

MINUTES OF THE SENATE FEDERAL AND STATE AFFAIRS

The meeting was called to order by Chairman Pete Brungardt at 10:45 a.m. on Tuesday, January 11, 2005, in Room 231-N of the Capitol.

Committee members absent: Senator Barnett (E)

Committee staff present: Athena Andaya, Kansas Legislative Research Department  
Dennis Hodgins, Kansas Legislative Research Department  
Mary Ann Torrence, Revisor of Statutes Office  
Dee Woodson, Committee Secretary

Others attending: See attached list.

Conferees appearing before the committee: Bob Groneman, Director of ABC

Chairman Brungardt opened the meeting by welcoming committee members and staff. The Chair introduced new committee members, Senators Anthony Hensley, Roger Reitz, and Ralph Ostmeyer. He also introduced members of assigned staff: Athena Andaya and Dennis Hodgins of the Kansas Legislative Research Department, Mary Ann Torrence from the Revisor of Statutes Office. The Chair introduced new Committee Secretary Dee Woodson.

Chairman Brungardt made several general announcements regarding meeting dates, time, and subject matter that comes before the Senate Fed and State Committee. He called upon the Committee's Revisor, Mary Ann Torrence, to give an update on recent legislation relating to alcoholic beverages. She covered the Uniformity of the Kansas Liquor Control Act, and the ability of cities to opt out of its provisions; Sunday sales of alcoholic beverages, the issue which precipitated the uniformity debate; and the prohibition against purchasing wines from outside the state and shipping them into the state. (Attachment 1)

Dennis Hodgins, Legislative Research Department, was asked by the Chairman to give an overview of background information on Kansas liquor Laws. His presentation of Kansas Liquor Law history ranged from 1880 through 2000, and was detailed in his written review. (Attachment 2) The presentation included various tables regarding Liquor Licensee, Their Suppliers, and Their Markets, Businesses Licensed To Sell Beer and CMB (Cereal Malt Beverage) for Off-Premise Consumption, Licensee Qualifications, and Business Types Eligible for License. Mr. Hodgins also provided a map of the counties in Kansas depicting whether the counties have or do not have liquor-by-the-drink. He explained Table 8 which covered how state liquor and fees are distributed.

General discussion and questions followed the presentation regarding clarification of definition between CMB (less than 3.2 beer) and alcoholic beer (greater than 3.2).

Chairman Brungardt called upon Bob Groneman, Director, Alcoholic Beverage Control (ABC) Division, to give an overview of the ABC 2004 Budget. Mr. Groneman introduced ABC's new Assistant Attorney General, Brad Burke, and ABC Operations Manager, Jackson Armbrister.

Mr. Groneman stated that the number one priority of the ABC was to fairly administer and enforce the liquor laws in Kansas to ensure compliance, and to maintain a level playing field among all licensees. He added that as a part of the Department of Revenue, it was their duty to see that all applicable taxes due and owing are collected. He explained that the division was divided into three organizational units: licensing, administration, and enforcement. He gave a brief description of each unit's responsibilities and organization.

Mr. Groneman talked about the division's 2004 budget of \$1,829,779 vs 2005's projected budget of \$2,207,490 including the breakdown between salaries and operating expenses for each year. He outlined the various types of licenses issued in 2004 by type and number as depicted in his written testimony. A comparison of 2003/2004 taxes collected and where those taxes are distributed also was shared by the Director. (Attachment 3)

## CONTINUATION SHEET

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Committee questions followed Mr. Groneman's presentation.

Chairman Brungardt summarized the challenges and responsibilities of updating liquor laws due to changing times. He stated that the Committee's charge was to be mindful of the situation as it exists since it was the Legislature that created the current laws governing liquor, but also to look at moving ahead toward making the laws a little more rational in the future.

The meeting was adjourned at 11:35 a.m. The next meeting is scheduled for January 12, 2005, at 10:30 a.m.