

HOUSE BILL No. 2191

By Committee on Federal and State Affairs

1-29

1 AN ACT concerning alcoholic beverages; relating to provision of samples
2 by distributor licensees; amending K.S.A. 41-709 and K.S.A. 2014
3 Supp. 41-306, 41-306a and 41-307 and repealing the existing sections.
4

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

6 Section 1. K.S.A. 2014 Supp. 41-306 is hereby amended to read as
7 follows: 41-306. A spirits distributor's license, shall allow:

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

13 (b) The sale of spirits to:

14 (1) Spirits distributors licensed in this state;

15 (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 authorized to sell such brand, as designated in the notice or notices filed
19 with the director pursuant to K.S.A. 41-410, and amendments thereto; and

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

22 (c) The purchase of spirits in barrels, casks or other bulk containers
23 and the bottling thereof before resale, but all bottles or containers filled
24 with such spirits shall be sealed, labeled and otherwise made to comply
25 with all laws and rules and regulations governing the preparation and
26 bottling of spirits by manufacturers and with all federal rules, regulations
27 and laws.

28 (d) The storage and delivery to a retailer licensed under the Kansas
29 liquor control act or a retailer licensed under K.S.A. 41-2702, and
30 amendments thereto, on the distributor's licensed premises, of alcoholic
31 liquor or cereal malt beverage of another licensed distributor authorized by
32 law to sell such alcoholic liquor or cereal malt beverage to such retailer, in
33 accordance with an agreement entered into with such other distributor and
34 approved by the director.

35 (e) The storage and delivery to a public venue licensed under the club
36 and drinking establishment act of alcoholic liquor purchased by the public

1 venue licensee from a retailer authorized by law to sell such alcoholic
2 liquor to such public venue licensee.

3 *(f) The withdrawal of spirits from such licensee's inventory for use as*
4 *samples in the course of the business of the distributor or at industry*
5 *seminars. Samples may only be provided to persons licensed as a*
6 *distributor or a retailer under the Kansas liquor control act, and such*
7 *person's employees. Samples may be served on the licensed premises of*
8 *the licensee, or on the premises of a licensed retailer, provided no sample*
9 *shall be served on that portion of the premises of a licensed retailer that is*
10 *open to the public and where sales of alcoholic liquor at retail are made.*
11 *No sample shall be provided to any minor. Nothing in this subsection shall*
12 *be construed to permit the licensee to sell any alcoholic liquor for*
13 *consumption on the premises. The withdrawal of spirits shall be subject to*
14 *the tax imposed by K.S.A. 79-4101 et seq., and amendments thereto, based*
15 *on the applicable current posted bottle or case price. For purposes of*
16 *providing samples pursuant to this subsection other than at industry*
17 *seminars or to the licensee's employees, the term "sample" shall have the*
18 *same meaning as that term is defined in K.S.A. 41-2601, and amendments*
19 *thereto.*

20 Sec. 2. K.S.A. 2014 Supp. 41-306a is hereby amended to read as
21 follows: 41-306a. A wine distributor's license shall allow:

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

27 (b) The sale of wine to:

28 (1) Wine distributors licensed in this state;

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

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

36 (c) The sale of wine, but only in barrels, casks and other bulk
37 containers, to:

38 (1) Licensed caterers; and

39 (2) public venues, clubs and drinking establishments licensed in this
40 state, except that such distributor shall sell a brand of wine only to such
41 public venues, clubs and drinking establishments the licensed premises of
42 which are located in the geographic territory within which such distributor
43 is authorized to sell such brand, as designated in the notice or notices filed

1 with the director pursuant to K.S.A. 41-410, and amendments thereto.

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

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

14 *(f) The withdrawal of wine from such licensee's inventory for use as*
15 *samples in the course of the business of the distributor or at industry*
16 *seminars. Samples may only be provided to persons licensed as a*
17 *distributor or a retailer under the Kansas liquor control act, and such*
18 *person's employees, or to persons licensed under the club and drinking*
19 *establishment act, and such person's employees. Samples may be served*
20 *on the licensed premises of the licensee, or on the premises of a licensed*
21 *retailer, provided no sample shall be served on that portion of the premises*
22 *of a licensed retailer that is open to the public and where sales of*
23 *alcoholic liquor at retail are made. Samples may be served on the*
24 *premises of a licensee holding a license issued under the club and*
25 *drinking establishment act, provided no sample shall be served on that*
26 *portion of the premises that is open to the public and where sales of*
27 *alcoholic liquor are made. No sample shall be provided to any minor.*
28 *Nothing in this subsection shall be construed to permit the licensee to sell*
29 *any alcoholic liquor for consumption on the premises. The withdrawal of*
30 *wine shall be subject to the tax imposed by K.S.A. 79-4101 et seq., and*
31 *amendments thereto, based on the applicable current posted bottle or case*
32 *price. For purposes of providing samples pursuant to this subsection other*
33 *than at industry seminars or to the licensee's employees, the term*
34 *"sample" shall have the same meaning as that term is defined in K.S.A.*
35 *41-2601, and amendments thereto.*

36 (f) (g) This section shall be part of and supplemental to the Kansas
37 liquor control act.

38 Sec. 3. K.S.A. 2014 Supp. 41-307 is hereby amended to read as
39 follows: 41-307. A beer distributor's license shall allow:

40 (a) The wholesale purchase, importation and storage of beer.

41 (b) The sale of beer to:

42 (1) Licensed caterers;

43 (2) beer distributors licensed in this state;

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

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

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

11 (1) Beer distributors licensed in this state;

12 (2) clubs and drinking establishments, licensed in this state, and
13 retailers licensed under K.S.A. 41-2702, and amendments thereto, except
14 that such distributor shall sell a brand of cereal malt beverage only to those
15 such clubs, drinking establishments and retailers of which the licensed
16 premises are located in the geographic territory within which such
17 distributor is authorized to sell such brand, as designated in the notice or
18 notices filed with the director pursuant to K.S.A. 41-410, and amendments
19 thereto; and

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

22 (d) The purchase of cereal malt beverage in kegs or other bulk
23 containers and the bottling or canning thereof in accordance with law.

24 (e) The storage and delivery to a retailer licensed under the Kansas
25 liquor control act or a retailer licensed under K.S.A. 41-2702, and
26 amendments thereto, on the distributor's licensed premises, of alcoholic
27 liquor or cereal malt beverage of another licensed distributor authorized by
28 law to sell such alcoholic liquor or cereal malt beverage to such retailer, in
29 accordance with an agreement entered into with such other distributor and
30 approved by the director.

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

35 (g) *The withdrawal of beer or cereal malt beverage from such*
36 *licensee's inventory for use as samples in the course of the business of the*
37 *distributor or at industry seminars. Samples may only be provided to*
38 *persons licensed as a distributor or a retailer under the Kansas liquor*
39 *control act, and such person's employees, or to persons licensed under the*
40 *club and drinking establishment act, and such person's employees.*
41 *Samples may be served on the licensed premises of the licensee, or on the*
42 *premises of a licensed retailer, provided no sample shall be served on that*
43 *portion of the premises of a licensed retailer that is open to the public and*

1 *where sales of alcoholic liquor at retail are made. Samples may be served*
2 *on the premises of a licensee holding a license issued under the club and*
3 *drinking establishment act, provided no sample shall be served on that*
4 *portion of the premises that is open to the public and where sales of*
5 *alcoholic liquor are made. No sample shall be provided to any minor.*
6 *Nothing in this subsection shall be construed to permit the licensee to sell*
7 *any alcoholic liquor for consumption on the premises. The withdrawal of*
8 *beer or cereal malt beverage shall be subject to the tax imposed by K.S.A.*
9 *79-4101 et seq., and amendments thereto, based on the applicable current*
10 *posted bottle or case price. For purposes of providing samples pursuant to*
11 *this subsection other than at industry seminars or to the licensee's*
12 *employees, the term "sample" shall have the same meaning as that term is*
13 *defined in K.S.A. 41-2601, and amendments thereto.*

14 Sec. 4. K.S.A. 41-709 is hereby amended to read as follows: 41-709.
15 (a) No manufacturer or distributor shall sell or deliver any package
16 containing alcoholic liquor manufactured or distributed by such
17 manufacturer or distributor for resale, unless the person to whom such
18 package is sold or delivered is authorized to receive such package in
19 accordance with the provisions of this act.

20 (b) ~~Notwithstanding any other provision of the Kansas liquor control~~
21 ~~act, a distributor may withdraw from the distributor's inventory alcoholic~~
22 ~~liquor or cereal malt beverage for use as samples in the course of the~~
23 ~~business of the distributor or at industry seminars. The withdrawal of such~~
24 ~~alcoholic liquor or cereal malt beverage shall be in accordance with rules~~
25 ~~and regulations adopted by the secretary in accordance with K.S.A. 41-~~
26 ~~210, and amendments thereto, and shall be subject to the tax imposed by~~
27 ~~K.S.A. 79-4101 et seq., and amendments thereto, based on the applicable~~
28 ~~current posted bottle or case price.~~

29 (c) The director shall revoke the license of any manufacturer or
30 distributor who violates the provisions of this section.

31 Sec. 5. K.S.A. 41-709 and K.S.A. 2014 Supp. 41-306, 41-306a and
32 41-307 are hereby repealed.

33 Sec. 6. This act shall take effect and be in force from and after its
34 publication in the statute book.