

SESSION OF 2023

**SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2059**

As Amended by Senate Committee of the Whole

**Brief\***

HB 2059, as amended, would amend various provisions of the Kansas Liquor Control Act (KLCA) and Club and Drinking Establishment Act (CDEA) concerning samples and common consumption areas and the KLCA provisions concerning prohibited acts to allow alcoholic liquor or cereal malt beverages (CMB) to be the prize of a charitable raffle.

***Product Samples***

The bill would amend the KLCA provisions on the licensing of spirits, wine, and CMB distributors concerning samples of products provided to retailers and to club and drinking establishment licensees.

***Spirits***

The bill would allow a sample of up to three liters of distilled spirits to be provided to club and drinking establishment licensees and employees of the establishment. Continuing law allows samples to be provided to distributors, retailers, and their employees.

***Wine***

The bill would allow a sample of up to three liters of any brand of wine to be provided to a club and drinking establishment licensee. Continuing law allows a sample to be

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\*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>

provided to club and drinking establishment licensees, distributors, retailers, and their employees.

### *Beer*

The bill would allow a sample of up to three gallons of any brand of beer or CMB to be provided to a club and drinking establishment licensee. Continuing law allows a sample to be provided to club and drinking establishment licensees, distributors, retailers, and their employees.

### *Sample Products*

The bill would require such sample to be of a product the licensee has not purchased from the distributor within the previous 12 months.

### ***Common Consumption Areas***

The bill would amend the CDEA provisions related to common consumption areas to remove the requirement that a city or county require the portions of common consumption areas on public streets or roadways to be blocked from motorized traffic during events.

The bill would also require each common consumption area to be marked by signs that are conspicuously posted, identifying the boundaries of such area, and in a size and manner that provides notice to persons entering or leaving the area.

### ***Charitable Raffles***

The bill would amend KLCA provisions concerning prohibited acts to allow liquor or CMB to be a prize of a charitable raffle conducted in accordance with the Kansas Charitable Gaming Act, provided such prize may not be awarded to a person under 21 years of age.

### ***Technical Amendments***

The bill would make technical amendments to ensure consistency in statutory phrasing.

### ***Effective Date***

The bill would be in effect upon publication in the *Kansas Register*.

### **Background**

The bill was requested for introduction in the House Committee on Federal and State Affairs by a representative of the City of Topeka.

### ***House Committee on Federal and State Affairs***

In the House Committee hearing, Representative Blew and representatives of the City of Topeka, Kansas League of Municipalities, Kansas Restaurant and Hospitality Association, and the NOTO Arts and Entertainment District provided **proponent** testimony, stating the bill would help cities designate larger and more open areas for events with common consumption area permits and to attract additional patrons.

Neutral testimony was provided by a representative of the Division of Alcoholic Beverage Control (ABC), Department of Revenue, who stated the agency has some public safety concerns and would prefer additional language be added concerning liability.

No other testimony was provided.

The House Committee amended the bill to replace the proposed language that would allow the use of appropriate signage to mark a common consumption area with language

that would require common consumption area signage to be in a size and manner that provides notice to patrons of the boundaries.

### ***Senate Committee on Federal and State Affairs***

In the Senate Committee hearing, representatives of the City of Topeka, Kansas League of Municipalities, and Kansas Restaurant and Hospitality Association provided **proponent** testimony that was similar to the testimony provided to the House Committee.

Written-only proponent testimony was provided by Representative Blew, and representatives of the Greater Topeka Chamber of Commerce and the NOTO Arts and Entertainment District.

Neutral testimony was provided by a representative of the Division of ABC, Department of Revenue, who stated the agency has some public safety concerns.

No other testimony was provided.

The Senate Committee on Federal and State Affairs amended the bill by inserting the provisions of HB 2170, as passed by the House, and by changing the effective date to upon publication in the *Kansas Register*. Background information for HB 2170 is listed below.

### ***HB 2170 (Samples)***

HB 2170 was introduced by the House Committee on Federal and State Affairs at the request of Representative Will Carpenter.

### ***House Committee on Federal and State Affairs***

In the House Committee hearing, **proponent** testimony was provided by representatives of the Kansas Association of Beverage Retailers, Kansas Beer Wholesalers Association, and Kansas Wine & Spirits Wholesalers Association. The proponents indicated the bill would conform Kansas law to Federal Tax and Trade Bureau rules in regard to sampling among industry members. One of the proponents recommended an amendment to the bill, requesting HB 2170 become effective upon publication in the *Kansas Register*.

Neutral testimony was provided by a representative of the ABC, Department of Revenue, who stated that if HB 2170 is enacted, ABC would begin the process of revoking the portion of the rule and regulation that conflicts with the new law.

No other testimony was provided.

### ***Senate Committee of the Whole***

The Senate Committee of the Whole amended the bill to allow liquor and CMB to be provided as prizes for charitable raffles. [*Note: Provisions concerning prizes for charitable raffles are similar to SB 269.*]

### **Fiscal Information**

#### ***HB 2059***

According to the fiscal note prepared by the Division of the Budget on HB 2059, as introduced, the Kansas Association of Counties indicates enactment of the bill could increase revenues to counties from additional application fees, provided that enforcement costs would not exceed new revenues. The League of Kansas Municipalities indicates enactment of the bill would have no fiscal effect.

**HB 2170**

According to the fiscal note prepared by the Division of the Budget on HB 2170, as introduced, the Department of Revenue indicates enactment of the bill would have no fiscal effect.

Alcoholic beverages; beer; cereal malt beverage; common consumption area; distributor; drinking establishment; spirits; wine; sample; alcohol sampling; charitable raffle; Kansas Charitable Gaming Act; Kansas Liquor Control Act; Club and Drinking Establishment Act