



House Federal & State Affairs Committee

SB 203

Testimony of

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Good morning Chairman Siegfried and members of the committee.

Senate Bill 203 was originally introduced at ABC's request because:

1. We wanted to eliminate the requirement for drinking establishments to maintain a drink price list. Given the fact that the Happy Hour law was rescinded last year, there is no longer the need for the price list.
2. We wanted to codify current practice and past ABC policy that allows hotels to provide complimentary drinks to their registered guests.

There were several amendments made by the Senate Federal and State Affairs Committee and the Senate as a whole and we are neutral on most of those. However, there are two that we have concerns about:

1. The self-dispensing provision in Section 2.
2. The provision in New Section 3 that would allow a liquor licensee to sue a minor following an administrative citation by ABC against the licensee for an underage violation.

ABC was neutral on the original language in the bill that allowed self-dispensing machines because:

1. The controls were tight and included real time monitoring.
2. The locations were very limited in scope.
3. The locations where it was to be allowed were such that it is very rare to see a minor.

We oppose opening up self-dispensing machines beyond the original language in Senate Bill 203 because:

1. There exists potential for abuse, particularly in college bars and stadiums.
2. The language used could be interpreted as allowing other types of self-dispensing units, including table taps and pre-measured shot dispensers.

We want to be business friendly but not at the expense of public safety. Working through the National Conference of State Liquor Administrators, we requested a survey to see how other states handle self-dispensing machines. Of the 33 states that responded, only three allow self-dispensing machines – Alaska, Wisconsin and Nevada.

ABC is opposed to an amendment giving the Director authority to determine who may install and use such machines because:

1. We believe the legislature should decide matters of public policy, which includes who gets these machines and who does not.
2. Giving that broad authority to the director may be an unconstitutional delegation of legislative powers.
3. Such authority will lead to pressure and challenges from various sectors of the industry, further straining the division's limited resources, and creating a rift between ABC and the industry.
4. The Director has broad discretionary powers under K.S.A. 41-210 to "strictly" enforce the provisions of the liquor control act and the club and drinking establishment act. The delegation of deciding which premises would qualify for these machines could lead to more liberal or lax enforcement.

Following the amendment that opened up the self-dispensing language, we revised our fiscal note to request two additional agent positions.

We also oppose New Section 3. Giving licensees the ability to sue minors would, in effect, allow licensees to shift the penalty for serving a minor to the minor, relieving the licensee from the consequences of the violation. As licensees would no longer be affected by the consequences of serving minors, many licensees would become less proactive in their attempts to prevent it, leading to increased access to alcohol for Kansas youths.

We support the provisions initially proposed in the bill: hotel drink coupons and drink price list. We are neutral on the provisions of the bill not mentioned in this testimony, but we oppose the provisions relating to self-service and civil actions by licensees against minors to recoup penalties imposed by ABC.

Despite the fact that this bill was originally introduced at our request, we are opposed to Senate Bill 203 in its current state.

Thank you Mr. Chairman.