

SESSION OF 2021

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2057

As Recommended by House Committee on
Commerce, Labor and Economic Development

Brief*

HB 2057 would amend the Club and Drinking Establishment Act (Act) to allow any person who has a beneficial interest in a manufacturer licensed pursuant to the Kansas Liquor Control Act to be issued one drinking establishment license.

Current law prohibits manufacturers and others from influencing, coercing, or attempting to influence or coerce drinking establishment licensees from purchasing particular brands or kinds of alcoholic liquor or purchasing alcoholic liquor from a specific distributor. The bill would create an exemption from those provisions for manufacturers holding drinking establishment license with respect to purchases made by such a drinking establishment.

The bill would specify that if a drinking establishment licensee also holds a manufacturer's license:

- The licensed premises specified in the drinking establishment license would be required to be separate from, and could be not more than two miles by the road usually traveled from the licensed premises specified in the manufacturer's license;
- The drinking establishment could not sell alcoholic liquor manufactured by such manufacturer's licensee to the exclusion of other alcoholic liquor;

*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>

- All beer and cereal malt beverage sold by the drinking establishment would be required to be acquired from a licensed distributor or retailer; and
- All wine and spirits sold by the drinking establishment would be required to be acquired from a licensed retailer or farm winery who possesses a federal wholesaler's basic permit.

Background

The bill was introduced by the House Committee on Federal and State Affairs at the request of Representative Eplee.

[*Note:* HB 2057 is identical to 2020 HB 2596, as amended by the House Committee on Federal and State Affairs.]

House Committee on Commerce Labor and Economic Development

In the House Committee hearing on the bill, **proponent** testimony was provided by Representative Eplee and representatives of the City of Atchison, the League of Kansas Municipalities, MGP Ingredients, Inc., and the Kansas Wine and Spirits Wholesalers Association. Proponents noted enactment of the bill would support local economies by increasing tourism and providing opportunities for economic growth.

No other testimony was provided.

Fiscal Information

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

Alcoholic beverages; drinking establishment licenses; manufacturer's licenses