

Approved: 2-9-12
Date

MINUTES OF THE SENATE FEDERAL AND STATE AFFAIRS COMMITTEE

The meeting was called to order by Chairperson Pete Brungardt at 10:30 a.m. on January 12, 2012, Room 144-S of the Capitol.

All members were present except:

Senator Pete Brungardt - excused
Senator Steve Morris - excused

Committee staff present:

Jason Long, Office of the Revisor of Statutes
Julian Efird, Kansas Legislative Research Department
Dennis Hodgins, Kansas Legislative Research Department
Connie Burns, Committee Assistant

Conferees appearing before the Committee:

Philip Bradley, Artisan Distillers of Kansas
Senator Terrie Huntington
Doug Jorgenson, Alcoholic Beverage Control

Others attending:

See attached list.

Introduction of Bills:

Senator Terrie Huntington requested a bill introduction concerning alcoholic beverages; relating to the licensing of micro distilleries.

Senator Longvine moved that this request should be introduced as a committee bill. Senator Owens seconded the motion. The motion carried.

Philip Bradley, Artisan Distillers of Kansas, requested a bill introduction that allows tasting on the distillery premises.

Senator Owens moved that this request should be introduced as a committee bill. Senator Abrams seconded the motion. The motion carried.

Doug Jorgensen, Director, Alcoholic Beverage Control Division, provided a legislative briefing on the Agency. (Attachment 1) Mr. Jorgensen requested four bill introductions.

1. A bill introduction concerning beverages; repealing statutes pertaining to salesperson's permits.

Senator Ostmeyer moved that this request should be introduced as a committee bill. Senator Abrams seconded the motion. The motion carried.

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

The minutes of the Federal and State Committee at 10:30 a.m. on January 12, 2012, in Room 144-S of the Capitol.

2. A bill introduction concerning alcoholic beverages; relating to the employment of certain individuals by licensees under the club and drinking establishment act.

Senator Abrams moved that this request should be introduced as a committee bill. Senator Ostmeyer seconded the motion. The motion carried.

3. A bill introduction concerning drink pricing, pitchers, and serving size.

Senator Abrams moved that this request should be introduced as a committee bill. Senator Haley seconded the motion. The motion carried.

4. A bill introduction to create a public venue license for large venues hosting sporting events, concerts, theatrical productions, etc. and establish rights and restrictions for license type.

Senator Longbine moved that this request should be introduced as a committee bill. Senator Owens seconded the motion. The motion carried.

Alcoholic Beverage Control Division's (ABC) mission is to promote, serve and protect the health, safety and welfare of Kansans by regulating the liquor industry and enforcing the liquor, tobacco and other laws administered by the Kansas Department of Revenue. The ABC is divided into three organizational units: administration, licensing and enforcement.

The ABC Administrative Unit performs general staff support for the Director and Chief Enforcement Officer and related work such as budget preparation, personnel record keeping, equipment management, records management, systems management, criminal history background investigations on licensees and coordinates the division's activities.

There are currently 4,623 active liquor licenses and permits for retail liquor stores, distributors, manufacturers, farm wineries, microbreweries, on-premise establishments (class "A" clubs, class "B" clubs and drinking establishments), caterers, special order shippers, suppliers and temporary permit holders. In issuing these licenses and permits, the Licensing Team members fielded 16, 915 telephone calls and assisted 512 walk-in customers.

The Enforcement Unit provides investigative support for the ABC Director and Chief Enforcement Officer. There are currently 20 agent positions, of which four are vacant. Enforcement agents are certified law enforcement officers. They conduct criminal and administrative investigations to determine compliance with liquor laws. Agents provide training to licensees and local law enforcement officers conduct controlled buy operations and bar checks; investigate complaints and hidden ownerships, and perform routine compliance checks.

The Licensee Administrative Action Unit (LAA) is staffed by the Assistant Attorney General (AAG) assigned to the ABC, a legal assistant and one support staff. The AAG reviews the cases presented by the enforcement section and local law enforcement agencies to determine the appropriateness of the charges and administratively prosecutes violations of the liquor laws before the Director.

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ABC has accepted the following responsibilities in addition to its statutory requirements:
Cigarette and Tobacco Enforcement (CATE) – CATE responsibilities also include conducting compliance checks required under the federal Synar amendment. Under Synar, the state must maintain a minimum compliance rate of 80% for sales of cigarettes to minors or risk losing a portion of the block grant monies allocated to SRS for substance abuse programs. The compliance rate for 2011 was 93%.

ABC enforcement agents work with other law enforcement agencies that are conducting illegal drug investigations to ensure proper assessment of the state drug tax and penalty.

ABC provided 2012 Maps:

- Liquor-by-the-drink (wet/dry counties)
- Dry Cities (No Retail Sales)
- Active off-Premise Retailers
- Active On-Premise Retailers
- Active Distributors
- Active Farm Wineries and Outlets
- Active Microbreweries
- Active Manufacturers
- Active CMB Off-Premise Retailers
- Active CMB on-Premise Retailers

The next meeting is scheduled for January 11, 2012. The meeting was adjourned at 11:20 a.m.