

SENATE Substitute for HOUSE BILL No. 2501

AN ACT concerning alcoholic liquor; amending K.S.A. 41-308b and 41-310 and repealing the existing sections.

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

Section 1. K.S.A. 41-308b is hereby amended to read as follows: 41-308b. (a) A microbrewery license shall allow:

- (1) The manufacture of not less than 100 nor more than 15,000 barrels of domestic beer during the license year and the storage thereof;
- (2) the sale to beer distributors of beer, manufactured by the licensee;
- (3) the sale, on the licensed premises in the original unopened container to consumers for consumption off the licensed premises, of beer manufactured by the licensee;
- (4) the serving on the premises of samples of beer manufactured by the licensee, if the premises are located in a county where the sale of alcoholic liquor is permitted by law in licensed drinking establishments;
- (5) if the licensee is also licensed as a club or drinking establishment, the sale of domestic beer and other alcoholic liquor for consumption on the licensed premises as authorized by the club and drinking establishment act; and
- (6) if the licensee is also licensed as a caterer, the sale of domestic beer and other alcoholic liquor for consumption on unlicensed premises as authorized by the club and drinking establishment act.

(b) Upon application and payment of the fee prescribed by K.S.A. 41-310, and amendments thereto, by a microbrewery licensee, the director may issue not to exceed one microbrewery packaging and warehousing facility license to the microbrewery licensee. A microbrewery packaging and warehousing facility license shall allow:

- (1) The transfer, from the licensed premises of the microbrewery to the licensed premises of the microbrewery packaging and warehousing facility, of beer manufactured by the licensee, for the purpose of packaging or storage, or both; and*
- (2) the transfer, from the licensed premises of the microbrewery packaging and warehousing facility to the licensed premises of the microbrewery, of beer manufactured by the licensee; or*
- (3) the removal from the licensed premises of the microbrewery packaging and warehousing facility of beer manufactured by the licensee for the purpose of delivery to a licensed beer wholesaler.*

~~(b)~~ (c) Not less than 50% of the products utilized in the manufacture of domestic beer by a microbrewery shall be grown in Kansas except when a greater proportion of products grown outside this state is authorized by the director based upon findings that such products are not available in this state. The label of each container of domestic beer shall clearly set forth the proportion of the products utilized in the manufacture of the beer which was from agricultural products grown in Kansas.

~~(c)~~ (d) A microbrewery may sell domestic beer in the original unopened container to consumers for consumption off the licensed premises at any time between 6 a.m. and 12 midnight on any day except Sunday and between ~~12 noon and 6 p.m.~~ 11 a.m. and 7 p.m. on Sunday. If authorized by subsection (a), a microbrewery may serve samples of domestic beer and serve and sell domestic beer and other alcoholic liquor for consumption on the licensed premises at any time when a club or drinking establishment is authorized to serve and sell alcoholic liquor.

(e) *The director may issue to the Kansas state fair or any bona fide group of brewers a permit to import into this state small quantities of beer. Such beer shall be used only for bona fide educational and scientific tasting programs and shall not be resold. Such beer shall not be subject to the tax imposed by K.S.A. 41-501, and amendments thereto. The permit shall identify specifically the brand and type of beer to be imported, the quantity to be imported, the tasting programs for which the beer is to be used and the times and locations of such programs. The secretary shall adopt rules and regulations governing the importation of beer pursuant to this subsection and the conduct of tasting programs for which such beer is imported.*

~~(d)~~ (f) A microbrewery license or microbrewery packaging and warehousing facility license shall apply only to the premises described in the application and in the license issued and only one location shall be described in the license.

~~(e)~~ (g) No microbrewery shall:

- (1) Employ any person under the age of 18 years in connection with the manufacture, sale or serving of any alcoholic liquor;
 - (2) permit any employee of the licensee who is under the age of 21 years to work on the licensed premises at any time when not under the on-premises supervision of either the licensee or an employee of the licensee who is 21 years of age or over;
 - (3) employ any person under 21 years of age in connection with mixing or dispensing alcoholic liquor; or
 - (4) employ any person in connection with the manufacture or sale of alcoholic liquor if the person has been convicted of a felony.
- ⊕ (h) Whenever a microbrewery licensee is convicted of a violation of the Kansas liquor control act, the director may revoke the licensee's license and all fees paid for the license in accordance with the Kansas administrative procedure act.

Sec. 2. K.S.A. 41-310 is hereby amended to read as follows: 41-310.

(a) At the time application is made to the director for a license of any class, the applicant shall pay the fee provided by this section.

(b) The annual fee for a manufacturer's license to manufacture alcohol and spirits shall be \$2,500.

(c) The annual fee for a manufacturer's license to manufacture beer and cereal malt beverage shall be:

- (1) For 1 to 100 barrel daily capacity or any part thereof, \$200.
- (2) For 100 to 150 barrel daily capacity, \$400.
- (3) For 150 to 200 barrel daily capacity, \$700.
- (4) For 200 to 300 barrel daily capacity, \$1,000.
- (5) For 300 to 400 barrel daily capacity, \$1,300.
- (6) For 400 to 500 barrel daily capacity, \$1,400.
- (7) For 500 or more barrel daily capacity, \$1,600.

As used in this subsection, "daily capacity" means the average daily barrel production for the previous 12 months of manufacturing operation. If no basis for comparison exists, the licensee shall pay in advance for the first year's operation a fee of \$1,000.

(d) The annual fee for a manufacturer's license to manufacture wine shall be \$500.

(e) The annual fee for a microbrewery license or a farm winery license shall be \$250.

The annual fee for a winery outlet license shall be \$50.

The annual fee for a microbrewery packaging and warehousing facility license shall be \$100.

(f) The annual fee for a spirits distributor's license for the first and each additional distributing place of business operated in this state by the licensee and wholesaling and jobbing spirits shall be \$1,000.

(g) The annual fee for a wine distributor's license for the first and each additional distributing place of business operated in this state by the licensee and wholesaling and jobbing wine shall be \$1,000.

(h) The annual fee for a beer distributor's license, for the first and each additional wholesale distributing place of business operated in this state by the licensee and wholesaling or jobbing beer and cereal malt beverage shall be \$1,000.

(i) The annual fee for a nonbeverage user's license shall be:

- (1) For class 1, \$10.
- (2) For class 2, \$50.
- (3) For class 3, \$100.
- (4) For class 4, \$200.
- (5) For class 5, \$500.

(j) In addition to the license fees prescribed by subsections (b), (c), (d), (f), (g), (h) and (i):

(1) Any city in which the licensed premises are located may levy and collect an annual occupation or license tax on the licensee in an amount not exceeding the amount of the annual license fee required to be paid under this act to obtain the license, but no city shall impose an occupation or privilege tax on the licensee in excess of that amount; and

(2) any township in which the licensed premises are located may levy and collect an annual occupation or license tax on the licensee in an amount not exceeding the amount of the annual license fee required to be paid under this act to obtain the license, but no township shall impose an occupation or privilege tax on the licensee in excess of that amount;

the township board of the township is authorized to fix and impose the tax and the tax shall be paid by the licensee to the township treasurer, who shall issue a receipt therefor to the licensee and shall cause the tax paid to be placed in the general fund of the township.

(k) The annual fee for a retailer's license shall be \$250.

(l) In addition to the license fee prescribed by subsection (k):

(1) Any city in which the licensed premises are located shall levy and collect an annual occupation or license tax on the licensee in an amount not less than \$100 nor more than \$300, but no other occupation or excise tax or license fee shall be levied by any city against or collected from the licensee; and

(2) any township in which the licensed premises are located shall levy and collect an annual occupation or license tax on the licensee in an amount not less than \$100 nor more than \$300; the township board of the township is authorized to fix and impose the tax and the tax shall be paid by the licensee to the township treasurer, who shall issue a receipt therefor to the licensee and shall cause the tax paid to be placed in the general fund of the township.

(m) The license year for a license shall commence on the date the license is issued by the director and shall end one year after that date.

Sec. 3. K.S.A. 41-308b and 41-310 are hereby repealed.

Sec. 4. This act shall take effect and be in force from and after its publication in the statute book.

I hereby certify that the above BILL originated in the HOUSE, and passed that body

HOUSE concurred in
SENATE amendments _____

Speaker of the House.

Chief Clerk of the House.

Passed the SENATE
as amended _____

President of the Senate.

Secretary of the Senate.

APPROVED _____

Governor.