2018 AMENDMENTS TO KANSAS LIQUOR LAWS

The 2018 Legislature passed the following bills amending the liquor control act, club and drinking establishment act, and the cereal malt beverage act.

**House Bill 2362**
Effective July 1, 2018 an alcoholic beverage control modernization fund is established to maintain, replace or upgrade computer hardware and software utilized for licensing, permitting, enforcement activities and case management. All license applicants will pay a $20 non-refundable modernization fee at the time of application. The new license application fee is reduced from $50 to $30.

**House Bill 2470**
Effective May 24, 2018 this bill has several components outlined below.

**Alcoholic Candy**
Legalizes the sale of alcoholic candy or confectionary products. Alcoholic candy with an alcohol content of 1.0% alcohol by volume must be sold in a retail liquor store. Alcoholic candy manufactured in Kansas requires a non-beverage user license if the alcohol content is .5% alcohol by volume.

**Microbreweries**
Authorizes contract brewing between microbreweries in-state or out-of-state. Each microbrewery must count the total amount of barrels and gallons manufactured as part of the agreement and include in the total amount of their allowed aggregate total of 60,000 barrels.

Increases the alcohol content in beer manufactured by a microbrewery to 15% alcohol by weight.

Codifies the current practice of a microbrewery refilling a container. The container must be 32 – 64 ounces. The microbrewery must affix a label with the licensee’s name and the name of the type of beer contained in the container. Refilled containers must be sealed.

**Farm Wineries, Microbreweries and Microdistilleries**
Removes the restriction on Sunday hours of sale allowing the licensee to be open 6 a.m. to 12 midnight daily.

**Clubs, Drinking Establishments and Public Venues**
Changes the hours of sale to 6:00 a.m. through 2:00 a.m. the following day.
Authorizes self-dispensing of up to 32 ounces of beer to the existing law regarding self-dispensing wine. The existing regulations were added to the statute.

Clubs, Drinking Establishments, Public Venues, Caterers and Temporary Permit Holders
Adds a definition for the term “day” defined as 6:00 a.m. until 2:00 a.m. the following day.

House Bill 2502

Cereal Malt Beverage (CMB) Retailers
Authorizes ABC to issue a citation for violations of the cereal malt beverage act or rules and regulations regarding the sale, consumption or possession of beer containing not more than 6% alcohol by volume (ABV) to a CMB retailer and impose a civil fine of not more than $1,000 for each violation.

Authorizes the ABC director to refuse to issue the state CMB stamp if the applicant for a CMB retailer’s license owes any fines imposed by the director.

Amends the definition of CMB in K.S.A. 41-2701 for sales tax to clarify that beer not more than 6% ABV sold by a CMB retailer is subject to sales tax.

Market Impact Study
Clarifies that the information required for the report to the 2029 legislature is based on information available to the ABC director.

Additional Information
The full text of each bill may be viewed at http://www.kslegislature.org/li/.

ABC handbooks for licensees will be updated. Please visit our website to obtain an updated version at https://www.ksrevenue.org/abchandbooks.html.

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