

SESSION OF 2005

SUPPLEMENTAL NOTE ON SENATE BILL NO. 299

As Recommended by Senate Committee on
Federal and State Affairs

Brief*

SB 299 would create a new Cereal Malt Beverage Retailers' Act (CMBRA) that would supersede various provisions of the Kansas Liquor Control Act (KLCA) and the Cereal Malt Beverage Act regarding both the on-premise and off-premise sale of cereal malt beverages in those cities where the new act would be adopted by local option. The bill would establish a statutory scheme which would allow the cities that adopt CMBRA to redefine a cereal malt beverage to increase the alcoholic content to not to exceed 5 percent alcohol by weight. It also would establish an additional class of licensee, the cereal malt beverage retailer.

Included in the major provisions of the bill are the following:

- Cities or counties where CMBRA is approved will collect sales tax and enforcement tax for off-premise sales, and sales tax, enforcement tax, and liquor drink tax for on-premises sales.
- Hours of the day when a cereal malt beverage may be sold in the original and unopened container would be the same hours for a retailer under the KLCA and CMBRA.

Background

Representatives from Casey's General Stores, Petroleum Marketers and Convenience Store Association of Kansas, and Quick Trip Corporation testified in support of the bill. Representatives from the Kansas Association of Beverage Retailers, a retail liquor store owner,

*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>

Kansas Wine and Spirits Wholesalers Association, and Kansans for Life at Its Best testified in opposition to the bill. Tom Groneman, Director of Alcohol Beverage Control (ABC), presented neutral testimony.

Currently, grocery stores and convenience stores are licensed to sell a cereal malt beverage in the original and unopened containers. Cereal malt beverage is statutorily defined as a malt product containing not more than 3.2 percent alcohol by weight. All other alcoholic malt beverages are defined as beer and may be sold by the package only in retail liquor stores.

There was no fiscal note at the time this bill was passed favorably by the Senate Committee on Federal and State Affairs.