

SENATE BILL No. 251

By Committee on Federal and State Affairs

2-14

1 AN ACT concerning alcoholic beverages; relating to spirits distributors,
2 wine distributors and cereal malt beverage distributors; regulating
3 samples; amending K.S.A. 41-306, 41-306a and 41-307 and repealing
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 (b) The sale of spirits to:

15 (1) Spirits distributors licensed in this state;

16 (2) retailers licensed in this state, except that such distributor shall
17 sell a brand of spirits only to those retailers whose licensed premises are
18 located in the geographic territory within which such distributor is
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
34 accordance with an agreement entered into with such other distributor and
35 approved by the director.

36 (e) The storage and delivery to a public venue licensed under the club

1 and drinking establishment act of alcoholic liquor purchased by the public
2 venue licensee from a retailer authorized by law to sell such alcoholic
3 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
11 retailer, ~~provided~~ *except that* no sample shall be served on that portion of
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*
14 *been purchased from the distributor licensee by the retailer or club and*
15 *drinking establishment act licensee within the previous 12 months may be*
16 *provided for sampling pursuant to this subsection*. No sample shall be
17 provided to any minor. Nothing in this subsection shall be construed to
18 permit the licensee to sell any alcoholic liquor for consumption on the
19 premises. The withdrawal of spirits shall be subject to the tax imposed by
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~~
24 ~~that term is defined in K.S.A. 41-2601, and amendments thereto this~~
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:

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

33 (b) The sale of wine to:

34 (1) Wine distributors licensed in this state;

35 (2) retailers licensed in this state, except that such distributor shall
36 sell a brand of wine only to those retailers whose licensed premises are
37 located in the geographic territory within which such distributor is
38 authorized to sell such brand, as designated in the notice or notices filed
39 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
26 on the licensed premises of the licensee, or on the premises of a licensed
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
32 is open to the public and where sales of alcoholic liquor are made. *Only*
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,~~
43 "sample" shall have the same meaning as that term is defined in K.S.A. 41-

1 ~~2601, and amendments thereto~~ means not more than three liters of any
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;

10 (2) beer distributors licensed in this state;

11 (3) retailers, public venues, clubs and drinking establishments,
12 licensed in this state, except that such distributor shall sell a brand of beer
13 only to those retailers, public venues, clubs and drinking establishments of
14 which the licensed premises are located in the geographic territory within
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.

20 (c) The sale of cereal malt beverage to:

21 (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
26 premises are located in the geographic territory within which such
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

31 (4) such persons located outside such territory or outside this state as
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
41 liquor or cereal malt beverage of another licensed distributor authorized by
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.

2 (g) The storage and delivery, with proper invoicing in accordance
3 with rules and regulations adopted by the secretary, on the premises of a
4 public venue licensee, of beer sold to or available for purchase by the
5 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
11 club and drinking establishment act, and such person's employees.
12 Samples may be served on the licensed premises of the licensee, or on the
13 premises of a licensed retailer, provided no sample shall be served on that
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
19 alcoholic liquor are made. *Only products that have not been purchased*
20 *from the distributor licensee by the retailer or club and drinking*
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~~
29 ~~the licensee's employees, the term this subsection, "sample" shall have the~~
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.~~

33 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.