



## Uncork Kansas Legislation Radically Alters Retail Liquor System, Threat to Hundreds of KS Small Business Owners

As expected, Uncork Kansas introduced legislation in the House Federal and State Affairs Committee. UnCork Chairman David Dillon requested the introduction of a bill that would allow grocery stores to sell full-strength beer, wine and spirits and cap liquor licenses in the state. The bill allows convenience stores and all CMB retailers to sell full-strength beer.

The bill has not yet been numbered and will likely be referred to the Commerce Committee. Hearings are expected the second week of February.

The following are some of the changes the Uncork Legislation proposes:

- As of July 1, 2015, the State will freeze the allowable number of retail liquor licenses to no more than the number issues as of June 30, 2015. A retailer's license will be deemed to be a Class B License.
- No change in current law as to who is allowed to sell intoxicating liquors until July 1, 2018 (e.g., 3-year freeze until Uncork law would go into effect).
- On or after July 1, 2018 an existing retailer may transfer (e.g., sell) their license to a qualified third party within the same county in which they are located, subject to approval by the Director of ABC.
- On or after July 1, 2018, any qualified business may become a Class A Retailer, which is for the sale of beer. In essence, this is where 3.2% CMB goes away in favor of one-strength beer. There is no alcohol content limit in the bill.
- Creation of a cereal malt beverage sales tax fund distributed to municipalities through a formula to essentially reimburse local units of government for the loss of CMB sales.
- C-stores, liquor stores and grocery stores are defined in the bill.
- On or after July 1, 2018 a Class B Retailer may sell any product (e.g., grocery stores; also, traditional retail liquor stores can sell any product). Only "grocery stores" and "liquor stores" as defined in the bill can obtain a Class B license.
- As long as someone otherwise unqualified to be licensed as a retailer owns less than 25% of the entity being licensed, the entity is allowed to obtain a license.
- No one under the age of 18 can sell alcoholic liquor at retail.
- Every licensee must have someone aged 21 years or older on the premises when liquor products are being sold.

We will provide further analysis of this legislation and its impacts soon.

For more information and updates from the Keep Kansans in Business, visit [www.keepkansasjobs.com](http://www.keepkansasjobs.com).