

Alcoholic Beverage Control
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MEMORANDUM

TO: Rep. John Barker, Chairman, Senate 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: February 16, 2022

SUBJECT: Neutral Oral In-Person Testimony on House Bill 2611

Mr. Chairman and Members of the Committee:

This bill would authorize delivery of alcoholic liquor by retail liquor stores (RLS) and cereal malt beverage (CMB) or beer containing not more than 6% alcohol by volume by CMB retailers. Such retailers may also conduct deliveries utilizing third party delivery services or independent contractors.

The ABC is neutral on this bill but would like to point out our concerns:

- New Section 1 specifies delivery permits are \$25 for a two year permit. The ABC would respectfully request an annual permit as all other permits issued by the ABC are for one year or less.
- As written, it is unclear who would need a delivery permit. The bill authorizes delivery as a new right of their RLS or CMB retailer's license and specifies that independent contractors and employees of retailers or third party delivery services do not need the delivery permit. Who does that leave to issue a permit to?
- The bill authorizes delivery within a 50 mile radius of the retailer's location. The ABC requests the radius be reduced to 25 miles with specification that such deliveries must occur within the State of Kansas.

- There are no specific records related to alcohol or CMB delivery required to be maintained by anyone completing such deliveries, but the bill authorizes ABC to conduct audits of such records. The ABC requests clarification.
- Fines up to \$500 are authorized in this bill; however, under current law the Director is authorized to impose fines of up to \$1,000 for any other violation of liquor laws. The ABC respectfully requests this be changed to conform with existing law.
- There is no definition of “independent contractor” and the ABC requests adding such definition.
- The definition of ‘third party delivery service,’ as well as New Section 2(f)(2)(vi) and New Section 3(f)(2)(vi), only make reference to the Kansas Liquor Control Act and the Kansas Cereal Malt Beverage Act. The ABC believes the bill should also include the Kansas Club and Drinking Establishment Act. Without such a reference, an on-premises licensee could act as a third party delivery service on behalf of retailers, and deliveries could be made to on-premise licensees.

Thank you, Mr. Chairman, for the opportunity to testify.