmels

Memo: HB2206

HB2206 is coming before the House Commerce Committee on March 7th. Most understand this to be a bill that would allow the sale of alcoholic beverages in grocery and convenience stores. But, it is much more than that. Incorporated into the definition section are the NAICS (North American Industry Classification System) Codes. These are highlighted in red on the attached copy of HB2206.

Please note the definition Section 7 (0) "grocery store". By incorporating six different NAICS codes it would allow the sale of alcoholic beverages in Pharmacies and Drug stores like Walgreens and CVS; in department stores that sell apparel, jewelry and home furnishings like; Dillard's and JC Penny; Discount Department stores with central checkouts like Target and Wal-Mart; warehouse clubs and super centers like Costco and Sam's Club; and all other general merchandise stores which could include Dollar Stores, General Stores and even Home and Auto Supply stores. Please also note that this section also reads, "*including, but not limited to,*" which further illustrates the intent of this legislation is to expand alcoholic sales to numerous outlets.

How many liquor outlets does Kansas need? Not to mention that this bill would allow 18 year olds to sell alcoholic beverages.

Please do not let HB2206 pass out of your committee.

Sincerely,

Ross Schimmels

House Commerce & Economic
Development Committee

Date: 3.7.13
Attachment #: 54

liquid or solid, patented or not, containing alcohol, spirits, wine or beer and capable of being consumed as a beverage by a human being, but shall not include any cereal malt beverage.

(c) "Beer" means a beverage, containing more than 3.2% alcohol by weight, obtained by alcoholic fermentation of an infusion or concoction of barley, or other grain, malt and hops in water and includes beer, ale, stout, lager beer, porter and similar beverages having such alcoholic content.

(d) "Caterer" has the meaning provided by K.S.A. 41-2601, and amendments thereto.

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(e) "Cereal malt beverage" has the meaning provided by K.S.A. 41-2701, and amendments thereto.

(f) "Club" has the meaning provided by K.S.A. 41-2601, and amendments thereto.

(g) *"Convenience store" means a retail business with primary emphasis placed on providing the public a convenient location to quickly purchase from a wide array of consumable products (predominantly food or food and gasoline) and services, and includes stores classified under the NAICS as NAICS 44512, 445120 or 447110 on the effective date of this act.*

44512 Convenience Stores

See industry description for [45120](#).

445120 Convenience Stores

This industry comprises establishments known as convenience stores or food marts (except those with fuel pumps) primarily engaged in retailing a limited line of goods that generally includes milk, bread, soda and snacks.

Cross-References. Establishments primarily engaged in--

- Retailing a general line of food, known as supermarkets and grocery store--are classified in Industry [445110](#), Supermarkets and Other Grocery (except Convenience) Stores; and
- Retailing automotive fuels in combination with convenience store or food mart--use classified in Industry [447110](#), Gasoline Stations with Convenience Stores.

447110 Gasoline Stations with Convenience Stores

This industry comprises establishments engaged in retailing automotive fuels (e.g., diesel fuel, gasohol, gasoline) in combination with convenience store or food items. These establishments can either be in a convenience store (i.e., food mart) setting or a gasoline station setting. These establishments may also provide automotive repair services.

Cross-References. Establishments primarily engaged in--

- Retailing automotive fuels without a convenience store--are classified in Industry [447190](#), Other Gasoline Stations; and
- Retailing a limited line of goods, known as convenience stores or food marts (except those with fuel pumps)--are classified in Industry [445120](#), Convenience Stores.

(h) "Director" means the director of alcoholic beverage control of

the department of revenue.

(i) "Distributor" means the person importing or causing to be imported into the state, or purchasing or causing to be purchased within the state, alcoholic liquor for sale or resale to retailers licensed under this act or cereal malt beverage for sale or resale to retailers licensed under K.S.A. 41-2702, and amendments thereto.

(j) "Domestic beer" means beer which contains not more than 10% alcohol by weight and which is manufactured in this state.

(k) "Domestic fortified wine" means wine which contains more than 14%, but not more than 20% alcohol by volume and which is manufactured in this state.

(l) "Domestic table wine" means wine which contains not more than 14% alcohol by volume and which is manufactured without rectification or fortification in this state.

(m) "Drinking establishment" has the meaning provided by K.S.A. 41-2601, and amendments thereto.

(n) "Farm winery" means a winery licensed by the director to manufacture, store and sell domestic table wine and domestic fortified wine.

(o) "*Grocery store*" means an establishment primarily engaged in retailing a general line of groceries, including, but not limited to, packaged food, fresh and frozen food, prepared foods and other consumable products, and includes establishments primarily engaged in retailing a general line of groceries in combination with general lines of new merchandise, including, but not limited to, establishments classified under the NAICS as NAICS 445110, 446110, 452111, 452112, 452910 or 452990 on the effective date of this act.

445110 Supermarkets and Other Grocery (except Convenience) Stores

This industry comprises establishments generally known as supermarkets and grocery stores primarily engaged in retailing a general line of food, such as canned and frozen foods; fresh fruits and vegetables; and fresh and prepared meats, fish, and poultry. Included in this industry are delicatessen-type establishments primarily engaged in retailing a general line of food.

Cross-References. Establishments primarily engaged in—

- Retailing automotive fuels in combination with convenience store or food mart—are classified in Industry 447110, Gasoline Stations with Convenience Stores;
- Retailing a limited line of goods, known as convenience stores or food marts (except those with fuel pumps)—are classified in Industry 445120, Convenience Stores;
- Retailing frozen food and freezer meal plans via direct sales to residential customers—are classified in Industry 454390, Other Direct Selling Establishments;
- Providing food services in delicatessen-type establishments—are classified in U.S. Industry 772513, Limited-Service Restaurants; and
- Retailing fresh meat in delicatessen-type establishment—are classified in Industry 445210, Meat Markets.

446110 Pharmacies and Drug Stores

This industry comprises establishments known as pharmacies and drug stores engaged in retailing prescription or nonprescription drugs and medicines.

Cross-References. Establishments primarily engaged in—

- Retailing food supplement products, such as vitamins, nutrition supplements, and body enhancing supplements—are classified in U.S. Industry 446191, Food (Health) Supplement Stores; and
- Retailing prescription and nonprescription drugs via electronic home shopping, mail-order, or direct sales—are classified in Subsector 454, Nonstore Retailers.

452111 Department Stores (except Discount Department Stores)

This U.S. industry comprises establishments known as department stores that have separate departments for various merchandise lines, such as apparel, jewelry, home furnishings, and linens, each with separate cash registers and sales associates. Department stores in this industry

Generally do not have central customer checkout and cash register facilities.

Cross-References. Establishments primarily engaged in—

- Retailing apparel without a significant amount of housewares or general merchandise—are classified in Subsector 448, Clothing and Clothing Accessories Stores;
- Retailing a wide variety of general merchandise in department stores with separate cash registers and sales associates for each department—are classified in U.S. Industry 452111, Department Stores (except Discount Department Stores); and
- Retailing a wide variety of general merchandise in combination with general line of perishable groceries, such as fresh meat, vegetable, and dairy products—are classified in Industry 452910, Warehouse Clubs and Supercenters.

452112 Discount Department Stores

This U.S. industry comprises establishments known as department stores that have central customer checkout areas, generally in the front of the store, and that may have additional cash registers located in one or more individual departments. Department stores in this industry sell a wide range of general merchandise (except fresh, perishable foods).

Cross-References. Establishments primarily engaged in—

- Retailing apparel without a significant amount of housewares or general merchandise—are classified in Subsector 448, Clothing and Clothing Accessories Stores;
- Retailing a wide variety of general merchandise in department stores with separate cash registers and sales associates for each department—are classified in U.S. Industry 452111, Department Stores (except Discount Department Stores); and
- Retailing a wide variety of general merchandise in combination with a general line of perishable groceries, such as fresh meat, vegetable, and dairy products—are classified in Industry 452910, Warehouse Clubs and Supercenters.

452910 Warehouse Clubs and Supercenters

This industry comprises establishments known as warehouse clubs, superstores or supercenters primarily engaged in retailing a general line of groceries in combination with general lines of new merchandise, such as apparel, furniture, and appliances.

Cross-References. Establishments primarily engaged in—

- Retailing general lines of merchandise via electronic home shopping, mail-order, or direct sale—are classified in Subsector 454, Nonstore Retailers;
- Retailing a general line of food, generally known as supermarkets and grocery stores—are classified in Industry 445110, Supermarkets and Grocery (except Convenience) Store;
- Retailing general lines of new merchandise with little grocery item sales—are classified in Industry 452990, All Other General Merchandise Stores;
- Retailing new merchandise in discount department stores—are classified in U.S. Industry 452112, Discount Department Stores;
- Retailing new merchandise in department stores other than discount department stores—are classified in U.S. Industry 452111, Department Stores (except Discount Department Stores); and
- Retailing used merchandise—are classified in Industry 453310, Used Merchandise Stores.

452990 All Other General Merchandise Stores

- This industry comprises establishments primarily engage in retailing new goods in general merchandise stores (except department stores, discount department stores, warehouse clubs, superstores, and supercenters). These establishments retail a general line of new merchandise, such as apparel, automotive parts, dry goods, hardware, groceries, housewares or home furnishings, and other line in limited amounts, with none of the lines predominating.

Illustrative Examples:

Dollar stores
 General store
 General merchandise catalog showrooms (except catalog mail-order)
 General merchandise trading posts
 Home and auto supply stores
 Variety stores

(p) "Liquor store" means a store whose primary business is the retail sale of alcoholic liquor in the original and unopened container and not for consumption on the premises, and includes stores classified under the North American industry classification system (NAICS) as NAICS.445310 on the effective date of this act.

445310 Beer, Wine and Liquor Stores

This industry comprises establishments primarily engaged in retailing packaged alcoholic beverages, such as ale, beer, wine, and liquor.

Cross-References.

- Establishments primarily engaged in retailing packaged liquor in combination with providing prepared drinks for immediate consumption on the premises are classified in Industry 722410, Drinking Places (Alcoholic Beverages).

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(q) "Manufacture" means to distill, rectify, ferment, brew, make, mix, concoct, process, blend, bottle or fill an original package with any alcoholic liquor, beer or cereal malt beverage.

(r) (1) "Manufacturer" means every brewer, fermenter, distiller, rectifier, wine maker, blender, processor, bottler or person who fills or refills an original package and others engaged in brewing, fermenting, distilling, rectifying or bottling alcoholic liquor, beer or cereal malt beverage.

(2) "Manufacturer" does not include a microbrewery, microdistillery or a farm winery.

(s) "Microbrewery" means a brewery licensed by the director to manufacture, store and sell domestic beer.

(t) "Microdistillery" means a facility which produces spirits from any source or substance that is licensed by the director to manufacture, store and sell spirits.

(u) "Minor" means any person under 21 years of age.

(v) "Nonbeverage user" means any manufacturer of any of the products set forth and described in K.S.A. 41-501, and amendments