Session of 2023

HOUSE BILL No. 2170

By Committee on Federal and State Affairs

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AN ACT concerning alcoholic beverages; relating to spirits distributors, 1 2 wine distributors and cereal malt beverage distributors; regulating samples; amending K.S.A. 41-306, 41-306a and 41-307 and repealing 3 4 the existing sections. 5 6 *Be it enacted by the Legislature of the State of Kansas:* 7 Section 1. K.S.A. 41-306 is hereby amended to read as follows: 41-8 306. A spirits distributor's license, shall allow: 9 (a) The wholesale purchase, importation and storage of spirits, but all 10 such spirits so purchased or imported which are manufactured in the 11 United States shall be purchased from the primary American source of 12 supply or from another licensed spirits distributor, except that a licensed 13 spirits distributor may purchase confiscated spirits at a sheriff's sale. 14 The sale of spirits to: (b) 15 (1) Spirits distributors licensed in this state; (2) retailers licensed in this state, except that such distributor shall 16 sell a brand of spirits only to those retailers whose licensed premises are 17 located in the geographic territory within which such distributor is 18 19 authorized to sell such brand, as designated in the notice or notices filed 20 with the director pursuant to K.S.A. 41-410, and amendments thereto; and 21 (3) such persons located outside such territory or outside this state as 22 permitted by law. 23 (c) The purchase of spirits in barrels, casks or other bulk containers 24 and the bottling thereof before resale, but all bottles or containers filled 25 with such spirits shall be sealed, labeled and otherwise made to comply 26 with all laws and rules and regulations governing the preparation and 27 bottling of spirits by manufacturers and with all federal rules, regulations 28 and laws. 29 (d) The storage and delivery to a retailer licensed under the Kansas 30 liquor control act or a retailer licensed under K.S.A. 41-2702, and 31 amendments thereto, on the distributor's licensed premises, of alcoholic 32 liquor or cereal malt beverage of another licensed distributor authorized by 33 law to sell such alcoholic liquor or cereal malt beverage to such retailer, in accordance with an agreement entered into with such other distributor and 34 35 approved by the director. 36 (e) The storage and delivery to a public venue licensed under the club and drinking establishment act of alcoholic liquor purchased by the public
 venue licensee from a retailer authorized by law to sell such alcoholic
 liquor to such public venue licensee.

4 (f) The withdrawal of spirits from such licensee's inventory for use as 5 samples in the course of the business of the distributor or at industry 6 seminars. Samples may only be provided to persons licensed as a 7 distributor or a retailer under the Kansas liquor control act, and such 8 person's employees or to persons licensed under the club and drinking 9 establishment act and such persons' employees. Samples may be served on 10 the licensed premises of the licensee, or on the premises of a licensed retailer, provided except that no sample shall be served on that portion of 11 12 the premises of a licensed retailer that is open to the public and where 13 sales of alcoholic liquor at retail are made. Only products that have not been purchased from the distributor licensee by the retailer or club and 14 15 drinking establishment act licensee within the previous 12 months may be provided for sampling pursuant to this subsection. No sample shall be 16 17 provided to any minor. Nothing in this subsection shall be construed to permit the licensee to sell any alcoholic liquor for consumption on the 18 premises. The withdrawal of spirits shall be subject to the tax imposed by 19 20 K.S.A. 79-4101 et seq., and amendments thereto, based on the applicable 21 current posted bottle or case price. For purposes of providing samples-22 pursuant to this subsection other than at industry seminars or to the 23 licensee's employees, the term "sample" shall have the same meaning as that term is defined in K.S.A. 41-2601, and amendments thereto this 24 25 subsection, "sample" means not more than three liters of distilled spirits.

26 Sec. 2. K.S.A. 41-306a is hereby amended to read as follows: 41-27 306a. A wine distributor's license shall allow:

(a) The wholesale purchase, importation and storage of wine, but all
wine so purchased or imported which is manufactured in the United States
shall be purchased from the primary American source of supply or from
another licensed wine distributor, except that a licensed wine distributor
may purchase confiscated wine at a sheriff's sale.

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 - (b) The sale of wine to:(1) Wine distributors licensed in this state;
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(2) retailers licensed in this state, except that such distributor shall sell a brand of wine only to those retailers whose licensed premises are located in the geographic territory within which such distributor is authorized to sell such brand, as designated in the notice or notices filed with the director pursuant to K.S.A. 41-410, and amendments thereto; and

40 (3) such persons located outside such territory or outside this state as 41 permitted by law.

42 (c) The sale of wine, but only in barrels, casks and other bulk 43 containers, to: 1

(1) Licensed caterers; and

2 (2) public venues, clubs and drinking establishments licensed in this 3 state, except that such distributor shall sell a brand of wine only to such 4 public venues, clubs and drinking establishments the licensed premises of 5 which are located in the geographic territory within which such distributor 6 is authorized to sell such brand, as designated in the notice or notices filed 7 with the director pursuant to K.S.A. 41-410, and amendments thereto.

8 (d) The purchase of wine in barrels, casks or other bulk containers 9 and the bottling thereof before resale, but all bottles or containers filled 10 with such wine shall be sealed, labeled and otherwise made to comply with 11 all laws and rules and regulations governing the preparation and bottling of 12 wine by manufacturers and with all federal rules, regulations and laws.

13 (e) The storage and delivery to a retailer licensed under the Kansas 14 liquor control act or a retailer licensed under K.S.A. 41-2702, and 15 amendments thereto, on the distributor's licensed premises, of alcoholic 16 liquor or cereal malt beverage of another licensed distributor authorized by 17 law to sell such alcoholic liquor or cereal malt beverage to such retailer, in 18 accordance with an agreement entered into with such other distributor and 19 approved by the director.

20 (f) The withdrawal of wine from such licensee's inventory for use as 21 samples in the course of the business of the distributor or at industry 22 seminars. Samples may only be provided to persons licensed as a 23 distributor or a retailer under the Kansas liquor control act, and such 24 person's employees, or to persons licensed under the club and drinking 25 establishment act, and such person's employees. Samples may be served on the licensed premises of the licensee, or on the premises of a licensed 26 27 retailer, provided no sample shall be served on that portion of the premises 28 of a licensed retailer that is open to the public and where sales of alcoholic 29 liquor at retail are made. Samples may be served on the premises of a 30 licensee holding a license issued under the club and drinking establishment 31 act, provided no sample shall be served on that portion of the premises that is open to the public and where sales of alcoholic liquor are made. Only 32 33 products that have not been purchased from the distributor licensee by the 34 retailer or club and drinking establishment licensee within the previous 12 35 months may be provided for sampling pursuant to this subsection. No 36 sample shall be provided to any minor. Nothing in this subsection shall be 37 construed to permit the licensee to sell any alcoholic liquor for 38 consumption on the premises. The withdrawal of wine shall be subject to 39 the tax imposed by K.S.A. 79-4101 et seq., and amendments thereto, based 40 on the applicable current posted bottle or case price. For purposes-of-41 providing samples pursuant to this subsection other than at industry-42 seminars or to the licensee's employees, the term of this subsection, "sample" shall have the same meaning as that term is defined in K.S.A. 41-43

2601, and amendments thereto means not more than three liters of any 1 2 brand of wine.

3 (g) This section shall be *a* part of and supplemental to the Kansas 4 liquor control act.

5 Sec. 3. K.S.A. 41-307 is hereby amended to read as follows: 41-307. 6 A beer distributor's license shall allow: 7

- (a) The wholesale purchase, importation and storage of beer.
- 8 (b) The sale of beer to: 9

(1) Licensed caterers;

(2) beer distributors licensed in this state;

(3) retailers, public venues, clubs and drinking establishments, 11 licensed in this state, except that such distributor shall sell a brand of beer 12 13 only to those retailers, public venues, clubs and drinking establishments of which the licensed premises are located in the geographic territory within 14 15 which such distributor is authorized to sell such brand, as designated in the 16 notice or notices filed with the director pursuant to K.S.A. 41-410, and 17 amendments thereto; and

18 (4) such persons located outside such territory or outside this state as 19 permitted by law.

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(c) The sale of cereal malt beverage to: (1) Beer distributors licensed in this state:

22 (2) clubs and drinking establishments, licensed in this state, and 23 retailers licensed under K.S.A. 41-2702, and amendments thereto, except 24 that such distributor shall sell a brand of cereal malt beverage only to those 25 such clubs, drinking establishments and retailers of which the licensed premises are located in the geographic territory within which such 26 27 distributor is authorized to sell such brand, as designated in the notice or 28 notices filed with the director pursuant to K.S.A. 41-410, and amendments 29 thereto:

30 (3) retailers; and

(4) such persons located outside such territory or outside this state as 31 32 permitted by law.

33 (d) The sale of beer containing not more than 6% alcohol by volume 34 to cereal malt beverage retailers licensed pursuant to K.S.A. 41-2702, and 35 amendments thereto.

36 (e) The purchase of cereal malt beverage in kegs or other bulk 37 containers and the bottling or canning thereof in accordance with law.

38 (f) The storage and delivery to a retailer licensed under the Kansas 39 liquor control act or a retailer licensed under K.S.A. 41-2702, and 40 amendments thereto, on the distributor's licensed premises, of alcoholic liquor or cereal malt beverage of another licensed distributor authorized by 41 42 law to sell such alcoholic liquor or cereal malt beverage to such retailer, in 43 accordance with an agreement entered into with such other distributor and

1 approved by the director.

(g) The storage and delivery, with proper invoicing in accordance
with rules and regulations adopted by the secretary, on the premises of a
public venue licensee, of beer sold to or available for purchase by the
public venue during an event.

6 (h) The withdrawal of beer or cereal malt beverage from such 7 licensee's inventory for use as samples in the course of the business of the 8 distributor or at industry seminars. Samples may only be provided to 9 persons licensed as a distributor or a retailer under the Kansas liquor 10 control act, and such person's employees, or to persons licensed under the club and drinking establishment act, and such person's employees. 11 12 Samples may be served on the licensed premises of the licensee, or on the premises of a licensed retailer, provided no sample shall be served on that 13 14 portion of the premises of a licensed retailer that is open to the public and 15 where sales of alcoholic liquor at retail are made. Samples may be served 16 on the premises of a licensee holding a license issued under the club and 17 drinking establishment act, provided no sample shall be served on that 18 portion of the premises that is open to the public and where sales of alcoholic liquor are made. Only products that have not been purchased 19 from the distributor licensee by the retailer or club and drinking 20 21 establishment act licensee within the previous 12 months may be provided 22 for sampling pursuant to this subsection. No sample shall be provided to 23 any minor. Nothing in this subsection shall be construed to permit the 24 licensee to sell any alcoholic liquor for consumption on the premises. The 25 withdrawal of beer or cereal malt beverage shall be subject to the tax 26 imposed by K.S.A. 79-4101 et seq., and amendments thereto, based on the 27 applicable current posted bottle or case price. For purposes of providing 28 samples pursuant to this subsection other than at industry seminars or to the licensee's employees, the term this subsection, "sample"-shall have the 29 30 same meaning as that term is defined in K.S.A. 41-2601, and amendments 31 thereto means not more than three gallons of any brand of beer or cereal 32 malt beverage.

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Sec. 4. K.S.A. 41-306, 41-306a and 41-307 are hereby repealed.

34 Sec. 5. This act shall take effect and be in force from and after its 35 publication in the statute book Kansas register.