

SESSION OF 2021

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2406

As Amended by House Committee on Federal
and State Affairs

Brief*

HB 2406, as amended, would amend the Kansas Liquor Control Act, the Kansas Cereal Malt Beverage (CMB) Act, and statutes concerning local elections authorizing the sale of alcoholic liquor to expand the hours and days during which alcoholic liquor could be sold.

The bill would allow retail sales of alcoholic liquor and CMB in original packaging on Sundays between 9 a.m. and 8 p.m. and on Memorial Day, Independence Day, and Labor Day. Current law prohibits the sale of alcohol and CMB before 12 Noon on Sundays and on Memorial Day, Independence Day, and Labor Day.

The bill would also amend statutes related to local governments authorizing sales of alcoholic liquor to reflect these changes.

Finally, the bill would clarify that the Board of County Commissioners or the Director of The Kansas Department of Revenue Alcoholic Beverage Control (ABC) is authorized to approve a CMB retailer license application for an applicant who was previously issued a producer's license. [*Note:* Under KSA 41-355, producers' licenses apply to someone engaged in business as a vineyard with not less than 100 vines of sound, ripe grapes or as another type of agricultural producer with an annual harvest of 1,000 pounds of other sound, ripe fruits or berries or 100 pounds of honey.]

*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>

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

Background

The bill was introduced by the House Committee on Federal and State Affairs at the request of a representative of the Kansas Association of Beverage Retailers.

[*Note:* The provisions of HB 2406 are similar to the provisions of 2020 SB 456 as amended by the Senate Committee on Federal and State Affairs.]

House Committee on Federal and State Affairs

In the House Committee hearing on March 17, 2021, representatives of Blackjacks Liquor, Fuel True, the Kansas Association of Beverage Retailers, the Kansas Association for Responsible Liquor Laws, and the League of Kansas Municipalities testified as **proponents**, stating the bill would maintain the uniformity of current law and allow stores to meet the shopping needs of consumers on Sundays and before celebrating certain holidays.

No other testimony was provided.

The House Committee amended the bill to allow sales of alcoholic liquor and CMB beginning at 9 a.m. instead of 10 a.m. on Sundays.

Fiscal Information

According to the fiscal note prepared by the Division of the Budget on the bill, as introduced, the Department of Revenue indicates enactment of the bill would require it to revise its retailers' handbook, which would have a negligible fiscal effect that could be absorbed within existing resources.

The Kansas Association of Counties indicates enactment of the bill could result in increased tax revenue for counties because licensees would be able to sell alcohol for longer hours, but it is unclear if such increased revenue would be offset by enforcement costs, and a fiscal effect cannot be estimated.

The League of Kansas Municipalities indicates by increasing the hours for sale on Sunday and during summer holidays, enactment of the bill could increase sales tax revenue for cities. The League also notes if a petition is submitted requiring an election to expand the hours of Sunday sales, cities would bear the cost of holding such an election. Any fiscal effect cannot be determined, because the number of additional sales and potential elections cannot be estimated.

Any fiscal effect associated with the bill is not reflected in *The FY 2022 Governor's Budget Report*.

Liquor Control Act; Cereal Malt Beverage Act; days and times for retail sales