
June 30, 2009

**ABC NOTICE: Amendments to Kansas Liquor Laws Effective July 1, 2009
and Industry Update**

<p>AMENDMENTS TO KANSAS LIQUOR LAWS EFFECTIVE 7/1/09</p>

The 2009 Kansas Legislature passed just one bill, Senate Bill 212, which amends statutes within the Kansas Liquor Control Act and the Kansas Club and Drinking Establishment Act. This bill will become effective July 1, 2009. The full text of this bill may be viewed in pdf format at the Kansas Legislature's website: <http://www.kslegislature.org/> The following changes are made by Senate Bill 212:

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

New Section 1 allows a winery that possess a federal basic wine manufacturing permit and a Kansas special order shipping license to ship wine directly to consumers in Kansas.

New Section 2 allows a licensed Kansas farm winery which possesses a bona fide farmers' market sales permit to sell domestic table wine and domestic fortified wine in the original, unopened package at a farmers' market approved by the Director.

K.S.A. 41-305 was amended to allow the holder of a farm winery license to also hold a manufacturer's license.

K.S.A. 41-308a was amended to allow a farm winery outlet to manufacture and store domestic table wine and domestic fortified wine, if the total amount of wine produced by the farm winery, including all outlets, does not exceed 100,000 gallons per year.

K.S.A. 41-317 was amended to require a \$750 bond for a winery holding a special order shipping license, unless the winery is a licensed Kansas farm winery.

K.S.A. 41-719 was amended to allow the consumption of alcoholic liquor on public streets, alleys, roads, sidewalks, or highways when a temporary permit has been issued for a special event approved by the local governing body.

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

K.S.A. 41-2637, 41-2641, and 41-2642 were amended to allow a club or drinking establishment to store, on the licensed premises, wine sold to a consumer for consumption at a later date on the licensed premises. The wine may only be stored in its original, unopened container, and must be kept separate from all other alcohol stock, in a secure locked area, separated by customer. The wine may not be removed from the premises in its unopened condition.

K.S.A. 41-2645 was amended to allow the issuance of a temporary permit for a special event at which alcoholic liquor may be consumed on public streets, alleys, roads, sidewalks, or highways, when approved by the local governing body. It also allows any drinking establishment that is inside or adjacent to the event premises to temporarily extend its licensed premises into the event area. The amendment makes each licensee selling alcoholic liquor for consumption on the event premises liable for any violation of the laws governing the sale and consumption of alcoholic liquor.

K.S.A. 41-2651 was amended to allow the governing body of any city or county to request a hearing before the Director to request the revocation or suspension of the liquor license of a club or drinking establishment at any time reasonable cause exists to support such revocation or suspension.

Regulations (K.S.A. 41-2601 et seq.)

The ABC is in the process of implementing new and amended regulations concerning the legislative changes.

INDUSTRY UPDATE

Electronic Liquor Licensing

We are in the initial stages of designing our Electronic Liquor Licensing Web Application that will allow applicants to apply for a new liquor license; licensees to renew their current liquor license; and, payment of licensing and registration fees electronically. Please check the ABC website for future updates and information.

Website Update

The ABC website has been reorganized for easier navigation. We have added new pages for the Special Order Shipping License and the Farmers' Market Sales Permit as well as revised Handbooks for the other license types.

Licensing Update

The ABC discontinued the practice of sending renewal application packets to liquor licensees and permit holders in June 2009. Now, the ABC will send a bright yellow postcard notifying you that your license or permit is nearing expiration and it includes instructions to obtain your renewal packet from our web site. As a reminder, K.S.A. 41-319 allows the ABC 30 days to process your application (20 days if you are a manufacturer, distributor or non-beverage user). This time is required to complete the administrative tasks involved. Please keep this in mind when submitting your documents to renew your liquor license.

Owners which hold multiple licenses may consolidate all their licenses into the same license year by notifying the ABC licensing unit, in writing. At the next license renewal, the owner must file applications for all licenses and permits held by the entity. The ABC will arrange the issuance of the new licenses to coincide with the surrender of the un-expired licenses, and the owner will receive a refund for the unused portion of the license fee(s) upon written request to ABC.

To better serve you and to prepare for our electronic Liquor Licensing project, we have reviewed and revised the existing licensing forms to simplify and streamline the licensing process. We are currently posting these forms to our website. The table below identifies the new forms that will become obsolete on September 1, 2009. Any obsolete forms received after this date will be returned.

New Forms	Obsolete Forms (Effective 9-1-09)
ABC-800 Kansas Liquor License Application	ABC-252 Application for Liquor Licensure ABC-280-OD Ownership Disclosure
ABC-801 Financial Disclosure	ABC-280-OD Attachment A Ownership Disclosure
ABC-802 Zoning	ABC-280-8 Zoning
ABC-803 Escrow Bond for Liquor Licenses Issued Under the Liquor Control Act	ABC-57 Escrow Agreement
ABC-804 Surety Bond for Liquor Licenses Issued Under the Liquor Control Act	ABC-120 Licensee's Bond
ABC-805 Employee Registration	ABC-280 Employee Registration
ABC-806 Request for Premise Approval	New Form
ABC-807 Management Services Information	ABC-289 Mgmt Services Disclosure ABC-290 Mgmt Services Information ABC-291 Disclosure in Financial Interest
ABC-808 Designation of Agent and/or Process Agent with Power of Attorney	ABC-282 Designation of Agent with Whom ABC May Discuss Issues in Conjunction with Processing and/or Reviewing Your Liquor License Application

INDUSTRY UPDATE continued

Farm Winery Update

A farm winery may now receive a license as a manufacturer. Please be advised that, while the manufacturing facility may be shared between the two license types, no alcoholic liquor manufactured under the manufacturer's license may be displayed, sold or sampled on the farm winery premises, the premises of any farm winery outlet, at a farmers' market under a farmers' market sales permit, or shipped under a special order shipping permit.

Farm wineries who are also licensed as manufacturers must maintain separate storage facilities, production records and sales records for alcoholic liquor manufactured under the manufacturer's license.

Under new regulations being promulgated by the ABC, each bottle of domestic wine shall contain at least 60% Kansas product unless the Director has approved a lesser amount. In no event can the bottle contain less than 51% Kansas product.

Reminder for Suppliers

If you have not responded to our Annual Supplier Permit and Label Renewal Notice sent in March 2009, your supplier permit may be cancelled and your company will not be able to accept orders from your Kansas distributor for your brands and labels. Renewal may be obtained at: <http://www.ksrevenue.org/abcsupper.htm>

Reminder about Salespersons Permits

Any person who acts as a sales person for the sale of, or taking or soliciting orders for the sale of, alcoholic liquor or cereal malt beverage in Kansas, except a retailer or employee of a retailer operating solely on the retailer's licensed premises, must have a salesperson's permit.

This includes:

- Employees of suppliers, distributors, and manufacturers who solicit or take orders, either in person, over the phone, or electronically, for alcoholic liquor or cereal malt beverage from Kansas licensees, are required to obtain a salesperson permit prior to conducting any sales;
- Employees of farm wineries and microbreweries; and
- Retailers or employees of retailers who solicit or take orders for alcoholic liquor off the licensed premises of the retail liquor store.

No person shall act as salesperson for more than one person, firm or corporation under one permit. Additional permits may be granted the same applicant for additional principals.

Thank you for your cooperation and compliance with this notice.

Original signature on file

Thomas W. Groneman
Director of Alcoholic Beverage Control

cc: Assistant Attorney General
Licensing Unit
Marketing Unit
Enforcement Chief Officer