

MINUTES OF THE House COMMITTEE ON Federal and State AffairsThe meeting was called to order by Rep. Neal D. Whitaker at
Chairperson1:30 ~~xx~~ a.m./p.m. on March 23, 1983 in room 526-S of the Capitol.

All members were present except:

Committee staff present:

Russ Mills, Legislative Research
Mary Torrence, Revisor of Statute's Office
Nora Crouch, Committee Secretary

Conferees appearing before the committee:

Senator August Bogina
Art Griggs, Department of Administration
Senator Billy McCray
Frances Kastner, Kansas Food Dealers Association
Patty Hackney, Public Assistance Coalition of Kansas
Pat Marrin, Let's Help of Topeka
Rep. Leary Johnson
Dr. R. G. Rizza, Villarizza Vineyards
Reverend Richard Taylor, Kansans for Life at Its Best
Tom Kennedy, Director, ABC

Chairman Whitaker called the meeting to order and announced that SB 160, SB 28, and HB 2551 were on hearing status.

Rep. Don Sallee introduced a number of guests from the Doniphan County Farm Bureau. The Chairman welcomed the members to the meeting and explained a little about the workings of the Committee.

Senator August Bogina appeared to explain the provisions of SB 160. He stated it was an attempt to get some standardization of bids and notifications to vendors and contractors. He feels this should be published in a central location as it is now published in a great number of places and not easy to identify. This bill would require that these be published in the Kansas Register.

Art Griggs, Legal Counsel, Department of Administration, appeared on SB 160 and explained proposed amendments to the bill (See Attachment A). He stated these are mainly technical amendments.

Senator Billy McCray appeared to explain the provisions of SB 28 stating it is a very good bill and a needed one. Stores in the past have been reluctant to give away products due to problems with liability. This would eliminate that problem. (See Attachment B)

Frances Kastner, Director of Governmental Affairs for the Kansas Food Dealers Association, appeared in support of SB 28 stating that many of their members will feel more comfortable about participating in local programs and donate food for distribution to the needy. (See Attachment C)

Patti Hackney, Public Assistance Coalition of Kansas, appeared in support of SB 28 stating that this will help both the grocery store and the agency dispensing the food. She further stated that food is the flexible part of an already tight budget and that is where people cut down resulting in many problems. (See Attachment D)

Pat Marrin, Let's Help of Topeka, appeared in support of SB 28 stating they serve about 250 people a day as well as distributing food boxes each week. They are overwhelmed with requests for food for the people of the city. People in this city and others have sub-standard diets and this surplus could be used to good advantage.

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Federal and State Affairs,
room 526-S, Statehouse, at 1:30 XX a.m./p.m. on March 23, 1983

Rep. Leary Johnson appeared to explain the provisions of HB 2551 stating his whole purpose is to expand new opportunities and markets for Kansas agriculture. Grape farming was once a flourishing industry but with the advent of prohibition the industry decreased. (See Attachment E)

Dr. R. G. Rizza, Villarizza Vineyards, appeared in support of HB 2551 stating that since they started their operation in 1978 within approximately 30 miles of them there are now 5 other vineyards that are already in place or are being started. He stated that this is an agriculture product and provides some diversification in farming. For the small farm winery to succeed it needs the help of this bill.

Senator Bert Chaney stated his support of HB 2551.

Frances Kastner, Director of Governmental Affairs for the Kansas Food Dealers Association, appeared in favor of HB 2551 endorsing native products. Her Association favor permitting the sale of wine and liquor in grocery stores as well as retail liquor stores. (See Attachment F)

Reverend Richard Taylor, Kansans for Life at Its Best, appeared in opposition to HB 2551. (See Attachment G)

Tom Kennedy, Director of ABC, appeared on HB 2551 expressing the concerns of the agency and addressing the number of other statutes that this bill would affect. (See Attachments H, I, and J)

The Committee expressed concerns with the bill as drafted and wondered how long it would take to address these problems and make it workable. The Chairman advised the Committee of a similar bill drafted 2 years ago. He asked Mary Torrence to bring copies of that bill to the meeting tomorrow for discussion.

The meeting adjourned.

GUEST LIST

FEDERAL & STATE AFFAIRS COMMITTEE

DATE Mar 23, 1983

(PLEASE PRINT)

NAME	ADDRESS	WHO YOU REPRESENT
Richard Taylor	Topeka	Life at Best
Bob Flynn	Hutchinson	Observer
FRANCIS KASTNER	TOPEKA	K. F. D. A.
TOM KENNEDY	TOPEKA	ABC
Richard Hodson	Lawrence	ABC
Carol Bell	Capitol - Topeka	Secretary of State
RAYMOND GAUL	Troy KAN	FARM BUREAU
MILDRED HUSS	TROY KAN	FARM BUREAU
Adam J. Huss	Troy Kan.	Farm Bureau
Virginia Johnson	Hillsboro	
Sorathy Gaul	Troy Ks.	Farm Bureau
Lola Hansen	Wathena, Ks.	Farm Bureau
Timi Bennett	Troy	Farm Bureau
ELMER HANSEN	WATHENA KS	FARM BUREAU
Larry Rowland	Troy Ks	Farm Bureau
Katherine R. Rizza	Holstead, Ks.	
R. G. Rizza, MD	Holstead, KS	
Frank Johnson	Kes	Dist 118
Art Briggs	Capitol	DOA
Nick Roach	CAPITOL	Div. of Purchases
Patti Hackney	PO Box 3815 Topeka	Public Assistance Coalition of Kansas
Patricia Mahan	Topeka	Let's Help, Inc
Doug Nickel	Hillsboro	Dave Gossen
Brad J. Burkholder	Hillsboro (of course)	Hillsboro Middle School
Arrie	Hillsboro	
Londell Heide	Hillsboro	P.M. Mag.

GUEST LIST

FEDERAL & STATE AFFAIRS COMMITTEE

DATE 3-23-83

(PLEASE PRINT)

NAME

ADDRESS

WHO YOU REPRESENT

MR. Todd M. Hein Dairy Farmers

0084 available without charge on request to each officer, board, com-
0085 mission, and department of the state having statewide jurisdic-
0086 tion, to each member of the legislature, to each county clerk in
0087 the state, and to the supreme court, court of appeals and each
0088 district court.

0089 (e) The secretary of state shall make copies of the register
0090 available to other persons on payment of a fee to be fixed by the
0091 secretary of state under K.S.A. 1982 Supp. 75-433 and amend-
0092 ments thereto.

0093 Sec. 2. K.S.A. 1982 Supp. 75-430a is hereby amended to read
0094 as follows: 75-430a. (a) Any state agency in the executive branch

0095 of state government authorized by law to negotiate for contracts
0096 for ~~architectural and, engineering, ancillary technical, actuarial,~~
0097 ~~auditing, accounting, research or other professional or consult-~~
0098 ~~ing~~ services, other than as an expert witness for the purposes of
0099 litigation, ~~or for contracts for construction, repairs or improve-~~
0100 ~~ments~~, shall publish a notice of the commencement of such

0101 negotiations in the Kansas register at least 15 days prior to the
0102 commencement of such negotiations. ~~This subsection shall not~~
0103 ~~apply to the acquisition of legal services by any state agency in~~

0104 ~~the executive branch or to the acquisition of any services by any~~
0105 ~~state agency in the legislative or judicial branches of state~~
0106 ~~government.~~

0107 (b) Any state agency authorized to negotiate the sale of any
0108 personal property of the state or a state agency, other than to
0109 another state agency, shall publish a notice of the commence-
0110 ment of such negotiations in the Kansas register at least 15 days
0111 prior to the commencement of such negotiations.

0112 (c) Any state agency authorized by law to enter into leases
0113 on real property of the state or a state agency for the production
0114 of oil, natural gas, sand, gravel or any other mineral, or combi-
0115 nation thereof, by competitive bids or other procedures as
0116 authorized by law, shall publish a notice of intention to enter
0117 into a lease for such mineral production in the Kansas register at
0118 least 30 days prior to the bid opening or the commencement of
0119 such other procedure as authorized by law.

0120 (d) Any state agency authorized by law to lease or sell any

ancillary technical services relating to
construction or remodeling projects, or

or

The director of purchases may require a state
agency to publish such a notice for any other
contract that will be negotiated.

or to emergency purchases or services reported
in accordance with K.S.A. 1982 Supp. 75-3739.

This subsection shall not apply to sales of
property obtained pursuant to the federal
property and administrative services act.

Atch. A

0121 real property of the state or any state agency or any interest in
0122 such real property, other than to another state agency, shall
0123 publish a notice of intention to lease or sell state real property at
0124 least 30 days prior to commencement of bidding or other pro-
0125 cedure authorized by law.

or political subdivision

0126 Sec. 3. K.S.A. 49-417 is hereby amended to read as follows:
0127 49-417. (a) In the reclamation of land affected by surface mining
0128 for which it has funds available, the board may avail itself of any
0129 services which may be provided by other state agencies or by
0130 agencies of the federal government, and may compensate them
0131 for such services. The board may also receive any federal funds,
0132 state funds or any other funds for the reclamation of land affected
0133 by surface mining. The board may cause the reclamation work to
0134 be done by its own employees or by the employees of other
0135 governmental agencies, soil conservation districts, or through
0136 contracts with qualified persons. Such contracts shall be
0137 awarded to the lowest responsible bidder upon competitive bid
0138 after ~~reasonable advertisement~~ *advertising for bids in the Kan-*
0139 *sas register at least 30 days prior to bid opening.* The board and
0140 any other agency and any contractor under a contract with the
0141 board shall have the right of access to the land affected to carry
0142 out such reclamation.

0143 (b) Any funds available to the board and any public works
0144 program (both funds and services) may be used and expended to
0145 reclaim and rehabilitate any lands that have been subjected to
0146 surface mining that have not been reclaimed and rehabilitated in
0147 accordance with standards set by this chapter and which are not
0148 covered by bond to guarantee such reclamation.

0149 (c) A person or organization having qualifications acceptable
0150 to the board may post bond or a cash deposit in a sum determined
0151 by the board and assume the liability for carrying out the recla-
0152 mation plan approved by the board in areas where the mining
0153 operation and any necessary grading have been completed. The
0154 board shall then release the bond posted by the operator for such
0155 area.

0156 Sec. 4. K.S.A. 68-408 is hereby amended to read as follows:
0157 68-408. The secretary of transportation, before awarding any

BILLY Q. MCCRAY
 SENATOR, TWENTY-NINTH DISTRICT
 SEDGWICK COUNTY
 1532 NORTH ASH
 WICHITA, KANSAS 67214



TOPEKA

SENATE CHAMBER

February 18, 1983

COMMITTEE ASSIGNMENTS
 CHAIRMAN: SUB-COMMITTEE ON CREDIT UNION
 MEMBER: WAYS AND MEANS
 EDUCATION
 SPECIAL CLAIMS AGAINST THE STATE
 COMMERCIAL AND FINANCIAL
 INSTITUTIONS
 (1202) COMMISSION

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE

Thank you for allowing this hearing on S.B. 28, and also for giving me and others an opportunity to express why we support the measure.

The bill is designed to allow a good faith donor of canned or perishable food products to give these products to a charitable or not-for-profit organization for distribution.

Subsection (d) of SB.28 provides that "nothing in this act shall restrict the authority of any appropriate agency to regulate or ban the use of such food for human consumption".

My purpose for having such a bill drafted is an attempt to encourage "good faith" donors, whether they be owners of grocery store chains, warehouse and storage organizations, local food merchants or charitable organizations that assemble and distribute these products; to renew and escalate their donation effort so that those in our society who do not have adequate resources may continue to eat.

In the past there has been some question as to the constitutionality of "Good Samaritan Food Legislation". S.B. 28 is constitutional and, in my judgment, is needed.

Billy Q. McCray, Senator
 Twenty-ninth District

BQM:mjh

Atch. B



Kansas Food Dealers' Association, Inc.

2809 WEST 47th STREET SHAWNEE MISSION, KANSAS 66205

PHONE: (913) 384-3838

SB 28 HOUSE FEDERAL & STATE AFFAIRS COMMITTEE

3/22/83

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BOB MACE
TOPEKA

DIRECTOR OF
GOVERNMENTAL AFFAIRS

FRANCES KASTNER

EXECUTIVE DIRECTOR
JIM SHEEHAN
SHAWNEE MISSION

Thank you Mr. Chairman, and members of the Committee. I am Frances Kastner, Director of Governmental Affairs for the Kansas Food Dealers Association. We represent wholesalers, distributors and retailers of food products throughout the state of Kansas.

As we testified before this committee several years ago, we agree with the concept of donating food products to non-profit and charitable organizations rather than dumping or discarding good food.

Some of our members are currently involved in donating food products to the local agencies they believe are involved in the bona-fide charitable distribution of wholesome food. They verify that those who are in charge of the non profit organization are indeed serving that segment of our society which needs the help rather than setting up a salvage-type operation which could be in direct competition with some of our members.

Many of our members will feel more comfortable about participating in the local programs and donate food for distribution by non-profit organizations with the passage of SB 28.

Thank you for the opportunity to appear before you today, and if you have any questions, I will be happy to answer them.

Atch. c

PUBLIC ASSISTANCE COALITION OF KANSAS
P.O. Box 2815
Topeka, Kansas 66601
(913) 354-4635

TO: House Federal and State Affairs Committee

FROM: Patti Hackney, Researcher with the Public Assistance
Coalition of Kansas

DATE: March 23, 1983

RE: Senate Bill 28--Good Samaritan Food Bill

My name is Patti Hackney and I am representing the Public Assistance Coalition of Kansas, a coalition of churches, civic and labor groups from across the state. Our organization is very much in support of Senate Bill 28, the Good Samaritan Food Bill.

There are three main reasons why our organization supports this bill:

1) First of all, we support this bill because the grocery stores say they need it. Many food banks across the state are salvaging substantial quantities of groceries from participating stores, but that avenue of free food is in jeopardy. Grocery stores want a good samaritan food law on the books which would exempt them from civil or criminal liability in connection with the donated food, unless there was negligence. These grocery stores say they need this law on the books to continue giving food. In Wichita, the food bank has had to take out products liability insurance, and sign a "hold harmless agreement" with the grocery store they mainly deal with.

2) The second reason this bill is needed is the increasing demand on food providers. The need for food has escalated into an emergency hunger situation in many areas. Food is the flexible part of an already tight budget, and that is where people pare down, resulting in hunger, malnutrition and illness. To illustrate these food demands:

In Topeka, over 250 people a day are being fed a hot lunch at Let's Help, and commodities are being distributed as fast as they can get them. In January, approximately 3,000 people stood outside for five pounds of cheese and one pound of butter in 25 degree temperatures. Last year, over \$62,000 worth of salvaged food was given out. It is our understanding that the Junior League is ready and willing, as soon as this bill is passed, to approach the grocery stores that have been reticent in the past to participate in giving surplus food.

In Wichita, Rev. Martin Holler, head of the Wichita Food Bank, is very supportive of this bill. To illustrate the increasing food needs in that area, he said that in January 1982 they helped 285 families. In December 1982, they assisted 1600 families. Because a large number of unemployment benefits are in the process of running out, they are expecting the numbers of people they serve to increase further. Every week they receive anywhere from \$1,000-\$6,000 worth of surplus food. In two day's time, they have received as much as \$3,000 worth of milk, bread, fruit, etc.

Atch. D

In Kansas City, Kansas, Lou Finocchario, director of Catholic Social Services in that city, supports this bill. He said they get some surplus food through their organization, but not as much as Topeka and Wichita. However, he sees the Good Samaritan Bill as opening a door for future food supplies for his organization to distribute.

3) The third reason we support this bill is that it is one way the state can support the private sector in their attempts to help in these hard times. And, in a tight fiscal period, no state dollars would have to be allocated.

We feel many people would be going hungry without surplus food supplies that food providers receive. We need to safeguard that supply of free food, and one way to do that is to pass Senate Bill 28.

Thank you for allowing me the opportunity to express our organization's views on this bill.

STATE OF KANSAS

LEARY J. JOHNSON
REPRESENTATIVE, 118TH DISTRICT
LOGAN, GOVE, GRAHAM, REGO
AND PARTS OF NESS AND ROOS COUNTIES
1000 WARREN AVE
WAKEENEY, KANSAS 67672



TOPEKA

HOUSE OF
REPRESENTATIVES

COMMITTEE ASSIGNMENTS
MEMBER AGRICULTURE AND LIVESTOCK
INSURANCE
TRANSPORTATION

Subject: HB 2551

By: Representative Leary J. Johnson

Mr. Chairman, Members of the Committee, earlier in the session the House Agriculture and Livestock Committee had special hearings concerning the current state and the future of agriculture in the State of Kansas. One of the purposes of this hearing was to explore new opportunities in an attempt to bring prosperity back to farming.

I owe the Chairman and the committee members an apology as my original intent when I initially asked for this committee to introduce the bill was to have it deferred to the House Agriculture and Livestock Committee. Unfortunately, the schedule of the Agriculture and Livestock Committee would not permit us to work the bill this session. It is only through a little pleading on my part and the generosity of this committee that I appear before you today.

In these past few months you and I have become very aware of the financial status of the State. We do not find these conditions any different at home and more specifically, in the farming sector of our economy. It has often been quoted that "as goes agriculture so goes the state". If we accept this premise we can assume that any improvement experienced in the agricultural sector will also be realized by the State.

Atch. E

This gets us to the bill before you, HB 2551. It recognizes the need to expand new opportunities and markets for enhancing one aspect of agriculture, the growing and utilization of grapes. One of these uses is the production of wine.

It has been interesting to note in past hearings that at one time this was a very flourishing industry in the state. Many acres of precious Kansas soil were devoted to raising this crop. However, the advent of prohibition saw the demise of the industry and the loss of an extremely important agriculture commodity.

Wine production is currently legal in Kansas but is prohibitive from the standpoint of cost.

My purpose here today is simply to encourage new ideas, new crops and new markets for agriculture. The grape industry, as an example, offers us an opportunity and an immediate response to challenging times and changing ways. I believe I can safely say that every avenue must be exploited to insure economic recovery. Whether it is the grape industry or the tire industry all our efforts must be channeled to make Kansas a more productive state.



Kansas Food Dealers' Association, Inc.

2809 WEST 47th STREET SHAWNEE MISSION, KANSAS 66205

PHONE: (913) 384-3838

March 22, 1983

HB 2551 HOUSE FEDERAL & SATTE AFFAIRS COMMITTEE

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SYRACUSE

VICE-PRESIDENT
JOE WHITE
KINGMAN

TREASURER AND SECRETARY
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TOPEKA

DIRECTOR OF GOVERNMENTAL AFFAIRS

FRANCES KASTNER

EXECUTIVE DIRECTOR
JIM SHEEHAN
SHAWNEE MISSION

Thank you, Mr. Chairman and members of the Committee. I am Frances Kastner, Director of Governmental Affairs for the Kansas Food Dealers Association, representing wholesalers, distributors and retailers of food products throughout the state of Kansas.

We have always endorsed measures which would give the consumers a greater choice of products available to them. For that same reason, we are appearing before you today in favor of HB 2551.

The production of wines with products native to our State should make a good tourist attraction as well as promote growing grapes and berries which would be used in this new industry.

Our members include small grocery store owners as well as supermarket operators stretching across the entire state. It has never been a problem among our membership that one sized store is able to offer more products than another. We believe in the concept of competition and offering as wide a variety of products for our customers to purchase as the law permits.

One of the bills in this committee, HB 2351 would permit the sale of wine and liquor in grocery stores as well as retail liquor stores, and as an Association we endorse that bill also even though some of our members would not find it economically feasible to stock those products.

We believe in the free enterprise system and giving every businessman the same opportunities in Kansas as they experience in other states. We urge your favorable consideration of HB 2551.

If you have any questions, I will be happy to answer them, and I thank you for the opportunity of appearing before you today.

Atch. F

Hearing on HB 2551, March 23, 1983
House Federal & State Affairs Committee

Richard Taylor
KANSANS FOR LIFE AT ITS BEST!

The most alcoholic nation in the world is France - on wine. Government attempts to reduce wine drinking and related problems are always opposed by the powerful wine lobby which says, "Wine is good for you. The state must fight against the abuse of alcohol but encourage its use." This clipping from the New York Times of December 16, 1980 ended with the following paragraph.

"As long as so many grapes are grown, France is going to have a lot of wine, and as long as there is so much wine there are going to be alcoholics. No one seems to be able to figure out how to get the farmers of the Midi to stop making wine. The Government subsidies are too good."

A French government report said alcohol is a major crime producer. It pointed out, "We too often forget that our country holds the world record for alcoholic consumption per capita, and alcohol often leads to violence and agressiveness."

The California legislature is constantly helping their wine industry in many ways, one of which is by keeping the excise tax at one penny per gallon. Citizens of that state drink more wine per person than any other state, and related problems are also the greatest.

In the Kansas City Star Magazine, a Johnson County housewife told how she escaped from many long years of the hell of alcoholism. She said, "I remembered when I'd had my first drink. I was 14, and it was a happy occasion. My family was celebrating with friends and relatives. I remember the glass of amber wine that my father poured for me. I liked the way the wine made me feel. It transformed an unsure teen-ager into a sophisticated woman."

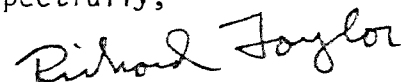
We find this information in DRUGS: A to Z, THE TELEVISION REPORT ON CBS. "One drug causes more human trouble than all other drugs combined. That drug is alcohol."
"In a comparison of what is known of alcohol and marijuana, alcohol proves to be the more dangerous drug; alcohol is addictive, which marijuana is not; alcohol produces aggressive behavior, which marijuana does not; alcohol kills and marijuana, as far as is known, does not."

Marijuana is a drug problem. Alcohol is our major drug problem.

I grew up on a Kansas farm. No one is more concerned for the Kansas farmer than I am. It would make just as much sense to exempt marijuana along with alcohol from our Controlled Substance Act so Kansas farmers could make a pile of money growing pot. That is no more absurd than promoting the production and consumption of wine. May you reject both.

Controlled Substance Act KSA 65-4102(e)

Respectfully,



Rev. Richard E. Taylor, Jr.

Atch. G

MEMORANDUM

TO: Honorable Neal Whitaker
Chairman, House Federal and State Affairs Committee

FROM: THOMAS J. KENNEDY, Director, ABC Division

RE: House Bill No. 2551

DATE: March 23, 1983

PURPOSE

House Bill No. 2551 is an act concerning alcoholic beverages; relating to licensure of certain wineries and permitting certain sales of wine by those wineries.

PERSPECTIVE

Section 1 provides that the Legislature of the State of Kansas, recognizes, by the passage of this act, the vital contribution of the agricultural industry to the economy of this State, and declares that the intent of this act is to enhance and expand such industry by authorizing and encouraging the domestic production of native wines from grapes, berries, fruits and vegetables grown in Kansas.

The Legislature of the State of Kansas further recognizes the need for the expansion, diversification and development of Kansas economy, and discloses that the intent of this act is to authorize and encourage the introduction of a new industry into this State which will provide new employment opportunities, additional income, and support for existing industries in this State.

Section 2 of this bill provides that:

(a) For the privilege of manufacturing wine, which manufacturing shall be in accordance with all provisions of Federal law applicable thereto except as may otherwise be specified in this section, in quantities not to exceed 500,000 gallons, not in excess of 18% of alcohol by weight, from grapes, berries, other fruits, fruit products, honey and vegetables produced or grown in the State of Kansas, exclusive of sugar, water and spirits, there shall be paid to and collected by the Director in lieu of the charges provided in K.S.A. 41-310, a license fee of \$5 for each 500 gallons or fraction thereof of wine produced up to a maximum license fee of \$300.

(b) Notwithstanding the provisions of sub-section (a) above, a manufacturer licensed under this section may use in any calendar year such wine making material produced or grown outside the State of Kansas in a quantity not exceeding 15% of the manufacturer's wine entered into fermentation in the prior calendar year.

Atch. H

(c) In any year when a natural disaster causes substantial loss to the Kansas crop of grapes, berries, other fruits, fruit products, honey or vegetables from which wines are made, the Secretary of the Department of Agriculture shall determine the percentage of loss and allow a certain additional percentage, based on the prior calendar year's production of such products, to be purchased outside the State of Kansas to be used and offered for sale by Kansas wineries.

(d) A manufacturer licensed under this section may purchase and sell bulk or packaged wines received from other manufacturers licensed under this section and may also purchase in bulk, bottle and sell to duly licensed wineries, wholesalers and retail dealers on any day except Sunday. A manufacturer licensed under this section may offer samples of wine, may sell wine in its original package directly to consumers at the winery, and may open wine so purchased by customers for consumption on the winery premises on Monday through Saturday, between 6:00 A.M. and midnight and on Sunday between 12:00 P.M. and 6:00 P.M.

COMMENTS AND/OR RECOMMENDATIONS

1. As to the purpose and intent of the bill, as explained in Section 1, we agree with the philosophy proposed and concur that the intent of the bill has merit.

2. In Section 2(a), as it pertains to licensing, it is recommended that K.S.A. 41-310 be amended to provide for the license fee of a manufacturer of native wines be \$5 for each 500 gallons or fraction thereof of wine produced to a maximum license fee of \$300. We feel that the annual license fee should be a fixed amount, in lieu of the graduated license fee which would be hard to verify. Further, 18% of alcohol by weight should be changed to read 18% of alcohol by "volume". By amending K.S.A. 41-310, it will provide that this manufacturer is licensed in accordance with the provisions of the Liquor Control Act.

3. In Section 2(b), as it pertains to importing a quantity of wine making material not to exceed 15% of the manufacturer's wine entered into fermentation in the prior calendar year, we see nothing wrong with this provision.

4. In Section 2(c), a provision should be added that the Secretary of Agriculture may promulgate rules and regulations requiring the winery to make yearly production reports so that in case of crop failure, etc., production reports would be available to make a determination of additional impact percentage. Further, that the Director of Alcoholic Beverage Control be advised annually if impact percentage is changed for the manufacturer.

5. The troublesome section of this bill for the Director of Alcoholic Beverage Control is 2(d), lines 64 through 74 of the bill.

First, this bill authorized this winery to be one and all of the following:

- (1) A Manufacturer
- (2) A Distributor
- (3) A Retailer

First a Manufacturer: A manufacturer, licensed under this bill, may purchase and sell bulk or packaged wines received from other manufacturers licensed under this bill.

Comment: We interpret this to mean that a manufacturer licensed under this bill could purchase from other manufacturers licensed under this bill, either bulk wine or bottled wine of the other manufacturer, thus having not only their own labels, but other labels available on the winery premises.

Secondly, a manufacturer licensed under this bill may purchase in bulk, bottle and sell to duly licensed wineries, wholesalers and retail dealers on any day except Sunday.

Comment: We interpret this to mean a manufacturer licensed under this bill could purchase in bulk from outside this State, bottle and then sell to other wineries, to wholesalers and to retail liquor stores on any day except Sunday.

It is our interpretation that the winery would obtain a distributor's license which would allow them under that license to sell to retailers.

Thirdly, a manufacturer licensed under this section may offer samples of wine to the general public which may very well be a violation of K.S.A. 41-803, as well as the State Constitution which prohibits this.

6. Other statutes applicable are:

A. K.S.A. 41-803 states that it shall be unlawful for any person to own, maintain, operate or conduct either directly or indirectly, an open saloon. An "open saloon" means any place, public or private, where alcoholic liquor is sold or offered or kept for sale by the drink or in any quantity of less than 200 milliliters (6.8 oz) or sold or offered or kept for sale for consumption on the premises where sold, but does not include any club licensed pursuant to Article 26 of Chapter 41 of Kansas Statutes Annotated.

Comment: This bill would authorize the sale for consumption on the winery premises, not a private club premises, in violation of K.S.A. 41-803.

B. K.S.A. 41-308 states that a retailer's license shall allow the licensee to sell and offer for sale at retail and deliver in the original package only in the premises specified in the license, alcoholic liquor, for use as consumption off of and away from the licensed premises.

Comment: This bill would authorize the winery to sell at retail for consumption on the licensed premises in violation of K.S.A. 41-308.

C. K.S.A. 41-708 states that no licensed retailer shall purchase or receive alcoholic liquor from any source except from a distributor licensed under the Liquor Control Act.

D. K.S.A. 41-711 states that no alcoholic liquor shall be sold at retail upon any premises which has an outside entrance or opening which connects with any other place of business.

Comment: It is envisioned that the retail sales area as specified in this bill would be connected to the winery in violation of K.S.A. 41-711.

E. K.S.A. 41-712 states that no person shall sell at retail any alcoholic liquor (2) on the first day of the week commonly called Sunday; and (4) before nine (9) A.M. or after eleven (11) P.M. on any day when the sale is permitted.

This bill authorizes the sale of alcoholic liquor between 6:00 A.M. and midnight, Monday through Saturday, and on Sunday between 12:00 P.M. and 6:00 P.M., in violation of K.S.A. 41-712.

F. K.S.A. 41-311(2) states that no retailer's license shall be issued to a person who has beneficial interest in the manufacturer, preparation or wholesaling of alcoholic beverages.

This bill authorizing the winery to sell to consumers is in violation of K.S.A. 41-311.

Fourth, a manufacturer licensed under this bill may sell wine in its original package directly to consumers at the winery and may open wine so purchased by customers for consumption on the winery premises on Monday through Saturday between 6:00 A.M. and midnight and on Sunday between 12:00 P.M. and 6:00 P.M.

G. K.S.A. 41-501 provides for gallonage tax to be paid by

the manufacturer if the alcoholic liquor is manufactured and sold in the State.

The gallonage tax on wine is:

a. Thirty cents (30¢) per gallon for wine containing fourteen percent (14%) or less alcohol by volume; and

b. Seventy-five cents (75¢) per gallon for wine containing more than fourteen percent (14%) alcohol by volume.

Comment: A survey of states authorizing the manufacture of native or domestic wines indicate that the gallonage tax for native wines is generally less than it is for wines that are imported into the State. This survey reveals:

a. Missouri:	Light Wine (14% or less alcohol by volume)	<u>30¢</u>
	Fortified Wine (over 14% alcohol by volume)	<u>30¢</u>
	Domestic Wines-14% or less	<u>30¢</u>
	Domestic Wines-over 14%	<u>30¢</u>
b. Georgia:	Light Wine	<u>\$1.51</u>
	Fortified Wine	<u>\$2.54</u>
	Native Wine (14% or less)	<u>41.64¢</u>
	Domestic Wine (over 14%)	<u>\$1.02</u>
c. Arkansas:	Light Wine	<u>75¢</u>
	Fortified Wine	<u>75¢</u>
	Native Wine (14% or less)	<u>5¢</u>
	Native Wine (over 14%)	<u>5¢</u>
d. South Carolina:	Light Wine	<u>90¢</u>
	Fortified Wine	<u>90¢</u>
	Domestic Wine (14% or less)	<u>5¢</u>
	Domestic Wine (over 14%)	<u>45¢</u>

e. Colorado: Light Wine	<u>27 3/4¢</u>
Fortified Wine	<u>27 3/4¢</u>
Native Wine (14% or less)	<u>2¢</u>
Native Wine (over 14%)	<u>2¢</u>

It would be our recommendation, based on the legislative intent as expressed in Section 1 of this bill, that gallonage tax for native wines in Kansas be reduced from that of imported wines to encourage the manufacturing of wines in Kansas.

7. Other Statutes affected, which are totally incompatible are:

K.S.A. 41-719. This statute prohibits the consumption of alcoholic liquor to include wine and strong beer at any place where the general public has access. We consider the selling of bottles or offering of free samples to the general public for on-premise consumption to fall under the provisions of this statute.

Also, K.S.A. 41-2602, 03 and 04, likewise prohibit consumption in places to which the general public has access.

Mr. Chairman, my briefing is not intended to throw cold water on this proposal, however, I feel I would be remiss if I didn't bring these matters to your attention.

Since 1949, the Kansas Legislature has been committed to a three-tier system of distribution. This system recognizes three levels of business enterprise. The uppermost level consists of various distillers, vintners, importers, exclusive agents, and brand owners that are, for the most part, out of State concerns, who are unlicensed and are only permitted to do business in the State if they agree in writing that they will comply with our distribution system.

The second level consists of the licensed distributors; and the third level is your licensed retailers.

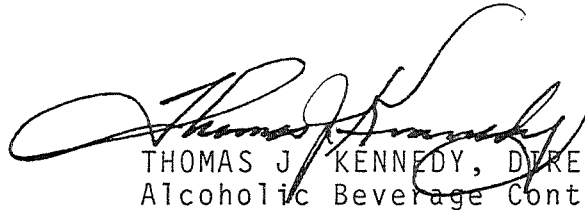
A combination of several requirements found in K.S.A. 41-312, 41-701, 41-702, 41-703, 41-704, and 41-705, which can collectively be called anti-tied house provisions, completely divorce the respective levels from one another and ban any vertical integration. The supplier or manufacturer can only sell their merchandise to the distributors or wholesalers. The three-tier system, by providing for an independent licensed wholesaler, effectively separates the manufacturer from the retailer and acts as a buttress to the statutory prohibitions against tied house outlets.

As with the other levels, the Legislature has only permitted the sale of alcoholic liquor at retail under carefully prescribed conditions. A retail license only permits the sale of package liquor for off-premises consumption.

I feel that this bill in its present form is too ambiguous and conflicts with many of the existing statutes which have not been amended or addressed in this proposal.

This bill, I believe, is based on the laws of another State of States whose laws are such that the above would be authorized. Based on the above comments, it is our recommendation that this bill not be enacted in its present form.

Respectfully submitted,



THOMAS J. KENNEDY, DIRECTOR
Alcoholic Beverage Control Division

TJK:bf

MEMORANDUM

TO: Whom It May Concern

FROM: THOMAS J. KENNEDY, DIRECTOR, ABC Division

RE: State Gallonage and Sales or Enforcement Tax

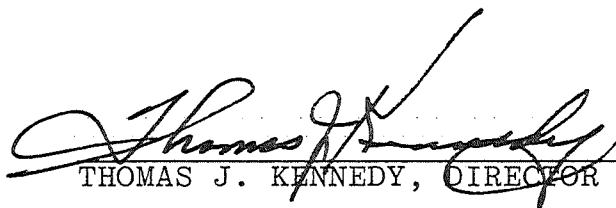
DATE: March 7, 1983

The purpose of this memorandum is to list the amount of gallonage tax and sales or enforcement tax that each of the states collects on distilled spirits, wine and beer.

The following information is extracted from 1982 State and Federal Beverage Alcohol Tax Briefs published by the Distilled Spirits Council of the United States (DISCUS), Washington, D.C.

"Forty six percent of every dollar spent on distilled spirits at retail (off-premise) in 1981 represented Federal, state and local taxes and fees. The Federal share was 26 percent and the state and local share was 20 percent. The tax portion for wine was over 15 percent of every dollar spent; of this, the Federal portion was about 5 percent and the state and local portion 11 percent. Federal taxes on beer were about 7 percent with state and local taxes 8 percent for a total of 15 percent."

"In thirty-two states and the District of Columbia beverage alcohol revenues are obtained primarily from taxes on sales in privately owned outlets (License States). In the other eighteen states and Montgomery County, Maryland (Control States), retail and/or wholesale sales, especially of distilled spirits, are made to a major extent by government owned outlets. In these Control States considerable revenues are derived from markups on sales in state stores, in addition to other tax revenues from alcohol beverages."


THOMAS J. KENNEDY, DIRECTOR

TJK:cjk

Atch. I

SPIRITS	WINE	BEER
Indiana \$2.68 +Gross income tax, .325%, on wholesale and retail sales +4%	21% or less—47¢ Over 21%—\$2.68 +4%	11.5¢ +4%
Kansas \$2.50 +4% enforcement tax	14% or less—30¢ Over 14%—75¢ +4% enforcement tax	18¢ +3.2% or less—3% retail sales tax +Over 3.2%—4% enforcement tax
Kentucky \$1.92 +5¢/case +5%	50¢ +5%	8.0645¢ (\$2.50/bbl.) +5%
Louisiana \$2.50 +3%	14% or less—11¢ Over 14% to 24%—23¢ Over 24% and sparkling—\$1.59 +3%	32.258¢ (\$10/bbl.) +3%
Maryland \$1.50 +5%	40¢ +5%	9¢ +5%
Massachusetts To 15%—\$1.10 Over 15%—\$4.05	Still and vermouth—55¢ Sparkling and champagne—70¢	10.645¢ (\$3.30/bbl.)

SPIRITS	WINE	BEER
Minnesota \$4.39 +5%	Unfortified—27¢ Fortified to 21%—79¢ Over 21% to 24%—\$1.58 Over 24%—\$3.08 Sparkling—\$1.50 +5%	To 3.2%—6.4516¢ (\$2/bbl.) Over 3.2%—12.903¢ (\$4/bbl.) +5%
Missouri \$2.00 +3-1/8%	30¢ +3-1/8%	6¢ (\$1.86/bbl.) +3-1/8%
Nebraska \$2.75 +3%	14% or less—65¢ Over 14%—\$1.25 +3%	14¢ +3%
Nevada^b \$2.05 +5.75%	14% or less—30¢ Over 14% to 22%—50¢ Over 22%—\$2.05 +5.75%	6¢ +5.75%
New Jersey \$2.80 +6.5% wholesale receipts	30¢ (Native—10¢) +6.5% wholesale receipts	3.33¢ +6.5% wholesale receipts
New Mexico 50% or less—\$1.63 Over 50%—\$2.61 +4.25% wholesale receipts +3.5%	45¢ +4.25% wholesale receipts +3.5%	9¢ +4.25% wholesale receipts +3.5%

SPIRITS	WINE	BEER
New York 24% or less—80¢ Over 24%—\$3.25 +4%	Still—10¢ Artificially carbonated—26-1/2¢ Sparkling—53.4¢ Cider—1-1/2¢ +4%	4-4/9¢ +4%
North Dakota \$2.50 +3%	Under 17%—50¢ 17% to 24%—60¢ Sparkling—\$1.00 +3%	In bulk—8¢ In bottles and cans—16¢ +3%
Oklahoma \$4.00 +2%	14% or less—50¢ Over 14%—\$1.00 Sparkling—\$1.50 +2%	32.258¢ (\$10/bbl.) Over 3.2%—+2%
Rhode Island \$2.50, except cordials under 25%—\$1.00 +6%	Still—40¢ Sparkling—50¢ Native—20¢ +6%	6.4516¢ (\$2/bbl.) +6%
South Carolina \$2.72 +4.48/case +9% surtax +4%	Native 14% or less—5¢ (Less than 1 gal. .4¢/8 oz.) Over 14% to 21%—45¢ (Less than 1 gal. 3.6¢/8 oz.) Imported 21% or less—90¢ (Less than 1 gal. 6¢/8 oz.)	76.8¢ (.6¢/oz.) +4%

SPIRITS	WINE	BEER
South Carolina (Cont.)	+18¢ additional tax (Less than 1 gal. 1.2¢/8 oz.) +4%	
South Dakota \$3.80 +2% of purchase price by wholesaler +4%	14% or less—90¢ Over 14% to 20%—\$1.40 21% to 24%, and sparkling—\$2.00 +2% of purchase price by wholesaler +4%	3.2% or less—16.129¢ (\$5/bbl.) Over 3.2%—26.774¢ (\$8.30/bbl.) +4%
Tennessee \$4.00 +15¢/case +4.5%	Native—5¢ 21% or less—\$1.10 +15¢/case +4.5%	12.581¢ (\$3.90/bbl.) +17% wholesale price +4.5%
Texas \$2.00 +4%	14% or less—17¢ Over 14%—34¢ Sparkling—43¢ +4%	4% or less—16.129¢ (\$5/bbl.) Over 4%—16.5¢ +4%
Wisconsin \$3.25 +4%	14% or less—25¢ Over 14% to 21%—45¢ +4%	6.4516¢ (\$2/bbl.) +4%

STATE TAX RATES

Control States

Sales by state owned wholesale and/or retail outlets

Control states obtain revenue by applying markups on liquor and some wine and beer sales in state owned outlets, including markups on a part or all of the price represented by the Federal excise tax (\$10.50 per proof gallon in most states). In addition, *dollar and cents tax rates are also applied as given below—per wine gallon or wine gallon equivalent, unless otherwise noted.* Where retail sales taxes apply, the rate of sales tax is given on the last line under each state.

SPIRITS	WINE	BEER
Alabama		
25% Markup on State Store Sales		53.33¢
+48% taxes	+48% taxes	(5¢/12 oz.)
+4%	Other Sales	+4%
	Table wine—35%	
	+4%	
Idaho		
45% Markup on State Store Sales		15¢
+25¢ to 65¢ per bottle taxes	Foreign and sparkling, same as distilled spirits U.S.	+3%
+16%	63% Markup	
	+25¢ to 65¢ per bottle taxes	
	+15% Other Sales	
	45¢	
	+3%	
Iowa		
66% Markup	Markup	14¢
+3%	Still—80%	(\$4.34/bbl.)
	Sparkling—70%	+3%
	+3%	
SPIRITS	WINE	BEER
Maine^a		
75% Markup on State Store Sales		Native—10-1/3¢
+10%	+75¢	Imported—30¢
+62.5¢/pf. gal.	+62.5¢/pf. gal.	+5%
	Other Sales	
	Native—35¢	
	Imported—45¢	
	Sparkling—\$1.12	
	+5%	
Michigan		
51% Markup on State Store Sales		20.3226¢
+9.85%	+4% Sales Tax	(\$6.30/bbl.)
+4%	Other Sales (16% or less)	+4%
	Native—4¢	
	Imported—50¢	
	+4%	
Mississippi (State Sales at wholesale only)		
20% Markup	Sparkling—	42.68¢
+\$2.50	28% Markup	+5% Wholesale
+1% Surcharge	Other wine	+5%
+5% Wholesale	25% Markup	
+5%	+Still—35¢	
	(Native—5¢)	
	+1% Surcharge	
	+5% Wholesale	
	+5%	
Montana		
40% Markup	Markups (based on case price, F.O.B. winery)	12.9¢
+26%	\$8 or less—82%	(\$4/bbl.)
	\$8.01—\$18.00—60%	
	over \$18.00—40%	
	+75.7¢ (Table wines)	
	Other Sales—75.7¢	
	+26% (except table wines)	

SPIRITS	WINE	BEER
New Hampshire		
40-45% Markup on State Store Sales (over 6% alcohol)		18¢
North Carolina		
64.2536% Markup (includes 22.5% and 3.5% state taxes)	State Store Sales Markup Varies	Containers of 7-3/4 gals. and up—48.387¢ (\$15/bbl.)
+5¢ /bottle	+Native—4.7¢	Containers less than 7-3/4 gals.—53.376¢
	+Imported—90.8¢	+3%
	Other Sales (14% and under)	
	Native—4.7¢	
	Imported—79.5¢	
	+3%	
Ohio		
9% on delivered cost	Less than 14%—26¢	8.0645¢
+42.86% Markup	14% to 21%—62¢	(\$2.50/bbl.)
+\$2.25	Vermouth—77¢	or .75¢/6 oz. (bottles and cans)
+5% additional Markup	Sparkling and champagne—\$1.27	+5%
+5%	+5%	
Oregon		
94% Markup	94% Markup on State Store Sales	8.39¢
	Other Sales	(\$2.60/bbl.)
	Under 14%—65¢	
	14% to 21%—75¢	
Pennsylvania		
25% Markup	25% Markup	8¢ (\$2.48/bbl.)
+81.25¢/bottle	+81.25¢/bottle	+6%
+18% emergency tax	+18% emergency tax	
+6%	+6%	
SPIRITS	WINE	BEER
Utah		
58% Markup on State Store Sales		13.29¢
+8%	+8%	(\$4.12/bbl.)
+4%	+4%	+4%
Vermont		
Markup (details not available, markup varies by product category)		26.5¢
+25% of retail price	+25% of retail price (over 14%)	
	Other Sales	
	14% or less—55¢	
Virginia^b		
37.5% Markup	State Store Sales	25.645¢
+20% (effective Aug. 1, 1982)	40% Markup	(\$7.95/bbl.)
	+\$1.51	In 7 oz. bottles or less—
	Other Sales	2¢/bottle
	\$1.51	Over 7 oz. to 12 oz.
	+4%	2.65¢/bottle
		Over 12 oz. bottle—
		.222¢/oz.
		+4%
Washington		
45.9% Markup on State Store Sales	State Store Sales	
+15% Sales Tax	+76.65¢	+15% Sales Tax
+\$6.51	+5.5%	Other Sales
		8.387¢
		(\$2.60/bbl.)
		+5.5%

SPIRITS	WINE	BEER
West Virginia^b		
72% Markup	75% Markup	17.419¢
on State Store Sales	on State Store Sales	(\$5.50/bbl.)
+25¢/750 ml. bottle	+15¢/750 ml. bottle (over \$1.25 per bottle)	+10%
+10%	+20¢/750 ml. bottle (less than \$1.25 per bottle)	
	+10% Sales Tax	
	Other Sales \$1.00	
	+10%	
Wyoming (State sales at wholesale only)^a		
17.6% Markup	17.6% Markup	2¢
+95¢	+28¢	+3%
+3%	+3%	

MEMORANDUM

TO: Whom It May Concern
FROM: THOMAS J. KENNEDY, Director, ABC Division
RE: Per Capita Consumption FY 1982
DATE: January 26, 1983

		<u>GALLONS</u>
Alcohol & Spirits	\$7,906,246 divided by 2.50 =	3,162,498
Fortified Wine	141,195 divided by .75 =	188,260
Light Wine	507,978 divided by .30 =	1,693,260
Strong Beer	4,281,979 divided by .18 =	23,788,772
CMB	5,078,085 divided by .18 =	<u>28,211,583</u>
	TOTAL	<u>57,044,373</u>

	<u>GALLONS</u>	<u>DIVIDED BY</u>	<u>POPULATION</u>	=	<u>PER CAPITA CONSUMPTION</u>
Alcohol & Spirits	3,162,498	divided by	2,382,598	=	1.327 Gallon
Fortified Wine	188,260	divided by	2,382,598	=	.079 Gallon
Light Wine	1,693,260	divided by	2,382,598	=	.711 Gallon
Strong Beer	23,788,772	divided by	2,382,598	=	9.984 Gallons
CMB	28,211,583	divided by	2,382,598	=	<u>11.841 Gallons</u>
		TOTAL			<u>23.942 Gallons</u>

State population in 82: 2,382,598

57,044,373 gallons divided by 2,382,598 = 23,942 per capita consumption


THOMAS J. KENNEDY, DIRECTOR

TJK:cjk

Atch. d

MEMORANDUM


TO: Whom It May Concern
FROM: THOMAS J. KENNEDY, Director, ABC Division
RE: Per Capita Consumption FY 1981
DATE: January 25, 1982

		<u>GALLONS</u>
Alcohol & Spirits	\$7,502,644 divided by 2.50 =	3,001,057
Fortified Wine	127,928 divided by .75 =	170,570
Light Wine	454,406 divided by .30 =	1,514,686
Strong Beer	4,254,191 divided by .18 =	23,634,394
CMB	5,127,877 divided by .18 =	<u>28,488,205</u>
	TOTAL	<u>56,808,912</u>

	<u>GALLONS</u>	<u>DIVIDED BY</u>	<u>POPULATION</u>	=	<u>PER CAPITA CONSUMPTION</u>
Alcohol & Spirits	3,001,057	divided by	2,363,611	=	1.270 Gallon
Fortified Wine	170,570	divided by	2,363,611	=	.072 Gallon
Light Wine	1,514,686	divided by	2,363,611	=	.641 Gallon
Strong Beer	23,634,394	divided by	2,363,611	=	9.999 Gallons
CMB	28,488,205	divided by	2,363,611	=	<u>12.053</u> Gallons
		TOTAL			<u>24.035</u> Gallons

State population in 81: 2,363,611

56,808,912 gallons divided by 2,363,611 = 24.035 per capita
consumption


THOMAS J. KENNEDY, DIRECTOR

HOUSE BILL NO. 2551

By Committee on Federal and State Affairs

AN ACT concerning alcoholic beverages; relating to licensure of certain wineries and permitting certain sales of wine by those wineries.

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

Section 1. The legislature of the state of Kansas, recognizes, by the passage of this act, the vital contribution of the agricultural industry to the economy of this state, and declares that the intent of this act is to enhance and expand such industry by authorizing and encouraging the domestic production of native wines from grapes, berries, fruits and vegetables grown in Kansas.

The legislature further recognizes the vital contribution of the tourist industry to the economy of this state, and declares that the intent of this act is to enhance such industry by encouraging the planting and development of native vineyards, the construction of native wineries, and the production and sale of native wines to that tourists traveling through Kansas may visit vineyards, wineries and winecellars, and purchase Kansas domestic wines.

The legislature of the state of Kansas further recognizes the need for the expansion, diversification and development of Kansas economy, and declares that the intent of this act is to authorize and encourage the introduction of a new industry into this state which will provide new employment opportunities, additional income, and support for existing industries in this state.

Sec. 2. (a) For the privilege of manufacturing wine, which manufacturing shall be in accordance with all provisions of federal law applicable thereto except as may otherwise be

specified in this section, in quantities not to exceed 500,000 gallons, not in excess of 18% of alcohol by weight, from grapes, berries, other fruits, fruit products, honey and vegetables produced or grown in the state of Kansas, exclusive of sugar, water and spirits, there shall be paid to and collected by the director in lieu of the charges provided in K.S.A. 41-310, a license fee of \$5 for each 500 gallons or fraction thereof of wine produced up to a maximum license fee of \$300.

(b) Notwithstanding the provisions of subsection (a), a manufacturer licensed under this section may use in any calendar year such wine-making material produced or grown outside the state of Kansas in a quantity not exceeding 15% of the manufacturer's wine entered into fermentation in the prior calendar year.

(c) In any year when a natural disaster causes substantial loss to the Kansas crop of grapes, berries, other fruits, fruit products, honey or vegetables from which wines are made, the secretary of the department of agriculture shall determine the percentage of loss and allow a certain additional percentage, based on the prior calendar year's production of such products, to be purchased outside the state of Kansas to be used and offered for sale by Kansas wineries.

(d) A manufacturer licensed under this section may purchase and sell bulk or packaged wines received from other manufacturers licensed under this section and may also purchase in bulk, bottle and sell to duly licensed wineries, wholesalers and retail dealers on any day except Sunday. A manufacturer licensed under this section may offer samples of wine, may sell wine in its original package directly to consumers at the winery, and may open wine so purchased by customers for consumption on the winery premises on Monday through Saturday between 6:00 a.m. and midnight and on Sunday between 12:00 p.m. and 6:00 p.m.

Sec. 3. This act shall take effect and be in force from and after its publication in the statute book.