

MINUTES OF THE HOUSE FEDERAL & STATE AFFAIRS COMMITTEE

The meeting was called to order by Chairperson Representative Doug Mays at 1:40 p.m. on February 15, 2001 in Room 313-S of the Capitol.

All members were present except: Representative John Edmonds, Excused
Representative Joann Freeborn, Excused

Committee staff present: Theresa M. Kiernan, Revisor of Statutes
Russell Mills, Legislative Research Department
Shelia Pearman, Committee Secretary

Conferees appearing before the committee:

Robert Alderson, Kansas Food Dealers Association, Casey's General Stores
Terry Presta, Presto Convenience Stores
Kim Gulley, Kansas League of Municipalities
Robert Longino, Alcohol Beverage Control
Gary Winget, Kansans for Life At Its Best
R.E. "Tuck" Duncan, Kansas Wine and Spirits Wholesalers Association
Amy Campbell, Kansas Association of Beverage Retailers
Jim Scott, Kansas Association of Beverage Retailers President

Others attending: See attached list

Without objection bill will be introduced as requested by Representative Rehorn regarding convention and tourism committees on the local level. [HB 2515]

Without objection bill will be introduced as requested by Representative Hutchins regarding an energy assistance program increasing the poverty level to 150% of the federal guidelines. [HB 2526]

Without objection bill will be introduced as requested by Representative Hutchins regarding advanced ballot distribution at nursing homes. [HB 2531]

Without objection bill will be introduced as requested by Phillip Bradley, Kansas Licensed Beverage Association regarding bond requirements for alcoholic beverages licensees. [HB 2528]

Representative Wilson moved that Committee recommend **HB 2224** favorable for passage. Representative Burroughs seconded. Motion passed.

Representative Dahl moved that Committee recommend **HB 2216** favorable for passage. Representative Benlon seconded. Motion passed.

Hearing on **HB 2330** was opened.

Mr. Alderson stated there is not an appreciable difference in 3.2 percent beer and 6.0 percent beer and requested reclassification permitting convenience and grocery stores the opportunity to sell the higher strength product. He noted the Attorney General's Opinion No. 87-48 (Attachment #1) stated the Legislature has the power to redefine these products. He also submitted testimony (Attachment #2) for the Petroleum Marketers and Convenience Stores. **HB 2330** would increase equalize the tax on packaged alcohol sales regardless of location purchased.

Mr. Presta discussed the Kansas liquor retailers' loss of revenue on Sunday sales experienced due to neighboring states' laws. He also provided historical information that multiple location ownership was limited since the 1937 Prohibition to prevent organized crime being prevalent in the State (Attachment #3). He requested passage of **HB 2330** to clarify current misconceptions and permit local jurisdictions the decision to increase their revenues on the sale of beer in Kansas.

Ms. Gulley stated the League's governing body agreed that the distinction between 3.2 percent and 5 percent beer is antiquated and supports **HB 2330** provided local licensing and regulatory authority is unaltered. (Attachment # 4)

Mr. Longino provided a chart (Attachment # 5) comparing liquor laws by Cereal Malt Beverage retailers and Retail Liquor stores.

Ms. Campbell noted a similar request to raise the alcohol content of cereal malt beverages also arose in the 1993 and 1994 sessions. (Attachment # 6) She stated Kansas retail liquor owners remained opposed to **HB 2330** as they did in previous session.

Mr. Scott (Attachment # 7) testified the laws are more than history, they are a part of daily lives he and his colleagues. While this bill would require regulation and enforcement to an additional 3,000 off-premise locations, this "Mom and Pop" group of businesses has decreased from nearly 1300 to 700 during the last twenty-three years for a variety of reasons.

Due to time limitations, written testimony was submitted in opposition to **HB 2330** by the following:

- Kurt Bossert - Bossert Liquor, Topeka (Attachment # 8)
- Roberson's Retail Liquor, Newton (Attachment # 9)
- Maggie Harshfield (Attachment # 10)
- Rebecca Rice, Kansas Beer Wholesalers Association (Attachment # 11)
- Whitney Damron - Lukas Liquor Super Store (Attachment # 12)
- Ray Morgan, Undersheriff - Lakin, Kansas (Attachment # 13)
- Adrienne Minton-Myers - Chalfant Liquor, Wichita (Attachment # 14)
- Doug Maryott, Maryott Wine & Spirits, Wichita (Attachment # 15)
- Kim Davis - Kim Davis Liquor Outlet, Wichita (Attachment # 16)
- Karyl J. Parish - Parish Retail Liquor, Wichita (Attachment # 17)
- Martin and Donna Platt - Platt Liquor, Wichita (Attachment # 18)
- Bart Reeb - Reeb's Retail Liquor, Topeka (Attachment # 19)

Adjourned at 2:45. The next scheduled meeting is February 19, 2001.