

SESSION OF 2012

**SUPPLEMENTAL NOTE ON SENATE BILL NO. 299**

As Amended by Senate Committee of the Whole

**Brief\***

SB 299 as amended would amend the Liquor Control Act and the Club and Drinking Establishment Act by creating a new class of license for a public venue. A public venue would be defined as an arena, stadium, hall or theater, used primarily for athletic or sporting events, live theater productions, and live concerts, containing less than 4,000 permanent seats and not less than two private suites. The public venue licensee would be subject to taxes in the same manner as other licensees selling liquor by the drink under the Club and Drinking Establishment Act.

The licensee would be allowed to sell and serve alcoholic beverages in designated areas by individual drinks, unlimited drinks for a fixed price, unlimited drinks in inclusive packages, and liquor in the original container for consumption in private suites. The licensee also would be allowed to store alcohol in private suites.

The fee for a public venue license would be \$5,000 with a maximum capacity of not more than 10,000 people; \$7,500 with a maximum capacity of not more than 25,000; and \$10,000 with a maximum capacity exceeding 25,000 people.

The bill also would allow a city or county to levy a biennial occupation or license tax of not less than \$200 from the public venue licensee. The bill would restrict the offering and serving of alcoholic liquor or cereal malt beverages at a public venue.

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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>

## **Background**

Proponents for the bill included the Director of Alcoholic Beverage Control, the Kansas Restaurant and Hospitality Association, and League of Kansas Municipalities.

A representative from the Kansas Licensed Beverage Association testified as an opponent. Neutral testimony was provided by a representative of the Kansas Association of Beverage Retailers.

The Senate Committee of the Whole amended the bill to make public venue licenses subject to the same taxes as other licensees selling liquor by the drink. In addition, the Senate Committee of the Whole also reduced two classes of license fees from \$10,000 to \$7,500 and from \$20,000 to \$10,000.

The fiscal note estimates that the original bill would increase fee revenues by a minimum of \$80,000 every two years beginning in FY 2013. In addition, the fiscal note estimates the costs to update the computer processing system would increase expenditures by the Department of Revenue from the fee funds in FY 2013 by \$5,040. There was no fiscal note at the time the amended bill was passed by the Senate Committee of the Whole, but revenues would not increase as much in the original bill because two classes of license fees would decrease.