



K A N S A S

JOAN WAGNON, SECRETARY

DEPARTMENT OF REVENUE
ALCOHOLIC BEVERAGE CONTROL

KATHLEEN SEBELIUS, GOVERNOR

June 29, 2006

ABC NOTICE – 2006 Amendments to Kansas Liquor Laws effective July 1, 2006

The 2006 Kansas Legislature passed several new statutes and made amendments to existing statutes within the Kansas Liquor Control Act, Kansas Club and Drinking Establishment Act and Kansas Cereal Malt Beverage Act. All of these bills were signed by the governor and become effective on July 1, 2006. They are summarized below. The full text of these bills may be viewed in pdf format at the Kansas Legislature's website: <http://www.kslegislature.org/legsrv-bills/index.do>

Liquor Control Act (K.S.A. 41-101 et seq.)

Amendment to K.S.A. 41-719 made by Section 1 of Senate Bill 297

This amendment to subsection (c)(5) makes another exception to the general prohibition of selling/consuming alcoholic beverages on the state fairgrounds. It allows the sale and consumption of wine and/or beer during the Kansas State Fair on premises leased by the State Fair Board under a temporary permit issued pursuant to K.S.A. 41-2645.

Amendment to K.S.A. 41-104 made by Section 3 of Senate Bill 297

This amendment adds a new subsection (g) to the existing statute to allow a wine manufacturer licensed in Kansas or any other state to ship their wine directly to a Kansas consumer if (1) the consumer is at least 21 years of age; (2) the consumer was physically present on the manufacturer's premises at the time of purchase; (3) the wine must be for the consumer's personal consumption and not for resale; and (4) the consumer must pay all applicable taxes within the time set by rules and regulations adopted by the Secretary of Revenue.

New statute created by Section 4 of Senate Bill 297

This new statute creates a shipping permit available to any wine manufacturer licensed in Kansas or any other state which manufactures no more than 100,000 gallons of wine per year. ABC is referring to this permit as a "small winery shipping permit." The annual fee is \$50 for the initial permit and \$10 for each renewal thereafter. The permit allows the manufacturer to sell and ship wine to any consumer in Kansas who is at least 21 years of age for their personal use and not for resale. The wine must be shipped to a Kansas retail liquor store designated by the purchaser. When the store receives the wine, it will notify the purchaser, who will have 30 days to pick up the wine. The store will calculate and charge the liquor enforcement tax and may charge the purchaser a handling fee not exceeding \$5 per shipment. Each permit holder must file an annual sales report. Out-of-state wineries shall remit the gallonage tax collected to the Department of Revenue annually on the sales made under this permit. Kansas wineries will continue to remit their gallonage tax on a monthly basis. Retail liquor stores will report these sales and remit the liquor enforcement tax collected from the purchaser to the Department on a monthly basis.

Amendments to K.S.A. 41-308a made by Section 5 of Senate Bill 297

This amendment limits the annual production of wine by Kansas farm wineries to 100,000 gallons and adds two new activities that they are permitted to carry out. New subsection (a)(6) permits the sale and shipping of unopened packages of wine manufactured by the farm winery to consumers outside of Kansas as long as they comply with all laws and regulations of the state or country into which the wine is shipped. New subsection (a)(7) permits farm wineries to ship their products to Kansas consumers via a Kansas licensed retail store if they first obtain a small winery shipping permit created by Section 4 of SB297 (see above).

New statute created by Section 6 of Senate Bill 297

This new statute creates a "large winery shipping permit" available to any wine manufacturer licensed in Kansas or any other state which manufactures 100,000 gallons of wine or more per year. It follows the same process and has the same fees as described in Section 4 of Senate Bill 297 (see above), except that the winery must ship the wine to a Kansas licensed distributor first, which then delivers it to the designated retail liquor store for pickup by the purchaser.

Amendments to K.S.A. 41-727 made by Section 7 of House Bill 2916

This amendment adds a new subsection (g) to the existing statute allowing any law enforcement officer (including ABC enforcement agents) to request that a person under 21 years of age submit to a breath test to determine if the person has consumed alcohol if the officer has reasonable grounds to believe the person has done so.

Club and Drinking Establishment Act (K.S.A. 41-2601 et seq.)

Amendments to K.S.A. 41-2645 made by Section 2 of Senate Bill 297

This amendment to subsection (c) of the existing statute authorizes ABC to issue a temporary permit to a person to sell and serve wine and/or beer during the entire time of the Kansas State Fair on premises leased to the person by the State Fair Board. Only one permit may be issued for each annual state fair.

New statute created by Section 7 of Senate Bill 297

This new statute is unofficially called the "doggie bag" law. It allows patrons at clubs and drinking establishments who have legally purchased alcoholic liquor in the original container to remove those containers from the premises if they have consumed some but not all of the contents. The containers must be resealed and placed inside a tamper-proof, transparent bag which is sealed. The club or DE must provide the patron with a dated receipt. Since the only alcoholic liquor that a club or DE can sell in its original container for on-premises consumption by a patron are bottles of wine and bottles or cans of beer, then these are the only containers that would qualify for this law.

Cereal Malt Beverage Act (K.S.A. 41-2701 et seq.)

Amendments to K.S.A. 41-2701 made by House Bill 2955

This amendment to subsection (a) expands the definition of malt beverage to include flavored malt beverage as defined by regulations of the Alcohol and Tobacco Tax and Trade Bureau of the U.S. Department of the Treasury. This amendment officially codifies the current practice of taxing all flavored malt beverage products at the same gallonage tax rates as beer and cereal malt beverage.

Sincerely,

Original signed and on file

Thomas Groneman, Director
Alcoholic Beverage Control Division
Kansas Department of Revenue

