

REPORTS OF STANDING COMMITTEES

MADAM PRESIDENT:

The Committee on **Federal and State Affairs** recommends **HB 2035** be amended on page 2, following line 4, by inserting:

"Sec. 2. K.S.A. 2016 Supp. 41-308, as amended by section 6 of chapter 56 of the 2017 Session Laws of Kansas, is hereby amended to read as follows: 41-308. (a) Except as provided in K.S.A. ~~2016~~ 2018 Supp. 41-308d, and amendments thereto, a retailer's license shall allow the licensee to sell and offer for sale at retail and deliver in the original package, as therein prescribed, alcoholic liquor and cereal malt beverage for use or consumption off and away from the premises specified in such license.

(b) A retailer's license shall permit sale and delivery of alcoholic liquor and cereal malt beverage only on the licensed premises and shall not permit sale of alcoholic liquor and cereal malt beverage for resale in any form, except that a licensed retailer may:

(1) Sell alcoholic liquor and cereal malt beverage to a temporary permit holder for resale by such permit holder; and

(2) sell and deliver alcoholic liquor and cereal malt beverage to a caterer or to the licensed premises of a public venue, club or drinking establishment, if such premises are in the county where the retailer's premises are located or in an adjacent county, for resale by such public venue, club, establishment or caterer.

(c) A retailer may:

(1) Charge a delivery fee for delivery of alcoholic liquor and cereal malt beverage to a public venue, club, drinking establishment or caterer pursuant to subsection (b);

(2) sell lottery tickets and shares to the public in accordance with the Kansas lottery act, if the retailer is selected as a lottery retailer;

(3) include in the sale of alcoholic liquor and cereal malt beverage any goods included by the manufacturer in packaging with the alcoholic liquor or cereal malt beverage, subject to the approval of the director;

(4) distribute to the public, without charge, consumer advertising specialties bearing advertising matter, subject to rules and regulations of the secretary limiting the form and distribution of such specialties so that they are not conditioned on or an inducement to the purchase of alcoholic liquor or cereal malt beverage;

(5) store alcoholic liquor and cereal malt beverage in refrigerators, cold storage units, ice boxes or other cooling devices, and the licensee may sell such alcoholic liquor and cereal malt beverage to consumers in a chilled condition; and

(6) sell any other good or service on the licensed premises, except that the gross sales of other goods and services, excluding fees derived from the sale of lottery tickets and revenues from sales of cigarettes and tobacco products, shall not exceed 20% of the retailer's total gross sales.

(d) All alcoholic liquor cereal malt beverage and nonalcoholic malt beverage sold by a holder of a retail license shall be subject to the liquor enforcement tax imposed by K.S.A. 79-4101, and amendments thereto.

Sec. 3. K.S.A. 2018 Supp. 79-4101 is hereby amended to read as follows: 79-4101. (a) For the purpose of providing revenue which may be used by the state, counties and cities in the enforcement of the provisions of this act, from and after the effective date of this act, for the privilege of engaging in the business of selling alcoholic liquor by retailers, microbreweries, microdistilleries or farm wineries to consumers in this state or selling alcoholic liquor or cereal malt beverage by distributors to clubs, drinking establishments, public venues or caterers in this state, there is hereby levied and there shall be

collected and paid a tax at the rate of 8% upon the gross receipts received from: (1) The sale of alcoholic liquor, cereal malt beverage and nonalcoholic malt beverage by retailers; ~~(2) the sale of alcoholic liquor~~ by microbreweries, microdistilleries or farm wineries to consumers within this state; and ~~(2)~~ (3) the sale of alcoholic liquor or cereal malt beverage by distributors to clubs, drinking establishments, public venues or caterers in this state.

(b) The tax imposed by this section shall be in addition to the license fee imposed on distributors, retailers, microbreweries, microdistilleries and farm wineries by K.S.A. 41-310, and amendments thereto.";

Also on page 2, in line 5, after "K.S.A." by inserting "2016 Supp. 41-308, as amended by section 6 of chapter 56 of the 2017 Session Laws of Kansas, and K.S.A."; also in line 5, by striking "is" and inserting "and 79-4101 are"; in line 6, after ""after" by inserting "April 1, 2019, and";

And by renumbering sections accordingly;

On page 1, in the title, in line 2, after "amending" by inserting "K.S.A. 2016 Supp. 41-308, as amended by section 6 of chapter 56 of the 2017 Session Laws of Kansas, and"; in line 3, after "41-106" by inserting "and 79-4101"; also in line 3, by striking "section" and inserting "sections"; and the bill be passed as amended.

Chairperson