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Senate Federal and State Affairs Committee  
SB 462

Testimony of  
Doug Jorgensen  
Director, Alcoholic Beverage Control

March 15, 2012

Good afternoon Mr. Chairman and members of the committee. I thank you for the opportunity to appear here today to present testimony on SB 462.

The Alcoholic Beverage Control (ABC) is neutral on the passage of this bill. However, if the bill passes we would like the committee to be aware of the following effects it will have on ABC and its administrative and enforcement processes.

This bill encompasses several different tasks.

1. It raises the tax on other tobacco products,
2. The tax increase would create a one time inventory tax,
3. Ties any future cigarette tax increase to other tobacco products
4. Creates a licensing requirement for retailers selling other tobacco products,
5. Defines little cigars eliminating the loophole,
6. Eliminates all exceptions to free samples,
7. Creates a 10 year period after revocation for reapplication,
8. Changes the standard of licensee character analysis,
9. Allows the director to require reports to be filed electronically, and
10. Cleans up meter imprint language

(1) Raises taxes on other tobacco products. SB 462 (the bill) will raise taxes on other tobacco products from 10% to 30% of wholesale price.

(2) The tax increase would create a one time inventory tax. This issue will affect the Kansas Department of Revenue (KDOR) and ABC. Other tobacco product tax is collected by the distributor when it is sold to the retailer. The distributor pays the collected tax to KDOR. At the retail level, the tax is reflected in the cost of goods to the consumer.

In the case of an other tobacco products tax increase, on the day the tax rate goes into effect, the retailer will have inventory that they have paid the lower tax rate. The retailer and distributor would be responsible for reporting the inventory at the date of

SENATE BILL No. 356

By Committee on Commerce

1-30

Proposed Amendments to SB 356  
For Committee on Federal & State Affairs  
March 14, 2012  
Prepared by: Jason B. Long, Senior Ass't Revisor

1 AN ACT concerning amusement rides; relating to regulation of home-  
2 owned amusement rides; amending K.S.A. 2011 Supp. 44-1601 and 44-  
3 1613 and repealing the existing sections.

and 44-1614

4 *Be it enacted by the Legislature of the State of Kansas:*

5 Section 1. K.S.A. 2011 Supp. 44-1601 is hereby amended to read as  
6 follows: 44-1601. As used in this act:

7 (a) (1) "Amusement ride" means any mechanical or electrical device  
8 that carries or conveys passengers along, around or over a fixed or  
9 restricted route or course or within a defined area for the purpose of giving  
10 its passengers amusement, pleasure, thrills or excitement and shall include,  
11 but not be limited to:

12 (A) Rides commonly known as ferris wheels, carousels, parachute  
13 towers, bungee jumping, reverse bungee jumping, tunnels of love and  
14 roller coasters;

15 (B) equipment generally associated with winter activities, such as ski  
16 lifts, ski tows, j-bars, t-bars, chair lifts and aerial tramways; and

17 (C) equipment not originally designed to be used as an amusement  
18 ride, such as cranes or other lifting devices, when used as part of an  
19 amusement ride.

20 (2) "Amusement ride" does not include:

21 (A) Games, concessions and associated structures;

22 (B) any single passenger coin-operated ride that: (i) is manually,  
23 mechanically or electrically operated; (ii) is customarily placed in a public  
24 location; and (iii) does not normally require the supervision or services of  
25 an operator; or

26 (C) nonmechanized playground equipment, including, but not limited  
27 to, swings, seesaws, stationary spring-mounted animal features, rider-  
28 propelled merry-go-rounds, climbers, slides, trampolines, moon walks and  
29 other inflatable equipment and physical fitness devices

30 (b) "Certificate of inspection" means a certificate, signed and dated  
31 by a qualified inspector, showing that an amusement ride has satisfactorily  
32 passed inspection by such inspector.

33 (c) "Department" means the department of labor.

34 (d) ~~"Home-owned amusement ride" means an amusement ride owned  
35 by a not-for-profit entity and operated.~~

New Section 1. The owner of a home-owned amusement ride shall acquire and maintain a general liability insurance policy, and shall annually submit proof of such insurance to the secretary in such form and manner as prescribed by the secretary. The owner of the home-owned amusement ride shall make such proof of insurance available for inspection upon request.

; or  
(D) home-owned amusement rides

(3) other significant injury or illness that requires immediate admission and overnight hospitalization and observation by a licensed physician.

(4) (m) "Sign" means any symbol or language reasonably calculated to communicate information to patrons or their parents or guardians, including placards, prerecorded messages, live public address, stickers, pictures, pictograms, guide books, brochures, videos, verbal information and visual signals.

Sec. 2. K.S.A. 2011 Supp. 44-1613 is hereby amended to read as follows: (a) The provisions of K.S.A. 2011 Supp. 44-1601 through 44-1612, and amendments thereto, shall not apply to home-owned amusement rides, as defined in K.S.A. 2011 Supp. 44-1601, and amendments thereto.

(b) The provisions of K.S.A. 2011 Supp. 44-1601 through 44-1612, and amendments thereto, and this section, and amendments thereto, shall be known as the Kansas amusement ride act.

Sec. 3. K.S.A. 2011 Supp. 44-1601 and 44-1613 are hereby repealed.

Sec. 4. This act shall take effect and be in force from and after its publication in the statute book.

and section 1,

Sec. 4. K.S.A. 2011 Supp. 44-1614 is hereby amended to read as follows: 44-1614. The secretary of labor shall adopt rules and regulations necessary to implement provisions of the Kansas amusement ride act, K.S.A. 2011 Supp. 44-1601 through 44-1612, 44-1613 and section 1, and amendments thereto, and K.S.A. 2011 Supp. 44-1613, and amendments thereto. Nothing herein shall be construed to authorize the secretary of labor to adopt rules and regulations regulating amusement rides exempted from the Kansas amusement ride act. Such rules and regulations shall be adopted on or before July 1, 2010.

and 44-1614