

HOUSE BILL No. 2331

By Committee on Federal and State Affairs

2-12

1 AN ACT concerning alcoholic beverages; relating to consumption of
2 alcoholic liquor on public property; permitted consumption at catered
3 events ~~{and by patrons on certain unlicensed premises};~~
4 ~~{temporary permits for the Kansas state fair};~~ amending K.S.A. 41-
5 2643 and K.S.A. 2014 Supp. ~~{41-104,}41-350, 41-351, {41-710,} 41-~~
6 719 ~~{and 41-2645}~~ and repealing the existing ~~section sections.~~

7
8 *Be it enacted by the Legislature of the State of Kansas:*

9 ~~{Section 1. K.S.A. 2014 Supp. 41-104 is hereby amended to~~
10 ~~read as follows: 41-104. No person shall manufacture, bottle, blend,~~
11 ~~sell, barter, transport, deliver, furnish or possess any alcoholic liquor~~
12 ~~for beverage purposes, except as specifically provided in this act, the~~
13 ~~club and drinking establishment act or article 27 of chapter 41 of the~~
14 ~~Kansas Statutes Annotated, and amendments thereto, except that~~
15 ~~nothing contained in this act shall prevent:~~

16 ~~(a) The possession and transportation of alcoholic liquor for the~~
17 ~~personal use of the possessor, the possessor's family and guests except~~
18 ~~that the provisions of K.S.A. 41-407, and amendments thereto, shall be~~
19 ~~applicable to all persons;~~

20 ~~(b) the making of wine, cider or beer by a person from fruits,~~
21 ~~vegetables or grains, or the product thereof, by simple fermentation~~
22 ~~and without distillation, if it is made solely for the use of the maker,~~
23 ~~the maker's family, guests and judges at a contest or competition of~~
24 ~~such beverages, provided, the maker receives no compensation for~~
25 ~~producing such beverages or for allowing the consumption thereof;~~

26 ~~(c) any duly licensed practicing physician or dentist from~~
27 ~~possessing or using alcoholic liquor in the strict practice of the medical~~
28 ~~or dental profession;~~

29 ~~(d) any hospital or other institution caring for sick and diseased~~
30 ~~persons, from possessing and using alcoholic liquor for the treatment~~
31 ~~of bona fide patients of such hospital or institution;~~

32 ~~(e) any drugstore employing a licensed pharmacist from~~

1 ~~possessing and using alcoholic liquor in the compounding of~~
2 ~~prescriptions of duly licensed physicians;~~

3 ~~(f) the possession and dispensation of wine by an authorized~~
4 ~~representative of any church for the purpose of conducting any bona~~
5 ~~fade rite or religious ceremony conducted by such church;~~

6 ~~(g) the sale of wine to a consumer in this state by a person which~~
7 ~~holds a valid license authorizing the manufacture of wine in this or~~
8 ~~another state and the shipment of such wine directly to such~~
9 ~~consumer, subject to the following: (1) The consumer must be at least~~
10 ~~21 years of age; (2) the consumer must purchase the wine while~~
11 ~~physically present on the premises of the wine manufacturer; (3) the~~
12 ~~wine must be for the consumer's personal consumption and not for~~
13 ~~resale; and (4) the consumer shall comply with the provisions of~~
14 ~~K.S.A. 41-407, and amendments thereto, by payment of all applicable~~
15 ~~taxes within such time after purchase of the wine as prescribed by~~
16 ~~rules and regulations adopted by the secretary;~~

17 ~~(h) the serving of complimentary alcoholic liquor or cereal malt~~
18 ~~beverages at fund raising activities of charitable organizations as~~
19 ~~defined by K.S.A. 17-1760, and amendments thereto, and as qualified~~
20 ~~pursuant to 26 U.S.C.A. § 501(c) and by committees formed pursuant~~
21 ~~to K.S.A. 25-4142 et seq., and amendments thereto. The serving of~~
22 ~~such alcoholic liquor at such fund raising activities shall not constitute~~
23 ~~a sale pursuant to this act, the club and drinking establishment act or~~
24 ~~article 27 of chapter 41 of the Kansas Statutes Annotated, and~~
25 ~~amendments thereto. Any such fund raising activity shall not be~~
26 ~~required to obtain a license or a temporary permit pursuant to this~~
27 ~~act, the club and drinking establishment act or article 27 of chapter 41~~
28 ~~of the Kansas Statutes Annotated, and amendments thereto; or~~

29 ~~(i) the serving of complimentary alcoholic liquor or cereal malt~~
30 ~~beverage on the unlicensed premises of a business by the business~~
31 ~~owner or owner's agent at an event sponsored by a nonprofit~~
32 ~~organization promoting the arts and which has been approved by~~
33 ~~ordinance or resolution of the governing body of the city, county or~~
34 ~~township wherein the event will take place and whereby the director~~
35 ~~of the alcoholic beverage control has been notified thereof no less than~~
36 ~~10 days in advance; or~~

37 ~~(j) any unlicensed business from authorizing the possession and~~
38 ~~consumption of alcoholic liquor or cereal malt beverage by patrons of~~
39 ~~such business on private property owned or leased by such business when~~
40 ~~such alcoholic liquor or cereal malt beverage is in the personal possession~~
41 ~~of the patron and is not sold, offered for sale or given away by the owner~~
42 ~~of such business or any employees thereof.~~

43 ~~(j)-(k) (1) For purposes of subsection (b), the term "guest" means~~

~~1 a natural person who is known to the host and receives a personal
2 invitation to an event conducted by the host. The term "guest" shall
3 not mean a natural person who receives an invitation to an event
4 conducted by the host when such invitation has been made available to
5 the general public.~~

~~6 (2) For purposes of subsection (j), "patron" means a natural person
7 who is a customer of an unlicensed business.~~

~~8 {Sec. 2.} Section 1.~~ K.S.A. 2014 Supp. 41-719 is hereby amended to
9 read as follows: 41-719. (a) (1) Except as otherwise provided herein and in
10 K.S.A. 8-1599, and amendments thereto, no person shall drink or consume
11 alcoholic liquor on the public streets, alleys, roads or highways or inside
12 vehicles while on the public streets, alleys, roads or highways.

13 (2) Alcoholic liquor may be consumed at a special event *or catered*
14 *event* held on public streets, alleys, roads, sidewalks or highways when a
15 temporary permit has been issued pursuant to K.S.A. 41-2645, and
16 amendments thereto, for such special event, *or when the caterer's licensee*
17 *has provided the required notifications pursuant to K.S.A. 41-2643, and*
18 *amendments thereto.* ~~Such~~ Any special event must be approved, by
19 ordinance or resolution, by the local governing body of any city, county or
20 township where such special event is being held. No alcoholic liquor may
21 be consumed inside vehicles while on public streets, alleys, roads or
22 highways at any ~~such~~ special event *or catered event.*

23 (3) No person shall remove any alcoholic liquor from inside the
24 boundaries of a special event as designated by the governing body of any
25 city, county or township, *or the boundaries of a catered event.* The
26 boundaries of ~~such~~ a special event shall be clearly marked by signs, a
27 posted map or other means which reasonably identify the area in which
28 alcoholic liquor may be possessed or consumed at such special event.

29 (4) No person shall possess or consume alcoholic liquor inside the
30 premises licensed as a special event that was not sold or provided by the
31 licensee holding the temporary permit for such special event.

32 (b) No person shall drink or consume alcoholic liquor on private
33 property except:

34 (1) On premises where the sale of liquor by the individual drink is
35 authorized by the club and drinking establishment act;

36 (2) upon private property by a person occupying such property as an
37 owner or lessee of an owner and by the guests of such person, if no charge
38 is made for the serving or mixing of any drink or drinks of alcoholic liquor
39 or for any substance mixed with any alcoholic liquor and if no sale of
40 alcoholic liquor in violation of K.S.A. 41-803, and amendments thereto,
41 takes place;

42 (3) in a lodging room of any hotel, motel or boarding house by the
43 person occupying such room and by the guests of such person, if no charge

1 is made for the serving or mixing of any drink or drinks of alcoholic liquor
2 or for any substance mixed with any alcoholic liquor and if no sale of
3 alcoholic liquor in violation of K.S.A. 41-803, and amendments thereto,
4 takes place;

5 (4) in a private dining room of a hotel, motel or restaurant, if the
6 dining room is rented or made available on a special occasion to an
7 individual or organization for a private party and if no sale of alcoholic
8 liquor in violation of K.S.A. 41-803, and amendments thereto, takes place;

9 ~~or~~

10 (5) on the premises of a manufacturer, microbrewery, microdistillery
11 or farm winery, if authorized by K.S.A. 41-305, 41-308a, 41-308b or
12 K.S.A. 2014 Supp. 41-354, and amendments thereto; *or*

13 ***(6) on private property where possession and consumption of***
14 ***alcoholic liquor is allowed pursuant to the issuance of a valid art studio***
15 ***permit.***

16 (c) No person shall drink or consume alcoholic liquor on public
17 property except:

18 (1) On real property leased by a city to others under the provisions of
19 K.S.A. 12-1740 through 12-1749, and amendments thereto, if such real
20 property is actually being used for hotel or motel purposes or purposes
21 incidental thereto.

22 (2) In any state-owned or operated building or structure, and on the
23 surrounding premises, which is furnished to and occupied by any state
24 officer or employee as a residence.

25 (3) On premises licensed as a club or drinking establishment and
26 located on property owned or operated by an airport authority created
27 pursuant to chapter 27 of the Kansas Statutes Annotated, and amendments
28 thereto, or established by a city.

29 (4) On the state fair grounds on the day of any race held thereon
30 pursuant to the Kansas parimutuel racing act.

31 (5) On the state fairgrounds, if: (A) The alcoholic liquor is domestic
32 beer or wine or wine imported under ~~subsection (e) of~~ K.S.A. 41-308a(e),
33 and amendments thereto, and is consumed only for purposes of judging
34 competitions; (B) the alcoholic liquor is wine or beer and is sold and
35 consumed during the days of the Kansas state fair on premises leased by
36 the state fair board to a person who holds a temporary permit issued
37 pursuant to K.S.A. 41-2645, and amendments thereto, authorizing the sale
38 and serving of such wine or beer, or both; or (C) the alcoholic liquor is
39 consumed on nonfair days in conjunction with bona fide scheduled events
40 involving not less than 75 invited guests and the state fair board, in its
41 discretion, authorizes the consumption of the alcoholic liquor, subject to
42 any conditions or restrictions the board may require.

43 (6) In the state historical museum provided for by K.S.A. 76-2036,

1 and amendments thereto, on the surrounding premises and in any other
2 building on such premises, as authorized by rules and regulations of the
3 state historical society.

4 (7) On the premises of any state-owned historic site under the
5 jurisdiction and supervision of the state historical society, on the
6 surrounding premises and in any other building on such premises, as
7 authorized by rules and regulations of the state historical society.

8 (8) In a lake resort within the meaning of K.S.A. 32-867, and
9 amendments thereto, on state-owned or leased property.

10 (9) In the Hiram Price Dillon house or on its surrounding premises,
11 subject to limitations established in policies adopted by the legislative
12 coordinating council, as provided by K.S.A. 75-3682, and amendments
13 thereto.

14 (10) On the premises of any Kansas national guard regional training
15 center or armory, and any building on such premises, as authorized by
16 rules and regulations of the adjutant general and upon approval of the
17 Kansas military board.

18 (11) On the premises of any land or waters owned or managed by the
19 department of wildlife, parks and tourism, except as otherwise prohibited
20 by rules and regulations of the department adopted by the secretary
21 pursuant to K.S.A. 32-805, and amendments thereto.

22 (12) On property exempted from this subsection (c) pursuant to
23 subsection (d), (e), (f), (g) or (h).

24 (d) Any city may exempt, by ordinance, from the provisions of
25 subsection (c) specified property the title of which is vested in such city.

26 (e) The board of county commissioners of any county may exempt,
27 by resolution, from the provisions of subsection (c) specified property the
28 title of which is vested in such county.

29 (f) The state board of regents may exempt from the provisions of
30 subsection (c) the Sternberg museum on the campus of Fort Hays state
31 university, or other specified property which is under the control of such
32 board and which is not used for classroom instruction, where alcoholic
33 liquor may be consumed in accordance with policies adopted by such
34 board.

35 (g) The board of regents of Washburn university may exempt from
36 the provisions of subsection (c) the Mulvane art center and the Bradbury
37 Thompson alumni center on the campus of Washburn university, and other
38 specified property the title of which is vested in such board and which is
39 not used for classroom instruction, where alcoholic liquor may be
40 consumed in accordance with policies adopted by such board.

41 (h) The board of trustees of a community college may exempt from
42 the provisions of subsection (c) specified property which is under the
43 control of such board and which is not used for classroom instruction,

1 where alcoholic liquor may be consumed in accordance with policies
2 adopted by such board.

3 (i) Violation of any provision of this section is a misdemeanor
4 punishable by a fine of not less than \$50 or more than \$200 or by
5 imprisonment for not more than six months, or both.

6 (j) For the purposes of this section, "special event" means a picnic,
7 bazaar, festival or other similar community gathering, which has been
8 approved by the local governing body of any city, county or township.

9 ~~Sec. 2-3.1~~ **2. K.S.A. 41-2643 is hereby amended to read as**
10 **follows: 41-2643. (a) A caterer's license shall allow the licensee to offer**
11 **for sale, sell and serve alcoholic liquor for consumption on unlicensed**
12 **premises, which may be open to the public, but only if such premises**
13 **are located in a county where the qualified electors of the county:**

14 **(1) (A) Approved, by a majority vote of those voting thereon, the**
15 **proposition to amend section 10 of article 15 of the constitution of the**
16 **state of Kansas at the general election in November, 1986, or (B) have**
17 **approved a proposition to allow sales of alcoholic liquor by the**
18 **individual drink in public places within the county at an election**
19 **pursuant to K.S.A. 41-2646, and amendments thereto; and**

20 **(2) have not approved a proposition to prohibit such sales of**
21 **alcoholic liquor in such places at a subsequent election pursuant to**
22 **K.S.A. 41-2646, and amendments thereto.**

23 **(b) A caterer shall be required to derive from sales of food at**
24 **catered events not less than 30% of the caterer's gross receipts from**
25 **all sales of food and beverages at catered events in a 12-month period**
26 **unless the caterer offers for sale, sells and serves alcoholic liquor only**
27 **in counties where the qualified electors of the county:**

28 **(1) Have approved, at an election pursuant to K.S.A. 41-2646,**
29 **and amendments thereto, a proposition to allow sales of alcoholic**
30 **liquor by the individual drink in public places within the county**
31 **without a requirement that any portion of their gross receipts be**
32 **derived from the sale of food; and**

33 **(2) have not approved a proposition to prohibit such sales of**
34 **alcoholic liquor in such places at a subsequent election pursuant to**
35 **K.S.A. 41-2646, and amendments thereto.**

36 **(c) Each caterer shall maintain the caterer's principal place of**
37 **business in a county in this state where the caterer is authorized by**
38 **this section to sell alcoholic liquor by the individual drink in a public**
39 **place. All records of the caterer relating to the caterer's licensed**
40 **business and the caterer's license shall be kept at such place of**
41 **business. The caterer's principal place of business shall be stated in**
42 **the application for a caterer's license and the caterer shall notify the**
43 **director of any change in its location within 10 days after such change.**

1 (d) ~~A caterer shall notify the director at least 10 days prior to any~~
2 ~~event at which the caterer will sell alcoholic liquor by the individual drink~~
3 ~~unless the director waives the 10-day requirement for good cause shown.~~
4 ~~In addition, prior to the event, the caterer shall notify:~~

5 ~~(1) The police chief of the city where the event will take place, if the~~
6 ~~event will take place within the corporate limits of a city; or~~

7 ~~(2) the county sheriff of the county where the event will take place, if~~
8 ~~the event will be outside the corporate limits of any city~~ ***Except as***
9 ***otherwise provided herein, a caterer shall provide electronic notification***
10 ***to the director at least 48 hours prior to any event at which the caterer***
11 ***will sell alcoholic liquor by the individual drink. The director shall make***
12 ***the electronic notification available to local law enforcement. Notice shall***
13 ***consist of the time, location and the names of the contracting parties of the***
14 ***event. For events where alcohol is served, a licensee shall retain all***
15 ***documents for a period of three years for inspection by the director. The***
16 ***documents retained shall include agreements, receipts, employees***
17 ***assigned to the event and records of alcohol purchased. Notification shall***
18 ***not be required for weddings, funerals, events sponsored by religious***
19 ***institutions, or for business, industry or trade sponsored meetings,***
20 ***including, but not limited to, awards presentations and retirement***
21 ***celebrations.***

22 (e) A caterer may rebate a portion of the caterer's receipts from
23 the sale of alcoholic liquor at an event to the person or organization
24 contracting with the caterer to sell alcoholic liquor at such event.

25 ~~{Sec. 3-4 3. K.S.A. 2014 Supp. 41-710 is hereby amended to read~~
26 **as follows: 41-710. (a) No retailer's license shall be issued for premises**
27 **unless such premises comply with all applicable zoning regulations.**

28 **(b) No microbrewery license, microdistillery license or farm**
29 **winery license shall be issued for premises which are zoned for any**
30 **purpose except agricultural, commercial or business purposes.**

31 **(c) No retailer's, microbrewery, microdistillery or farm winery**
32 **license shall be issued for premises which:**

33 **(1) Are located within 200 feet of any public or parochial school**
34 **or college or church, except that if any such school, college or church**
35 **is established within 200 feet of any licensed premises after the**
36 **premises have been licensed, the premises shall be an eligible location**
37 **for retail licensing; or**

38 **(2) do not conform to all applicable building regulations.**

39 **(d) Any city, by ordinance, may allow a retailer, microbrewery,**
40 **microdistillery or farm winery to be located within a core commercial**
41 **district as defined by K.S.A. 2014 Supp. 12-17,122, and amendments**
42 **thereto, which does not meet the distance requirements established by**
43 **subsection (c)(1).**

1 ~~Sec. 3-5~~ 4. K.S.A. 2014 Supp. 41-2645 is hereby amended to read
2 as follows: 41-2645. (a) A temporary permit shall allow the permit
3 holder to offer for sale, sell and serve alcoholic liquor for consumption
4 on unlicensed premises, which may be open to the public, subject to
5 the terms of such permit.

6 (b) The director may issue a temporary permit to any one or
7 more persons or organizations applying for such a permit, in
8 accordance with rules and regulations of the secretary. The permit
9 shall be issued in the names of the persons or organizations to which it
10 is issued.

11 (c) Applications for temporary permits shall be required to be
12 filed with the director not less than 14 days before the event for which
13 the permit is sought unless the director waives such requirement for
14 good cause. Each application shall state the purposes for which the
15 proceeds of the event will be used. The application shall be upon a
16 form prescribed and furnished by the director and shall be filed with
17 the director in duplicate. Each application shall be accompanied by a
18 permit fee of \$25 for each day for which the permit is issued, which fee
19 shall be paid by a certified or cashier's check of a bank within this
20 state, United States post office money order or cash in the full amount
21 thereof. All permit fees collected by the director pursuant to this
22 section shall be remitted to the state treasurer in accordance with the
23 provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt
24 of each such remittance, the state treasurer shall deposit the entire
25 amount in the state treasury to the credit of the state general fund.

26 (d) Temporary permits shall specify the premises for which they
27 are issued and shall be issued only for premises where the city, county
28 or township zoning code allows use for which the permit is issued. No
29 temporary permit shall be issued for premises which are not located in
30 a county where the qualified electors of the county:

31 (1) (A) Approved, by a majority vote of those voting thereon, to
32 adopt the proposition amending section 10 of article 15 of the
33 constitution of the state of Kansas at the general election in November,
34 1986; or (B) have approved a proposition to allow the sale of liquor by
35 the individual drink in public places within the county at an election
36 pursuant to K.S.A. 41-2646, and amendments thereto; and

37 (2) have not approved a proposition to prohibit such sales of
38 alcoholic liquor in such places at a subsequent election pursuant to
39 K.S.A. 41-2646, and amendments thereto.

40 (e) (1) A temporary permit may be issued for the consumption of
41 alcoholic liquor on a city, county or township street, alley, road,
42 sidewalk or highway for a special event; provided, that such street,
43 alley, road, sidewalk or highway is closed to motor vehicle traffic by

1 the governing body of such city, county or township for such special
2 event, a written request for such consumption and possession of such
3 alcoholic liquor has been made to the local governing body and the
4 special event is approved by the governing body of such city, county or
5 township by ordinance or resolution. The boundaries of such special
6 event shall be clearly marked by signs, a posted map or other means
7 which reasonably identify the area in which alcoholic liquor may be
8 possessed or consumed at such special event.

9 (2) Drinking establishments that are immediately adjacent to, or
10 located within the licensed premises of a special event, for which a
11 temporary permit has been issued and the consumption of alcoholic
12 liquor on public property has been approved, may request that the
13 drinking establishment's licensed premises be extended into and made
14 a part of the licensed premises of the special event for the duration of
15 the temporary permit issued for such special event.

16 (3) Each licensee selling alcoholic liquor for consumption on the
17 premises of a special event for which a temporary permit has been
18 issued shall be liable for violations of all laws governing the sale and
19 consumption of alcoholic liquor.

20 (4) For the purposes of this section, "special event" shall have the
21 same meaning given that term in K.S.A. 41-719, and amendments
22 thereto.

23 (f) (1) Except as otherwise provided in this subsection, a
24 temporary permit shall be issued for a period of time not to exceed
25 three consecutive days, the dates and hours of which shall be specified
26 in the permit. Not more than four temporary permits may be issued to
27 any one applicant in a calendar year.

28 (2) *On and after July 1, 2016, the director may issue ~~one a~~*
29 *sufficient number of temporary ~~permit~~ permits as required by the state*
30 *fair board, valid for the entire period of time of the Kansas state fair,*
31 *which authorizes the sale of wine ~~or beer, or both,~~ in its original,*
32 *unopened container and the serving by the drink of ~~only~~ wine or beer,*
33 *or both, on the state fairgrounds on premises specified in the*
34 *temporary permit, by a person who has entered into an agreement*
35 *with the state fair board for that purpose *subject to the conditions**
36 *imposed by the state board. Nothing in this subsection (f)(2) shall be*
37 *construed to limit the number of temporary permits the director may issue*
38 *for the sale of wine or beer, or both, on the state fairgrounds *consistent**
39 *with the requirements of the state board.*

40 (3) The director may issue a temporary permit for a special event
41 approved by the governing body of a city, county or township
42 pursuant to subsection (e)(1), which may, at the director's discretion,
43 be valid for the entire period of such special event, but in no event

1 shall such permit be issued for a period of time that exceeds 30
2 consecutive days.

3 (g) All proceeds from an event for which a temporary permit is
4 issued shall be used only for the purposes stated in the application for
5 such permit.

6 (h) Upon written permission from the director and within three
7 business days after the end of an event conducted pursuant to a
8 temporary permit, the holder of a temporary permit may sell back to
9 the licensee from whom alcoholic liquor was purchased any alcoholic
10 liquor sold to the holder of the temporary permit for such event.

11 (i) A temporary permit shall not be transferable or assignable.

12 (j) The director may refuse to issue a temporary permit to any
13 person or organization which has violated any provision of the Kansas
14 liquor control act, the drinking establishment act or K.S.A. 79-41a01
15 et seq., and amendments thereto.}

16 *Sec. 5. K.S.A. 2014 Supp. 41-351 is hereby amended to read as*
17 *follows: 41-351. (a) Notwithstanding any other provisions of the Kansas*
18 *liquor control act, the club and drinking establishment act or the Kansas*
19 *cereal malt beverage act, any person who is licensed to sell wine*
20 *pursuant to K.S.A. 41-308a, and amendments thereto, may apply to the*
21 *director for an annual bona fide farmers' market sales permit. Such*
22 *permit shall authorize the licensee, a member of the licensee's family or*
23 *an employee of the licensee to sell wine in the original unopened*
24 *container produced and bottled by the licensee at a bona fide farmers'*
25 *market located at a site approved by the director markets.*

26 (b) *An application submitted pursuant to this section shall be*
27 *accompanied by an application fee of \$25. Permits issued under this*
28 *section shall be valid for one year from the date of issuance. A licensee*
29 *shall not hold more than one bona fide farmers' market sales permit at any*
30 *one time.*

31 (c) ~~The licensee may only sell wine at a single bona fide farmers'~~
32 ~~market on one day of the week. The location~~ *locations of the bona fide*
33 *farmers' market markets at which wine shall be sold shall be specified in*
34 *the application submitted to the director. If the licensee elects to sell wine*
35 *at a farmers' market, the location of which was not reported to the director*
36 *in the application, such licensee shall notify the director of the location*
37 *before any wine may be sold at that location. The director shall notify the*
38 *city, county and applicable law enforcement agency where the bona fide*
39 *farmers' market is markets are to be held and of the issuance of a permit*
40 *under this section for the sale of wine at such bona fide farmers' market*
41 *markets.*

42 (d) *For the purposes of this section, "bona fide farmers' market"*
43 *means any location held out to be a farmers' market that is subject to*

1 inspection by the department of agriculture common facility or area where
2 producers or growers gather on a regular, recurring basis to sell fruits,
3 vegetables, meats and other farm products directly to consumers.

4 *(e) The secretary may adopt rules and regulations as necessary to*
5 *implement the provisions of this section.*

6 *(f) This section shall be a part of and supplemental to the Kansas*
7 *liquor control act.*

8 *Sec. 6. K.S.A. 2014 Supp. 41-350 is hereby amended to read as*
9 *follows: 41-350. (a) For the purposes of this act, the term "winery"*
10 *means any maker or producer of wine whether in this state or in any*
11 *other state, who holds a valid federal basic wine manufacturing permit.*
12 *The terms "director" and "secretary" have the meaning ascribed to*
13 *these terms in K.S.A. 41-102, and amendments thereto.*

14 *(b) Any winery may be authorized to make direct shipments of wine*
15 *to consumers in this state upon obtaining a special order shipping*
16 *license from the secretary pursuant to this act.*

17 *(1) A special order shipping license shall only be issued to a winery*
18 *upon compliance with all applicable provisions of this act and the*
19 *regulations promulgated pursuant to this act, and upon payment of a*
20 *license fee in the amount of \$100. The license term for a special order*
21 *shipping license shall commence on the date the license is issued by the*
22 *director and shall end two years after that date.*

23 *(2) A special order shipping license shall entitle the winery to ship*
24 *wine upon order directly to consumers for personal or household use in*
25 *this state. The purchaser shall pay the purchase price and all shipping*
26 *costs directly to the permit holder. Enforcement taxes collected herein*
27 *shall be paid solely on the purchase price and not on the shipping costs.*

28 *(c) No holder of a special order shipping license shall be permitted*
29 *to ship in excess of 12 standard cases of wine of one brand or a*
30 *combination of brands into this state to any one consumer or address per*
31 *calendar year.*

32 *(d) (1) Before accepting an order from a consumer in this state, the*
33 *holder of a special order shipping license shall require that the person*
34 *placing the order to state affirmatively that he or she is 21 years of age*
35 *or older and shall verify the age of such person placing the order either*
36 *by the physical examination of an approved government issued form of*
37 *identification or by utilizing an internet based age and identification*
38 *service approved by the director of alcoholic beverage control, or the*
39 *director's designee.*

40 *(2) Every shipment of wine by the holder of a special order shipping*
41 *license shall be clearly marked 'Alcoholic Beverages, Adult Signature*
42 *Required' and the carrier delivering such shipment shall be responsible*
43 *for obtaining the signature of an adult who is at least 21 years of age as*

1 ***a condition of delivery.***

2 (3) *Notwithstanding the definition set forth in K.S.A. 41-102, and*
3 *amendments thereto, of "to sell," a winery holding a special order*
4 *shipping license may market its wines and receive orders through any*
5 *means of communication, including, but not limited to, the internet,*
6 *written correspondence, telephonically or through orders transmitted from*
7 *registered agents hosting private, in state, wine tastings in accordance*
8 *with the trade practice regulations promulgated by the secretary. A*
9 *licensee shall provide electronic notification to the director at least 48*
10 *hours prior to any event at which the licensee will host a wine tasting.*

11 (e) *A special order shipping license shall not authorize the shipment*
12 *of any wine to any premises licensed to sell alcoholic beverages pursuant*
13 *to this act or the club and drinking establishment act.*

14 (f) *The failure to comply strictly with the requirements of this act*
15 *and rules and regulations promulgated pursuant to this act shall be*
16 *grounds for the revocation of a special order shipping license or other*
17 *disciplinary action by the director. After notice and an opportunity for*
18 *hearing in accordance with the provisions of the Kansas administrative*
19 *procedure act, the director may refuse to issue or renew or may revoke a*
20 *shipping permit upon a finding that the permit holder has failed to*
21 *comply with any provision of this section or K.S.A. 41-501 et seq., and*
22 *amendments thereto, or any rules and regulations adopted pursuant to*
23 *such statutes. Upon revocation of a special order shipping license for*
24 *shipment of wine to a person not of legal age as required herein such*
25 *winery shall not be issued any special order shipping license pursuant to*
26 *this act for a period of one year from the date of revocation.*

27 (g) *The holder of a special order shipping license shall collect all*
28 *gallage taxes imposed by K.S.A. 41-501 et seq., and amendments*
29 *thereto, shall remit such taxes annually in a manner prescribed by the*
30 *secretary and shall accompany such remittance with such reports,*
31 *documentation and other information as may be required by the*
32 *secretary. In addition, an applicant for and a holder of a special order*
33 *shipping license, as a condition of receiving and holding a valid license,*
34 *shall:*

35 (1) *Collect and pay the applicable Kansas enforcement tax on each*
36 *sale shipped to a consumer in Kansas imposed by K.S.A. 79-4101 et seq.,*
37 *and amendments thereto;*

38 (2) *accompany each remittance with such sales tax reports,*
39 *documentation and other information as may be required by the director*
40 *of taxation; and*

41 (3) *if the holder of the license is an out-of-state shipper, the licensee*
42 *shall be deemed to have appointed the secretary of state as the resident*
43 *agent and representative of the licensee to accept service of process from*

1 *the secretary of revenue, the director and the courts of this state*
2 *concerning enforcement of this section, K.S.A. 41-501 et seq., and*
3 *amendments thereto, and any related laws and rules and regulations and*
4 *to accept service of any notice or order provided for in the liquor control*
5 *act.*

6 *(h) The secretary of revenue may adopt rules and regulations to*
7 *implement, administer and enforce the provisions of this section.*

8 *(i) This section shall be part of and supplemental to the Kansas*
9 *liquor control act.*

10 *New Sec. 7. (a) Any business engaged in the practice of teaching or*
11 *allowing its patrons to produce artwork may apply to the director for an*
12 *annual art studio permit.*

13 *(b) An art studio permit shall authorize the possession and*
14 *consumption of alcoholic liquor on private property owned or leased by*
15 *the permit holder. Such alcoholic liquor shall be in the personal*
16 *possession of the patrons of the permit holder's business, and shall not*
17 *be sold, offered for sale or given away by the permit holder.*

18 *(c) Any alcoholic liquor not consumed by a patron shall be disposed*
19 *of by the permit holder or, prior to its removal from the property,*
20 *securely resealed and placed in a tamper-proof, transparent bag which is*
21 *sealed in a manner that makes it visibly apparent if the bag is*
22 *subsequently opened.*

23 *(d) Permits issued under this section shall be valid for one year*
24 *from the date of issuance.*

25 *(e) The annual fee for an art studio permit shall be \$25.*

26 *(f) For the purposes of this section:*

27 *(1) "Artwork" means tangible products paid for and created by a*
28 *patron of a business, including, but not limited to, involving painting,*
29 *drawing, sculpting or jewelry-making; and*

30 *(2) "patron" means a customer participating in a program offered*
31 *by the permit holder involving the production of artwork.*

32 *(g) The secretary may adopt rules and regulations as necessary to*
33 *implement the provisions of this section.*

34 *(h) This section shall be part of and supplemental to the club and*
35 *drinking establishment act.*

36 *Sec. ~~2-16~~ 8. K.S.A. 41-2643 and K.S.A. 2014 Supp. {~~41-104~~} 41-*
37 *350, 41-351, {41-710,} 41-719 {and 41-2645} is are hereby repealed.*

38 *Sec. ~~3-17~~ 9. This act shall take effect and be in force from and after*
39 *its publication in the statute book.*