

SESSION OF 2021

SUPPLEMENTAL NOTE ON SENATE BILL NO. 126

As Recommended by Senate Committee on
Commerce

Brief*

SB 126 would amend the Club and Drinking Establishment Act by authorizing the sale of alcoholic liquor by specific organizations for special events.

[*Note:* Continuing law defines a “class A club” (club) as a premises that is owned or leased by a corporation, partnership, business trust, or association and that is operated as a *bona fide* nonprofit social, fraternal, or war veterans’ club, as determined by the Director of Alcoholic Beverage Control (Director), for the exclusive use of the corporate stockholders, partners, trust beneficiaries, or associates (members) and their families and guests accompanying them.]

The bill would authorize a club to offer the sale and service of alcoholic liquor on the club’s licensed premise to individuals outside of members, families, and accompanying guests during events held at the club.

An “event” would be defined by the bill as any function, occasion, celebration, or other event held on the licensed premises for a contractually specified duration of time and during which individuals who are not members of the licensee, their families, or guests are permitted to enter and use the licensed premises.

The bill would also require a club hosting an event to provide electronic notice to the Director no less than 48 hours

*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>

prior to the event. The Director would then be required to provide notification to local law enforcement agencies. The bill would require such notice consist of the date, time, location, and names of the contracting parties of the event. All agreements, receipts, and records of alcohol purchased at events would be required to be retained by the licensee for a minimum of three years for inspection by the Director.

The bill would also make technical adjustments.

Background

The bill was introduced by the Senate Committee on Commerce at the request of Senator Olsen.

Senate Committee on Commerce

In the Senate Committee hearing, **proponent** testimony was provided by a representative of American Legion Post # 153. The proponent generally stated that the bill would allow them to better generate revenue needed to offset dwindling memberships by being able to host more events that desire to serve alcohol.

No neutral or **opponent** testimony was provided.

Fiscal Information

According to the fiscal note prepared by the Division of the Budget on the bill, the Department of Revenue estimates enactment of the bill would increase expenditures of \$10,500 from the State General Fund for FY 2022 to make changes to the Class A handbook and implement an electronic notification system for licensees to report special events to Alcoholic Beverage Control.

Both the Kansas Association of Counties and League of Kansas Municipalities state the bill could impact local

government revenues due to increased liquor taxes as well as expenditures for increased law enforcement costs. No estimates could be made however.

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

Alcohol, class A clubs, ABC, commerce