Approved:	3/26/12	
	Date	

### MINUTES OF THE HOUSE FEDERAL AND STATE AFFAIRS COMMITTEE

The meeting was called to order by Chairman Steven R. Brunk at 1:30 p.m. on March 08, 2012, in Room 346-S of the Capitol.

All members were present except:

Representative Holmes – Excused Representative Peterson - Excused

## Committee staff present:

Mike Heim, Office of the Revisor of Statutes Julian Efird, Kansas Legislative Research Department Dennis Hodgins, Kansas Legislative Research Department Stephen Bainum, Committee Assistant

# Conferees appearing before the Committee:

William W. Sneed, Kansas Unified Development
Doug Jorgensen, Director, Alcoholic Beverage Control
Whitney Damron, Distilled Spirits Council of the United States
Larrie Ann Brown, the Wine Institute
Rebecca Rice, Kansas Beer Wholesalers Association
Ron Hein, Kansas Restaurant and Hospitality Association
Doug Mays, on behalf of Ice and Olives, Sandy Wilber, Proprietor
Philip Bradley, Artisan Distillers of Kansas
Dr. Kristina Hennessy, Dark Horse Distillery

Others attending: See attached.

Rep. Arlen Siegfreid introduced a bill about elections, qualifications to run for public office in Kansas.

The Chairman opened the hearing on **SB 299–Alcoholic beverages**; creating a public venue license.

The Chairman called on Bill Sneed to answer some questions.

Representative Brunk asked how he envisioned the unlimited drinks for a fixed price to work. Bill said they have designated areas that have controlled access and are separate from the public area. The prices are a little less than the suite area. This is a new kind of accommodation.

Representative Rubin asked in regard to the unlimited drinks in these designated areas, how can we comply with the requirements on page 15. Bill said that they have a formula for applying the ticket funds to food, drink, employees and profit. From that amount they pay for the alcohol that was consumed.

Representative Loganbill asked for some clarification of the designated areas, the suites and the general areas. Bill said they were willing to work with the language.

Doug Jorgensen presented testimony as a proponent of **SB 299** (Attachment 1).

Representative Brunk expressed concern about hotels taking advantage of the wording here to obtain a public venue license. Doug said that they could try to be more specific but at any rate each license must

#### **CONTINUATION SHEET**

The minutes of the House Federal and State Affairs Committee at 1:30 p.m. on March 08, 2012, in Room 346-S of the Capitol.

be approved by the Director of the Alcohol Beverage Control.

Representative Rubin said the designated areas need more definition. On page 13, lines 1-6 dealing with a city or county fee open on the top end causes concern. I would rather have a limit than a minimum.

The Chairman closed the hearing on <u>SB 299</u> and opened the hearing on <u>SB 269–Alcoholic beverages;</u> retailers licenses, alcoholic liquor.

Mike Heim said that this bill allows tasting at retailers.

Whitney Damron presented testimony as a proponent of <u>SB 269</u> (<u>Attachment 2</u>). He said that there were more than 5000 brands of distilled spirits on the market and hundreds being added each year. Currently, 43 states allow for some form of distilled spirits tasting.

Larrie Ann Brown presented testimony as a proponent of <u>SB 269</u> (<u>Attachment 3</u>). She said the bill would allow retail liquor stores in Kansas to offer limited sampling of wines, beer and spirits.

Rebecca Rice presented testimony as a proponent of **SB 269** (Attachment 4).

Ron Hein presented testimony as neutral on <u>SB 269</u> (<u>Attachment 5</u>). He said that though they were neutral they thought it unfair that restaurants could not also sample.

Doug Mays presented a request for an amendment in favor of Sandi Wilber, Proprietor of Ice & Olives to allow her to have a liquor license even though her husband owns a liquor store (<u>Attachment 6</u>). She is barred from having the license simply because she is married. We need to change this discriminatory practice.

Written testimony in support of <u>SB 269</u> was submitted by:

R.E. 'Tuck' Duncan, Kansas Wine & Spirits Wholesalers Association (<u>Attachment 7</u>).

Sandi Wilber, owner, Ice & Olives (<u>Attachment 8</u>).

Written testimony as neutral on <u>SB 269</u> was submitted by:

Doug Jorgensen, Director, Alcoholic Beverages Control (<u>Attachment 9</u>).

The Chairman closed the hearing on **SB 269** and opened the hearing on **SB 358–Alcoholic beverages**; authorizing tastings by manufacturer licensees.

Mike Heim explained that this was another sampling bill, for manufacturers.

Dr. Kris Hennessey presented testimony as a proponent of <u>SB 358</u> (<u>Attachment 10</u>). She said that manufacturers should be allowed to provide a sample or taste to create economic opportunities.

Philip Bradley presented testimony as a proponent of <u>SB 358</u> (<u>Attachment 11</u>). He said that this is a tourist enhancement and it is uniform with other tasting statutes.

Written testimony supporting <u>SB 358</u> was presented by: Michael A. Boehm, Mayor, City of Lenexa (Attachment 12).

## **CONTINUATION SHEET**

The minutes of the House Federal and State Affairs	Committee at	1:30 p.m. on	March 08,	2012, in	Room
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The Chairman closed the hearing on **SB 358.** 

The next meeting is scheduled for March 12, 2012.

The meeting was adjourned at 3:08 p.m.