SESSION OF 2012

SUPPLEMENTAL NOTE ON SENATE BILL NO. 269

As Amended by House Committee on Federal and State Affairs

Brief*

SB 269, as amended, would address alcoholic liquor tasting in certain prescribed locations and the offer of free samples by alcoholic liquor manufacturers.

The bill, as amended, would allow any person or entity who is licensed to sell alcoholic liquor in the original package at retail to conduct wine, beer, and distilled spirits tasting on a licensed premises or adjacent premises. Such activity would be monitored and regulated by the Director of the Division of Alcoholic Beverage Control and subject to the provisions in the Liquor Control Act. The bill would prohibit any charge for sample servings, and a person could be served more than one sample. The bill also would prohibit any samples from being removed from the premises. Finally, the bill would exempt the provision of samples from the requirement of holding a Kansas food service dealer license.

The bill would delete the sample portions that could have been served as follows:

- One-half ounce for distilled spirits;
- One ounce for wine; and
- Two ounces for beer and malt beverages.

The bill would allow the holder of a manufacturer's license to offer free samples of alcoholic liquor manufactured by the licensee on the licensed premises. No samples could be served to a minor, and samples could not be removed

^{*}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

from the licensed premise. The licensee would not be permitted to sell any alcoholic liquor for consumption on the premises.

Finaly, another House Committee amendment would allow a spouse of a retail license holder to be issued either or both of the following licenses: drinking establishment and caterer if all other requirements were met for licensure.

Background

The House Committee version SB 269 includes most provisions as passed by the Senate, and also adds provisions from 2012 SB 358 as passed by the Senate. Several other House amendments were adopted as well.

Review of SB 269

In the Senate Committee on Federal and State Affairs proponents included representatives from the Wine & Spirits Wholesalers Association, the Distilled Spirits Council of the United States, and the Wine Institute. Opponents included representatives from the Kansans for Addictions Prevention, and the Women's Christian Temperance Union. Neutral testimony was provided by representatives of the Kansas Restaurant and Hospitality Association, Kansas Association of Beverage Retailers, Tipsy's Wine and Spirits, and the Division of Alcoholic Beverage Control (ABC).

The Senate Committee amended the bill with clarifying language regarding the term "beer" instead of "cereal malt beverage" and the types of vendors who would be prohibited from offering tastings in the version as introduced. The Senate Committee also addeda provision to permit sampling in adjacent premises under the regulation by the ABC.

The House Committee on Federal and State Affairs heard from proponents representing the Distilled Spirits

Council of the United States, the Wine Institute, and the Kansas Beer Wholesalers Association. Neutral testimony was provided by the Kansas Restaurant and Hospitality Association, and a spokesperson for Ice & Olives. Written neutral testimony was submitted by the owner of Ice & Olives, as well as by the Director of ABC.

The House Committee on Federal and State Affairs adopted two amendments. First, the House Committee deleted the Senate version language that would have limited the tastings portions to one-half ounce for distilled spirits, one ounce for wine, and two ounces for beer and cereal malt beverages. Second, the House Committee added language to permit the spouse of a retail license holder to be eligible to apply for two other types of license, including a drinking establishment license or a caterer's license. The amendment was suggested by the conferees for Ice & Olives.

The fiscal note for the bill as introduced (SB269) indicated there would be no fiscal effect from the enactment of the bill.

Review of SB 358

Proponents of the bill included representatives from the Artisan Distillers of Kansas and the Dark Horse Distillery. Also one individual and the Mayor of Lenexa testified as proponents.

Neutral testimony was presented by the Director of the Division of Alcoholic Beverages.

The Senate Committee amended the bill to delete the sample sizes and the limitation on the number of samples an individual can be served.

The House Committee on Federal and State Affairs heard from two proponents: a representative of the Artisan Distillers of Kansas; and the owner of a small distillery in Lenexa. Written testimony supporting the bill was submitted by the Mayor of Lenexa, noting the economic redevelopment and potential economic development impact on the Lenexa community with a facility that could compete with the Boulevard Brewing Company in Kansas City, Missouri. as a Kansas alternative venue. No opponents or neutral conferees appeared.

According to the fiscal note on the bill as introduced (SB 358), the enactment would have no fiscal effect on state revenues or expenditures.