AN ACT concerning alcoholic beverages; relating to microbreweries; permitting the manufacture and sale of hard cider and mead; amending K.S.A. 2014 Supp. 41-102 and 41-308b and repealing the existing sections.

Be it enacted by the Legislature of the State of Kansas:

Section 1. K.S.A. 2014 Supp. 41-102 is hereby amended to read as follows: 41-102. As used in this act, unless the context clearly requires otherwise:
(a) "Alcohol" means the product of distillation of any fermented liquid, whether rectified or diluted, whatever its origin, and includes synthetic ethyl alcohol but does not include denatured alcohol or wood alcohol.
(b) "Alcoholic liquor" means alcohol, spirits, wine, beer and every liquid or solid, patented or not, containing alcohol, spirits, wine or beer and capable of being consumed as a beverage by a human being, but shall not include any cereal malt beverage.
(c) "Beer" means a beverage, containing more than 3.2% alcohol by weight, obtained by alcoholic fermentation of an infusion or concoction of barley, or other grain, malt and hops in water and includes beer, ale, stout, lager beer, porter and similar beverages having such alcoholic content.
(d) "Caterer" has the meaning provided by K.S.A. 41-2601, and amendments thereto.
(e) "Cereal malt beverage" has the meaning provided by K.S.A. 41-2701, and amendments thereto.
(f) "Club" has the meaning provided by K.S.A. 41-2601, and amendments thereto.
(g) "Director" means the director of alcoholic beverage control of the department of revenue.
(h) "Distributor" means the person importing or causing to be imported into the state, or purchasing or causing to be purchased within the state, alcoholic liquor for sale or resale to retailers licensed under this act or cereal malt beverage for sale or resale to retailers licensed under K.S.A. 41-2702, and amendments thereto.
(i) "Domestic beer" means beer which contains not more than 10% alcohol by weight and which is manufactured in this state.
(j) "Domestic fortified wine" means wine which contains more than 14%, but not more than 20% alcohol by volume and which is manufactured in this state.

(k) "Domestic table wine" means wine which contains not more than 14% alcohol by volume and which is manufactured without rectification or fortification in this state.

(l) "Drinking establishment" has the meaning provided by K.S.A. 41-2601, and amendments thereto.

(m) "Farm winery" means a winery licensed by the director to manufacture, store and sell domestic table wine and domestic fortified wine.

(n) "Hard cider" means any alcoholic beverage obtained by the normal alcoholic fermentation of the juice of sound, ripe apples, including such beverages containing sugar added for the purpose of correcting natural deficiencies.

(o) "Manufacture" means to distill, rectify, ferment, brew, make, mix, concoct, process, blend, bottle or fill an original package with any alcoholic liquor, beer or cereal malt beverage.

(p) (1) "Manufacturer" means every brewer, fermenter, distiller, rectifier, wine maker, blender, processor, bottler or person who fills or refills an original package and others engaged in brewing, fermenting, distilling, rectifying or bottling alcoholic liquor, beer or cereal malt beverage.

(2) "Manufacturer" does not include a microbrewery, microdistillery or a farm winery.

(q) "Mead" means any alcoholic beverage obtained by the normal alcoholic fermentation of honey with water, including such beverages containing sugar, fruits, spices, grains or hops added for the purpose of correcting natural deficiencies.

(r) "Microbrewery" means a brewery licensed by the director to manufacture, store and sell domestic beer.

(s) "Microdistillery" means a facility which produces spirits from any source or substance that is licensed by the director to manufacture, store and sell spirits.

(t) "Minor" means any person under 21 years of age.

(u) "Nonbeverage user" means any manufacturer of any of the products set forth and described in K.S.A. 41-501, and amendments thereto, when the products contain alcohol or wine, and all laboratories using alcohol for nonbeverage purposes.

(v) "Original package" means any bottle, flask, jug, can, cask, barrel, keg, hogshead or other receptacle or container whatsoever, used, corked or capped, sealed and labeled by the manufacturer of alcoholic liquor, to contain and to convey any alcoholic liquor. Original container
"Person" means any natural person, corporation, partnership, trust or association.

"Primary American source of supply" means the manufacturer, the owner of alcoholic liquor at the time it becomes a marketable product or the manufacturer's or owner's exclusive agent who, if the alcoholic liquor cannot be secured directly from such manufacturer or owner by American wholesalers, is the source closest to such manufacturer or owner in the channel of commerce from which the product can be secured by American wholesalers.

"Retailer" means a person who sells at retail, or offers for sale at retail, alcoholic liquors.

"Retailer" does not include a microbrewery, microdistillery or a farm winery.

"Sale" means any transfer, exchange or barter in any manner or by any means whatsoever for a consideration and includes all sales made by any person, whether principal, proprietor, agent, servant or employee.

"Salesperson" means any natural person who:

1. Procures or seeks to procure an order, bargain, contract or agreement for the sale of alcoholic liquor or cereal malt beverage; or
2. is engaged in promoting the sale of alcoholic liquor or cereal malt beverage, or in promoting the business of any person, firm or corporation engaged in the manufacturing and selling of alcoholic liquor or cereal malt beverage, whether the seller resides within the state of Kansas and sells to licensed buyers within the state of Kansas, or whether the seller resides without the state of Kansas and sells to licensed buyers within the state of Kansas.

"Secretary" means the secretary of revenue.

"Sell at retail" and "sale at retail" refer to and mean sales for use or consumption and not for resale in any form and sales to clubs, licensed drinking establishments, licensed caterers or holders of temporary permits.

"Sell at retail" and "sale at retail" do not refer to or mean sales by a distributor, a microbrewery, a farm winery, a licensed club, a licensed drinking establishment, a licensed caterer or a holder of a temporary permit.

"To sell" includes to solicit or receive an order for, to keep or expose for sale and to keep with intent to sell.

"Sleeve" means a package of two or more 50-milliliter (3.2-fluid-ounce) containers of spirits.

"Spirits" means any beverage which contains alcohol obtained by distillation, mixed with water or other substance in solution, and includes brandy, rum, whiskey, gin or other spirituous liquors, and
such liquors when rectified, blended or otherwise mixed with alcohol or
other substances.

"Supplier" means a manufacturer of alcoholic liquor or
cereal malt beverage or an agent of such manufacturer, other than a
salesperson.

"Temporary permit" has the meaning provided by K.S.A. 41-
2601, and amendments thereto.

"Wine" means any alcoholic beverage obtained by the
normal alcoholic fermentation of the juice of sound, ripe grapes, fruits,
berries or other agricultural products, including such hard cider, mead and
other beverages containing added alcohol or spirits or containing sugar
added for the purpose of correcting natural deficiencies.

Sec. 2. K.S.A. 2014 Supp. 41-308b is hereby amended to read as
follows: 41-308b. (a) A microbrewery license shall allow:

(1) The manufacture of not less than 100 nor more than 30,000
barrels of domestic beer during the calendar year and the storage thereof;
(2) the manufacture in the aggregate of not more than 100,000
gallons of hard cider or mead during the calendar year and the storage
thereof;
(3) the sale to beer distributors of beer and the sale to wine
distributors of hard cider and mead, manufactured by the licensee;
(4) the sale, on the licensed premises in the original unopened
container to consumers for consumption off the licensed premises, of beer,
hard cider and mead manufactured by the licensee;
(5) the serving free of charge on the licensed premises and at
special events, monitored and regulated by the division of alcoholic
beverage control, of samples of beer, hard cider and mead manufactured
by the licensee, if the premises are located in a county where the sale of
alcoholic liquor is permitted by law in licensed drinking establishments;
(6) if the licensee is also licensed as a club or drinking
establishment, the sale of domestic beer and other alcoholic liquor for
consumption on the licensed premises as authorized by the club and
drinking establishment act; and
(7) if the licensee is also licensed as a caterer, the sale of domestic
beer and other alcoholic liquor for consumption on unlicensed premises as
authorized by the club and drinking establishment act.

(b) Upon application and payment of the fee prescribed by K.S.A. 41-
310, and amendments thereto, by a microbrewery licensee, the director
may issue not to exceed one microbrewery packaging and warehousing
facility license to the microbrewery licensee. A microbrewery packaging
and warehousing facility license shall allow:

(1) The transfer, from the licensed premises of the microbrewery to
the licensed premises of the microbrewery packaging and warehousing
facility, of beer, *hard cider and mead* manufactured by the licensee, for the
purpose of packaging or storage, or both; and

(2) the transfer, from the licensed premises of the microbrewery
packaging and warehousing facility to the licensed premises of the
microbrewery, of beer, *hard cider and mead* manufactured by the licensee;

or

(3) the removal from the licensed premises of the microbrewery
packaging and warehousing facility of beer manufactured by the licensee
for the purpose of delivery to a licensed beer wholesaler, *and hard cider
and mead* manufactured by the licensee for the purpose of delivery to a
licensed wine distributor.

(c) A microbrewery may sell domestic beer, *hard cider and mead* in
the original unopened container to consumers for consumption off the
licensed premises at any time between 6 a.m. and 12 midnight on any day
except Sunday and between 11 a.m. and 7 p.m. on Sunday. If authorized
by subsection (a), a microbrewery may serve samples of domestic beer,
*hard cider and mead* and serve and sell domestic beer and other alcoholic
liquor for consumption on the licensed premises at any time when a club
or drinking establishment is authorized to serve and sell alcoholic liquor.

(d) The director may issue to the Kansas state fair or any bona fide
group of brewers a permit to import into this state small quantities of beer,
*hard cider and mead*. Such beer, *hard cider and mead* shall be used only
for bona fide educational and scientific tasting programs and shall not be
resold. Such beer, *hard cider and mead* shall not be subject to the tax
imposed by K.S.A. 41-501, and amendments thereto. The permit shall
identify specifically the brand and type of beer, *hard cider or mead* to be
imported, the quantity to be imported, the tasting programs for which the
beer, *hard cider or mead* is to be used and the times and locations of such
programs. The secretary shall adopt rules and regulations governing the
importation of beer, *hard cider and mead* pursuant to this subsection and
the conduct of tasting programs for which such beer, *hard cider or mead* is
imported.

(e) A microbrewery license or microbrewery packaging and
warehousing facility license shall apply only to the premises described in
the application and in the license issued and only one location shall be
described in the license.

(f) No microbrewery shall:

(1) Employ any person under the age of 18 years in connection with
the manufacture, sale or serving of any alcoholic liquor;

(2) permit any employee of the licensee who is under the age of 21
years to work on the licensed premises at any time when not under the on-
premises supervision of either the licensee or an employee of the licensee
who is 21 years of age or over;
(3) employ any person under 21 years of age in connection with mixing or dispensing alcoholic liquor; or
(4) employ any person in connection with the manufacture or sale of alcoholic liquor if the person has been convicted of a felony.

(g) Whenever a microbrewery licensee is convicted of a violation of the Kansas liquor control act, the director may revoke the licensee's license and all fees paid for the license in accordance with the Kansas administrative procedure act. added for the purpose of correcting natural deficiencies.

Sec. 3. K.S.A. 2014 Supp. 41-102 and 41-308b are hereby repealed.
Sec. 4. This act shall take effect and be in force from and after its publication in the statute book.