

SESSION OF 2010

SUPPLEMENTAL NOTE ON SENATE BILL NO. 453

As Amended by Senate Committee on
Federal and State Affairs

Brief*

SB 453, as amended, would amend the Kansas Liquor Control Act by requiring a manufacturer, supplier, or broker of alcoholic beverages or cereal malt beverages, who is licensed in Kansas or another state, to acquire an annual packaging and warehousing facility permit. The bill would define “broker” as a person located in Kansas, other than a retailer, who solicits or accepts orders for alcoholic liquor to be shipped from Kansas and delivered to residents located outside Kansas.

Under the bill, the permit would allow:

- The transfer of alcoholic liquor or cereal malt beverage to the licensed premises of a packaging and warehouse facility for the purpose of packaging or storage, or both;
- The sale and transfer from a licensed premise of a packaging and warehouse facility to a licensed premise of a spirits, wine, beer distributor licensed in Kansas or to a Kansas supplier; and
- The transfer from the licensed premises of a packaging and warehouse facility to another state.

The bill would establish an annual fee of \$2,500 for the permit. Each brand and label of alcoholic liquor or cereal malt beverage that is intended for sale to a distributor in Kansas and is transported, packaged or stored in a licensed packaging and warehouse facility would have to be registered with the Director of Alcoholic Beverage Control.

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

Under the bill, the gallonage tax would be imposed on alcoholic liquor or cereal malt beverage imported into Kansas under the permit if the alcoholic liquor or cereal malt beverage is sold to a distributor for wholesale in Kansas. The distributor would be required to pay the tax.

Background

A representative of the Division of Alcoholic Beverage Control and a lawyer representing Dean & Deluca testified as proponents of the bill. A representative of the Kansas Beer Wholesalers Association testified in opposition to the bill. A representative of Kansas Viticulture and Farm Winery Association testified as neutral on the bill.

The Senate Committee amended the bill to include “broker” as an entity requiring a packaging and warehouse facility permit. The Committee included a definition of “broker” as an amendment to the bill.

The Division of Budget’s fiscal note, on the bill as introduced, indicates that the Department of Revenue estimates that the passage of SB 453 would increase fee fund revenue by \$10,000 for FY 2011.