

MINUTES OF THE HOUSE FEDERAL AND STATE AFFAIRS COMMITTEE

The meeting was called to order by Chairman John Edmonds at 1:30 P.M. on April 26, 2005 in Room 313-S of the Capitol.

All members were present except:

Representative Tom Hawk- excused
Representative Ray Merrick- excused

Committee staff present:

Dennis Hodgins, Kansas Legislative Research Department
Mary Torrence, Revisor of Statutes Office
Carol Doel, Committee Secretary

Conferees:

Tuck Duncan, Kansas Wine and Spirits Wholesale Association
Amy Campbell, Executive Director, Kansas Association of Beverage Retailers
Larry Knackstedt, Johnson County Retailers
Martin Platt, Sedgwick County Retailer
Tom Palace, Executive Director Petroleum Marketers and Convenience Stores Association
Neal Whitaker, Kansas Beer Wholesalers Association
Phil Bradley, Kansas Licensed Beverage Association
Sandy Jacquot, Kansas League of Municipalities
Dennis Hodgins, Legislative Research Department
Mary Torrence, Office of the Revisor of Statutes

Others attending:

See attached list.

Chairman Edmonds opened the meeting for bill introduction. With no one wishing a bill introduction, attention was turned to public hearing on **SB 298** concerning alcoholic beverages relating to regulation thereof.

Tuck Duncan representing the KWSWA (Kansas Wine and Spirits Wholesalers Association) was recognized as a proponent of **SB 298**. KWSWA supports uniformity, however, they do recommend some language changes and explanations which were described in the written testimony. They also would like the consideration of banning of the AWOL (Alcohol Without Liquid) device which is a vaporizer machine that mixes alcohol with pressurized oxygen and lets drinkers inhale shots of alcohol. (Attachment 1)

Executive Director of the Kansas Association of Beverage Retailers, Amy Campbell, provided testimony in support of **SB 298** relating that this bill would make the Liquor Control Act uniformly applicable - affirming to the Kansas Supreme Court that Kansas does intend to enforce its authority as a State to regulate the sale and distribution of alcoholic beverages. Three amendments were submitted for consideration. (Attachment 2)

Ms. Campbell also call attention to written testimony which she submitted on behalf of Marge Roberson of Roberson's Liquor Store in Newton, Kansas. Ms. Roberson also supports the passage of **SB 298**. (Attachment 3)

Next to rise in support of **SB 298** was Larry Knackstedt of Knocky's Retail Liquor in Overland Park, Kansas. Mr. Knackstedt related that for him the local ordinance allowing for Sunday sales and holiday sales have meant that his customers never have to go anywhere else to purchase their adult beverages. (Attachment 4)

Martin Platt, President, Kansas Association of Beverage retailers (KABR) and owner of a retail liquor store in Wichita, Kansas, related that this bill would allow local choice for Sunday sales and for selling on summer holidays. The KABR absolutely supports statewide liquor control act uniformity. (Attachment 5)

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Tom Palace, Executive Director of the Petroleum Marketers and Convenience Store Association of Kansas (PMCA of Kansas) presented testimony supporting the passage of **SB 298** which would allow licensed retailers of cereal malt beverages and retail liquor dealers to sell packaged products on Sundays. **SB 298** will not only close the uniformity loophole, it will allow both CMB retailers and liquor stores to be open on Sunday. Mr. Palace also included a copy of the current Sunday Retail Liquor Sales (Attachment 6)

Bob Alderson, of Alderson, Alderson, Weiler, Conklin, Burghart & Crow, Attorneys at Law provided testimony supporting **SB 298** on behalf of Casey's General Stores, Incorporated. They believe that **SB 298** is a bona fide effort to authorize Sunday sales of alcoholic beverages, however, they did recommend several amendments in order that **SB 298** can accomplish its objectives fairly and effectively. (Attachment 7)

Phil Bradley, Executive Director of Kansas Licensed Beverage Association (KLBA) supports **SB 298** stating that they believe that Kansas is well served by having uniform liquor laws. They urge the passage of **SB 298**. (Attachment 8)

Neal Whitaker representing Kansas Beer Wholesalers Association, Inc. continues to believe that state regulation of the liquor industry is best. They support the amendments to **SB 298** to remove the language on pages 3 and 15 that was added on the Senate floor. They support an amendment to "tie together" liquor store sales with cereal malt beverage sales on Sundays and the amendments fixing the zoning problems. (Attachment 9)

With no other proponents to **SB 298**, the Chairman Edmonds recognized Sandy Jacquot, Director of Law/General Counsel, League of Kansas Municipalities who is in opposition to **SB 298**. While the League supports local control of packaged liquor, they feel it appropriate to make the Liquor Control Act uniform, and should support the Senate changes that allow for more local control and provide for Sunday packaged liquor sales on an opt-out basis. (Attachment 10)

Dennis Hodgins, presented information requested by Representative Mah regarding the number of cities that allow Sunday sales compared to the total population of the number of cities in the State of Kansas. (Attachment 11)

At the request of the Chairman, Mary Torrence from the Office of the Revisor of Statutes gave an overview of **SB 298**.

Chairman Edmonds distributed a balloon to **SB 298** which would take on county option and provide that unless the county opts in, they stay out which is the reverse to the Senate position. This was submitted for committee consideration.

Representative Siegfried made a motion to amend SB 298 by the adoption of the balloon as presented by Chairman Edmonds. Representative Johnson seconded the motion. Motion carried.

Representative Myers made a motion to further amend SB 298 by limiting sales to retail liquor sales only and excluding cereal malt beverages. The motion was seconded by Representative Burroughs. Motion failed.

Representative Novascone made a motion to further amend SB 298 by striking the language of the Barnett motion. Motion was seconded by Representative Ruff.

Representative Huy made a priority motion to table SB 298. Representative Miller seconded the motion. Motion failed by a count of 12 to 8.

Representative Mah made a substitute motion to remove the language from SB 298 and substitute with the language from SB 267. Representative Loganbill seconded the motion. Motion failed.

Representative Myers made a conceptual substitute motion to further amend SB 298 to establish general election by county - those who vote for the bill would have Sunday sales and those who don't vote for the bill would not have Sunday sales. Representative Morrison seconded the motion. Motion failed.

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Chairman Edmonds returned to the original motion by Representative Novascone to further amend **SB 298**.

Vote was taken on the original motion by Representative Novascone to repeal the Barnett amendment from **SB 298**. Motion carried.

Mary Torrence explained that there are inconsistencies in the original bill where before the Barnett amendment, it authorized county resolutions which are more restrictive than or supplemental to the liquor control act. Ms. Torrence wished to know if the language should be removed everywhere.

Chairman Edmonds requested clarification by Representative Novascone who referred to the testimony delivered by Amy Campbell for The Kansas Association of Beverage Retailers recommendation amendment 1 to remove the Senate amendment which creates the authority for local ordinances which are "stricter than or supplemental to" the Act- making it consistent with the Club and Drinking Establishment Act.

The Chairman asked that Representative Novascone make this into a motion.

Representative Novascone moved **SB 298** further be amended by striking all other provisions which explicitly authorize cities and counties to adopt further regulations more restrictive than or supplemental to the Liquor Control Act or Cereal Malt Beverage Act. Representative Cox seconded the motion. Motion carried.

Representative Siegfroid moved that **SB 298** further be amended by including Easter as a prohibited sales day. Representative Craft seconded the motion. Motion carried.

Representative Kinzer made a conceptional motion to leave the structure of the present bill, **SB 298**, in place, but change it so that the vote that occurs in November 2006 would be done at a city level as opposed to the county level. Representative Oharah seconded the motion. Motion carried by a vote of 10 to 6.

Returning to the amended bill, Representative Siegfroid made a motion to pass **SB 298** out favorable for passage as amended. Representative Novascone seconded the motion. Motion carried.

With no further business before the committee, Chairman Edmonds adjourned the meeting.