

MINUTES OF THE SENATE FEDERAL AND STATE AFFAIRS COMMITTEE

The meeting was called to order by Chairman Pete Brungardt at 11:00 a.m. on January 27, 2011, in Room 144-S of the Capitol.

All members were present except:  
Senator Tim Owens - excused

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

Conferees appearing before the Committee:  
Philip Bradley

Others attending:  
See attached list.

**Introduction of Bills**

Philip Bradley requested a bill introduction that amends the statutes relating to micro brewers. (Attachment 1)

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

Senator Abrams requested a conceptual bill introduction eliminating the minimum and maximum State Aid calculation for Special Education.

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

**Final Action:**

**SB 25 – Authorizing temporary licenses for on-premises sales of cereal malt beverage**

Dale Goter, City of Wichita, requested an amendment to the bill that would exempt temporary CMB permit holders from the requirement of the Keg registration act.

Staff provided a balloon. (Attachment 2) (Staff stated due to a computer glitch the highlighted section of the language in the bill would be stricken and the boxed language is proposed new language.)

Senator Francisco suggested changing three to ten consecutive days, page 2, line 36.

Senator Longbine moved to change line 36, page 2 to “the duration of the special event”. Senator Faust-Goudeau seconded the motion. The motion carried. Senator Francisco recorded as a no vote.

Senator Reitz moved to change “license” to “permit” on page 2, in lines 29, 30, 31, 33, 34, 35, 37, 38, 40, and striking section (f), starting on page 2. Senator Ostmeyer seconded the motion. The motion carried.

Senator Francisco moved to strike rules and regulations page 3 section (g). Senator Reitz seconded the motion. The motion carried.

Senator Reitz moved the requested language from the City of Wichita on exemption from keg registration. Senator Faust-Goudeau seconded the motion. The motion carried.

Senator Reitz moved to pass SB 25 out favorably as amended. Senator Faust-Goudeau seconded the motion. The motion carried.

## CONTINUATION SHEET

The minutes of the Federal and State Committee at 10:30 a.m. on January 27, 2011, in Room 144-S of the Capitol.

### **SB 26 – An act concerning the state lottery; relating to security audits; background investigation requirements**

Senator Reitz moved to pass SB 26 out favorably. Senator Francisco seconded the motion. The motion carried.

The next meeting is scheduled for February 3, 2011. The meeting was adjourned at 11:30 a.m.

**SENATE FEDERAL AND STATE AFFAIRS COMMITTEE**  
**GUEST LIST**

DATE 1-27-11

[illegible]

Mr. Chairman, Below are the requested changes. We understand that the Revisors will need to review and amend. Thank you for scheduling us for today.

The limit is imposed in the definition of "domestic beer" in 41-102 and that could be changed by amending the definition as follows in subsection (i) below:

**41-102: Definitions.** As used in this act, unless the context clearly requires otherwise:

(a) "Alcohol" means the product of distillation of any fermented liquid, whether rectified or diluted, whatever its origin, and includes synthetic ethyl alcohol but does not include denatured alcohol or wood alcohol.

(b) "Alcoholic liquor" means alcohol, spirits, wine, beer and every liquid or solid, patented or not, containing alcohol, spirits, wine or beer and capable of being consumed as a beverage by a human being, but shall not include any cereal malt beverage.

(c) "Beer" means a beverage, containing more than 3.2% alcohol by weight, obtained by alcoholic fermentation of an infusion or concoction of barley, or other grain, malt and hops in water and includes beer, ale, stout, lager beer, porter and similar beverages having such alcoholic content.

(d) "Caterer" has the meaning provided by K.S.A. 41-2601, and amendments thereto.

(e) "Cereal malt beverage" has the meaning provided by K.S.A. 41-2701, and amendments thereto.

(f) "Club" has the meaning provided by K.S.A. 41-2601, and amendments thereto.

(g) "Director" means the director of alcoholic beverage control of the department of revenue.

(h) "Distributor" means the person importing or causing to be imported into the state, or purchasing or causing to be purchased within the state, alcoholic liquor for sale or resale to retailers licensed under this act or cereal malt beverage for sale or resale to retailers licensed under K.S.A. 41-2702, and amendments thereto.

(i) "Domestic beer" means beer which contains not more than 8% 10% alcohol by weight and which is manufactured in this state.

## **Chapter 41: Intoxicating Liquors And Beverages**

### **Article 3: Licensing And Related Provisions; City Option**

**Statute 41-308b: Microbrewery license; rights of licensee; microbrewery packaging and warehousing facility license; permit to conduct tasting programs.** (a) A microbrewery license shall allow:

(1) The manufacture of not less than 100 nor more than 15,000 barrels of domestic beer during the license year and the storage thereof;

(2) the sale to beer distributors of beer, manufactured by the licensee;

(3) the sale, on the licensed premises in the original unopened container to consumers for consumption off the licensed premises, of beer manufactured by the licensee;

(4) the serving *free of charge* on the premises *and at special events, monitored and regulated by the division of alcoholic beverage control*, of samples of beer manufactured by the

licensee, if the premises are located in a county where the sale of alcoholic liquor is permitted by law in licensed drinking establishments;

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This would bring us fully in line with the abilities currently ascribed to the Farm wineries and listed below.

From 41-403a – Farm Wineries, rights of licensee:

(4) the serving free of charge on the licensed premises and at special events, monitored and regulated by the division of alcoholic beverage control, of samples of wine manufactured by the licensee or imported under subsection (f), if the premises are located in a county where the sale of alcoholic liquor is permitted by law in licensed drinking establishments;

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Session of 2011

## SENATE BILL No. 25

By Committee on Federal and State Affairs

1-18

SB 25 Balloon

Prepared by: Jason Long

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Sen Fed & State  
Attachment 2  
1-27-11

1 AN ACT concerning alcoholic beverages; authorizing issuance of special  
2 event retailers' license for sales of cereal malt beverage; amending  
3 K.S.A. 2010 Supp. 41-2703 and repealing the existing section.  
4

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

6 Section 1. K.S.A. 2010 Supp. 41-2703 is hereby amended to read as  
7 follows: 41-2703. (a) After examination of an application for a retailer's  
8 license, the board of county commissioners or the director shall, if they  
9 approve the same, issue a license to the applicant. The governing body of  
10 the city shall, if the applicant is qualified as provided by law, issue a  
11 license to such applicant.

12 (b) No retailer's license shall be issued to:

13 (1) A person who is not a resident of the county in which the place  
14 of business covered by the license is located, has not been a resident of  
15 such county for at least six months or has not been a resident in good  
16 faith of the state of Kansas.

17 (2) A person who has not been a resident of this state for at least one  
18 year immediately preceding application for a retailer's license.

19 (3) A person who is not of good character and reputation in the  
20 community in which the person resides.

21 (4) A person who is not a citizen of the United States.

22 (5) A person who, within two years immediately preceding the date  
23 of application approval, has been convicted of, released from  
24 incarceration for or released from probation or parole for a felony or any  
25 crime involving moral turpitude, drunkenness, driving a motor vehicle  
26 while under the influence of intoxicating liquor or violation of any other  
27 intoxicating liquor law of any state or of the United States.

28 (6) A partnership, unless all the members of the partnership are  
29 otherwise qualified to obtain a license.

30 (7) A corporation, if any manager, officer or director thereof, or any  
31 stockholder owning in the aggregate more than 25% of the stock of such  
32 corporation, would be ineligible to receive a license hereunder for any  
33 reason other than the citizenship and residency requirements.

34 (8) A person whose place of business is conducted by a manager or  
35 agent unless the manager or agent possesses all the qualifications of a  
36 licensee.

(9) A person whose spouse would be ineligible to receive a retailer's license for any reason other than citizenship, residence requirements or age, except that this subsection (b) (9) shall not apply in determining eligibility for a renewal license.

(10) A person whose spouse has been convicted of a felony or other crime which would disqualify a person from licensure under this section and such felony or other crime was committed during the time that the spouse held a license under this act.

(c) After examination of an application for a retailer's license, the board of county commissioners or the governing body of a city may deny a license to a person, partnership or corporation if any manager, officer or director thereof, or any stockholder owning in the aggregate more than 25% of the stock of such corporation, has been an officer, manager, director or a stockholder owning in the aggregate more than 25% of the stock, of a corporation which has:

(1) Had a retailer's license revoked under K.S.A. 41-2708, and amendments thereto; or

(2) been convicted of a violation of the club and drinking establishment act or the cereal malt beverage laws of this state.

(d) Retailers' licenses shall be issued either on an annual basis or for the calendar year *or on a temporary basis as set forth in subsection (e)*. If such licenses are issued on an annual basis, the board of county commissioners or the governing body of the city shall notify the distributors supplying the county or city on or before April 1 of the year if a retailer's license is not renewed.

(e) In addition to, and consistent with the requirements of K.S.A. 41-2701 et seq., and amendments thereto, the board of county commissioners of any county or the governing body of any city may provide by resolution or ordinance for the issuance of a special event retailers' license which shall allow the license holder to offer for sale, sell and serve cereal malt beverage for consumption on unlicensed premises, which may be open to the public, subject to the following:

(1) A special event retailers' license shall specify the premises for which the license is issued;

(2) a special event retailers' license shall be issued for a period of time not to exceed three consecutive days; the dates and hours of which shall be specified in the license;

(3) no more than four special event retailers' licenses may be issued to any one applicant in a calendar year; and

(4) a special event retailers' license shall not be transferable or assignable.

(f) Any person holding a special event retailers' license issued pursuant to a county resolution or city ordinance adopted in accordance

either

or

permit

unpermitted

the duration of the special event

permits

1 with subsection (e) shall be considered to be a retailer licensed under  
2 K.S.A. 41-2702, and amendments thereto.

3 (g) The director shall propose rules and regulations necessary to  
4 carry out the intent and purpose of this section in accordance with the  
5 provisions of K.S.A. 41-210, and amendments thereto.

6 Sec. 2. K.S.A. 2010 Supp. 41-2703 is hereby repealed.

7 Sec. 3. This act shall take effect and be in force from and after its  
8 publication in the statute book.

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