

## February 2, 2023

To: House Committee on Federal and State Affairs

From: R.E. "Tuck" Duncan, General Counsel

Kansas Wine & Spirits Wholesalers Association

RE: HB2170 — Providing sampling rules for alcoholic liquor and cereal malt beverages for spirits distributors, wine distributors and beer distributors in regard to the amount of products used for samples for distributors, retailers and club and drinking establishment licensees.

HB 2170 will conform Kansas regulations regarding sampling among industry members (supplier to retailer, wholesaler to retailer, supplier to on-premise, wholesaler to on-premise) with the federal trade practices. This modification does not apply to consumer tastings.

Kansas enacted K.A.R. 14-14-6a (1/3/2003) 20 year ago regarding sampling. Ten years ago (1/20/2012) Kansas enacted KAR 14-10-17. Trade practices.

"(a) To the extent not otherwise prevented by statute or regulation, the trade practice regulations of the alcohol and tobacco tax and trade bureau, department of the treasury in 27 C.F.R. Part 6, subpart B, subpart C, and subpart D, as in effect on April 1, 2010, excluding the following portions, are hereby adopted by reference and shall be the authorized trade practices under the liquor control act..."

These regulations are in conflict.

This statutory modification will cure thew defect and conform Kansas with the federal rules.

The federal rule states:

§ 6.91 Samples.

The act by an industry member of furnishing or giving a sample of distilled spirits, wine, or malt beverages to a retailer who has not purchased the brand from that industry member within the last 12 months does not constitute a means to induce within the meaning of section 105(b)(3) of the Act. For each retail establishment the industry member may give not more than 3 gallons of any brand of malt beverage, not more than 3 liters of any brand of wine, and not more than 3 liters of distilled spirits. If a particular product is not available in a size within the quantity limitations of this section, an industry member may furnish to a retailer the next larger size.

We know of no opposition to this request.

Thank you for your consideration of these matters.