
Alcoholic Beverage Control Division

Legislative Briefing



Doug Jorgensen, Director

January 12, 2012

Sn Fed & State
Attachment 1

1-12-12

The Licensing Team is responsible for collecting the various gallonage taxes, while the Miscellaneous Tax Segment is responsible for collecting liquor enforcement and liquor drink taxes. The following liquor related taxes were collected during FY 2008 through FY 2012.

Gallonage Tax Rates per Gallon:

Alcohol/Spirits	\$2.50
Fortified Wine	\$0.75
Light Wine	\$0.30
Beer and CMB	\$0.18

Tax Type	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012 (6 months)
Gallonage – Alcohol and Spirits*	\$8,950,393	\$9,257,287	\$9,156,711	\$9,542,032	\$5,109,352
Gallonage - Beer	\$8,382,304	\$8,713,269	\$8,473,083	\$8,237,208	\$3,808,980
Gallonage - Cereal Malt Beverage	\$2,228,227	\$2,088,508	\$1,989,044	\$1,905,212	\$1,135,838
Gallonage - Wine	\$1,068,393	\$1,088,337	\$1,146,829	\$1,337,687	\$729,287
Gallonage – Farm Wineries	\$18,512	\$20,139	\$19,863	\$17,714	\$12,641
Gallonage - Microbreweries	\$54,643	\$61,121	\$66,104	\$88,064	\$46,434
Gallonage – Special Order Shippers			\$5,991	\$7,604	\$27
Gallonage Tax Total	\$20,702,472	\$21,228,661	\$20,857,625	\$21,135,521	\$10,842,559
Liquor Enforcement (8%tax)	\$49,982,534	\$53,794,049	\$54,826,767	\$56,120,348	\$29,058,202
Liquor Drink (10% tax)**	\$35,613,659	\$36,565,645	\$35,720,462	\$36,012,091	\$18,435,017
TOTAL TAX REVENUE	\$106,298,665	\$111,588,355	\$111,404,854	\$113,267,960	\$58,335,778

* 10% of Gallonage Tax on alcohol and spirits goes to SRS Community Alcoholism and Intoxication Program and 90% to the state general fund.

** 70% of Liquor Drink Tax goes to Local Alcoholic Liquor fund; 5% goes to the SRS Community Alcoholism and Intoxication Program; and, 25% to the state general fund.

Other related revenue collected by ABC for FY 2008 through FY 2012:

Revenue Source	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012 (6 months)
All Liquor Licensing and Registration Fees	\$2,620,664	\$2,619,254	\$2,598,314	\$3,249,252	\$1,852,743
Supplier's Permit	\$18,275	\$19,725	\$20,000	\$20,675	\$4,910
Label Fees	\$717,450	\$692,625	\$765,250	\$809,185	\$186,288
Cereal Malt Beverage Retail Stamp	\$78,405	\$81,825	\$78,325	\$82,440	\$20,675
Gallonage Tax	\$20,702,472	\$21,228,661	\$20,857,625	\$21,135,521	\$10,842,559
ABC Liquor Fines	\$238,095	\$396,983	\$530,743	\$552,871	\$252,594
Total Liquor Revenue Collected	\$24,375,361	\$25,039,073	\$24,850,257	\$25,849,944	\$13,159,769
Cigarette and Tobacco Fines	\$129,854	\$303,115	\$339,310	\$292,230	\$191,890
Drug Tax Collections	\$1,180,969	\$1,053,011	\$1,351,868	\$1,040,648	\$678,390
TOTAL ABC REVENUE COLLECTED	\$25,686,184	\$26,395,199	\$26,541,435	\$27,182,822	\$14,030,049

Licensee Administrative Action

Licensee Administrative Action (LAA) is staffed by the Assistant Attorney General (AAG) assigned to the ABC, a legal assistant and one support staff. The AAG reviews the cases presented by enforcement agents and local law enforcement agencies to determine the appropriateness of the charges and administratively prosecutes violations of the liquor laws before the Director. Following are the number of liquor citations issued for FY 2008 through FY 2012 and the total fines collected for those years:

Activity	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012 (6 months)
CITATIONS					
Liquor	470	645	547	564	182
Tax Orders	144	229	215	211	125
Total Liquor Citations Issued	614	874	762	775	307
FINES					
Liquor	\$105,275	\$243,380	\$367,836	\$361,475	\$140,132
Tax Orders	\$132,820	\$153,603	\$162,907	\$191,396	\$112,462
Total Liquor Fines Collected	\$238,095	\$396,983	\$530,743	\$552,871	\$252,594

ABC HAS ACCEPTED THE FOLLOWING RESPONSIBILITIES IN ADDITION TO ITS STATUTORY REQUIREMENTS:

Cigarette and Tobacco Enforcement (CATE)

Along with a staff attorney and one administrative assistant; The CATE team currently consists of 10 statewide Inspector positions conducting enforcement activities. The CATE Inspectors perform statewide cigarette and tobacco enforcement activities aimed at reducing sales of cigarette and tobacco products to minors. These activities include Inspections at all licensee locations and Controlled Buy visits at all youth accessible retail licensee locations. Targeted enforcement revisits are made at locations that have failed prior enforcement visits.

CATE responsibilities also include conducting compliance checks required under the federal Synar amendment. Under Synar, the state must maintain a minimum compliance rate of 80% for sales of cigarettes to minors or risk losing a portion of the block grant monies allocated to SRS for substance abuse programs. According to a draft published on the SRS website, during FFY 2011 ABC Inspectors and Underage Cooperating Individuals (UCI's) performed 330 random buy attempts to measure compliance under the Synar Amendment resulting in 20 sales for a 93% compliance rate. This compares to previous years as follows:

In FY 2011 KDOR/ABC entered into a Memorandum of Understanding with the State Fire Marshal's Office to inspect tobacco retailers and seize cigarettes that are not fire safe compliant. The agreement imposes specific duties on the CATE team to seize and pursue administrative cases for certain violations of the Kansas Fire Safety Standard and Firefighter Protection Act. This agreement has been renewed for FY 2012. At the end of the contract term, the agreement will be reviewed for the need of renewal for FY 2013.

Drug Tax Enforcement

ABC enforcement agents work with other law enforcement agencies that are conducting illegal drug investigations to ensure proper assessment of the state drug tax and penalty. Activities include weighing/counting the illegal drugs to determine the amount of tax due, issuing assessment notices to the violator, seizing assets to satisfy the tax and fine liability, and the auction or other disposition of the seized property.

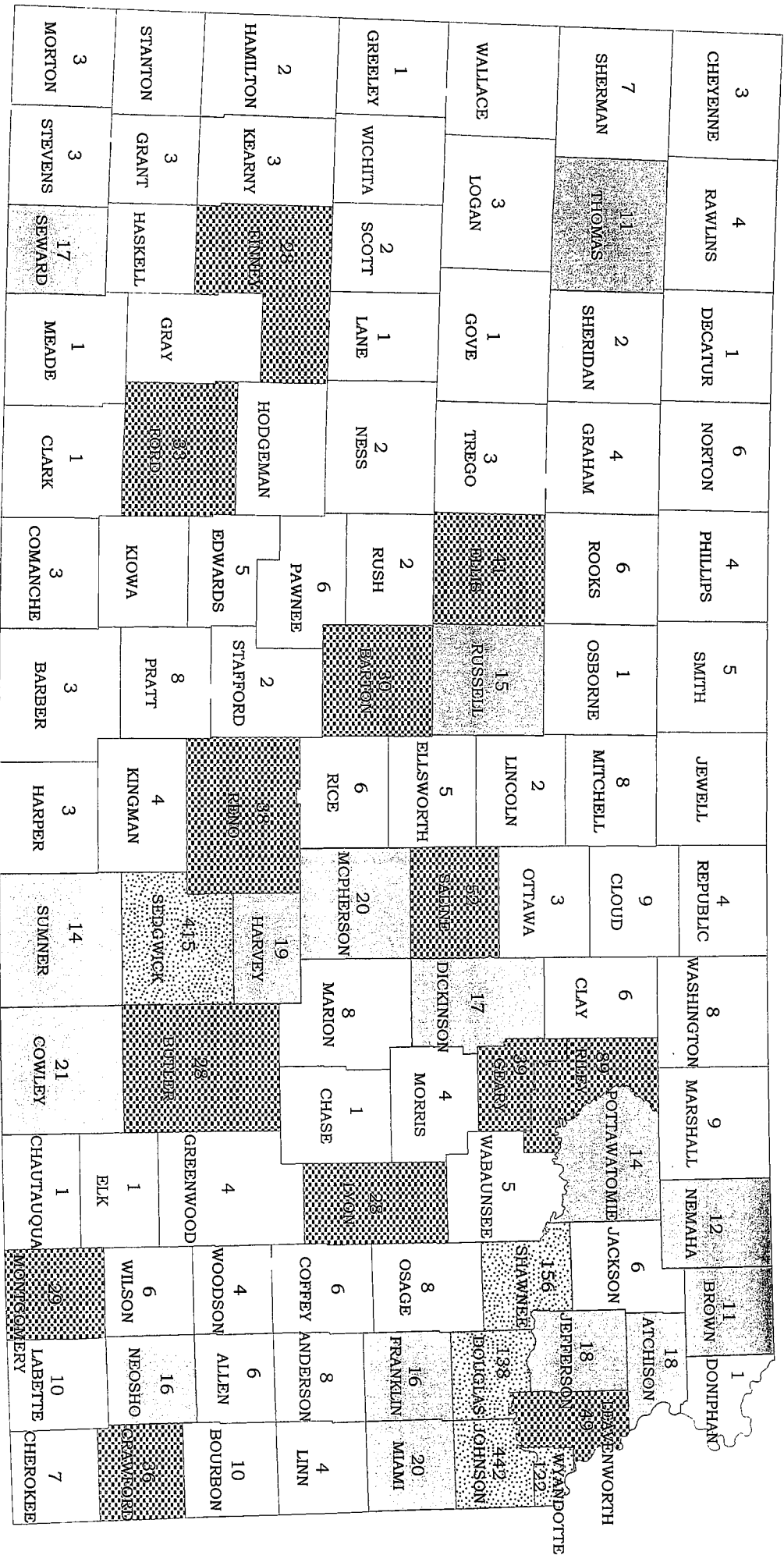
An amount equal to 75% of the drug tax collections is returned to the law enforcement agency(s) conducting the investigation, with the remaining 25% going to the State General Fund.

Activity	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012 (6 months)
Assessments	555	549	541	655	254
Amount	\$7,972,261	\$8,461,529	\$18,103,419	\$8,348,844	\$9,653,568
Collected	\$1,180,969	\$1,053,011	\$1,351,868	\$1,040,648	\$678,390

Attached 2012 Maps:

- Liquor-by-the-Drink (Wet/Dry Counties)
- Dry Cities (No Retail Sales)
- Active Off-Premise Retailers
- Active On-Premise Retailers
- Active Distributors
- Active Farm Wineries and Outlets
- Active Microbreweries
- Active Manufacturers
- Active CMB Off-Premise Retailers
- Active CMB On-Premise Retailers

2012 Active Kansas On-Premise Retailers

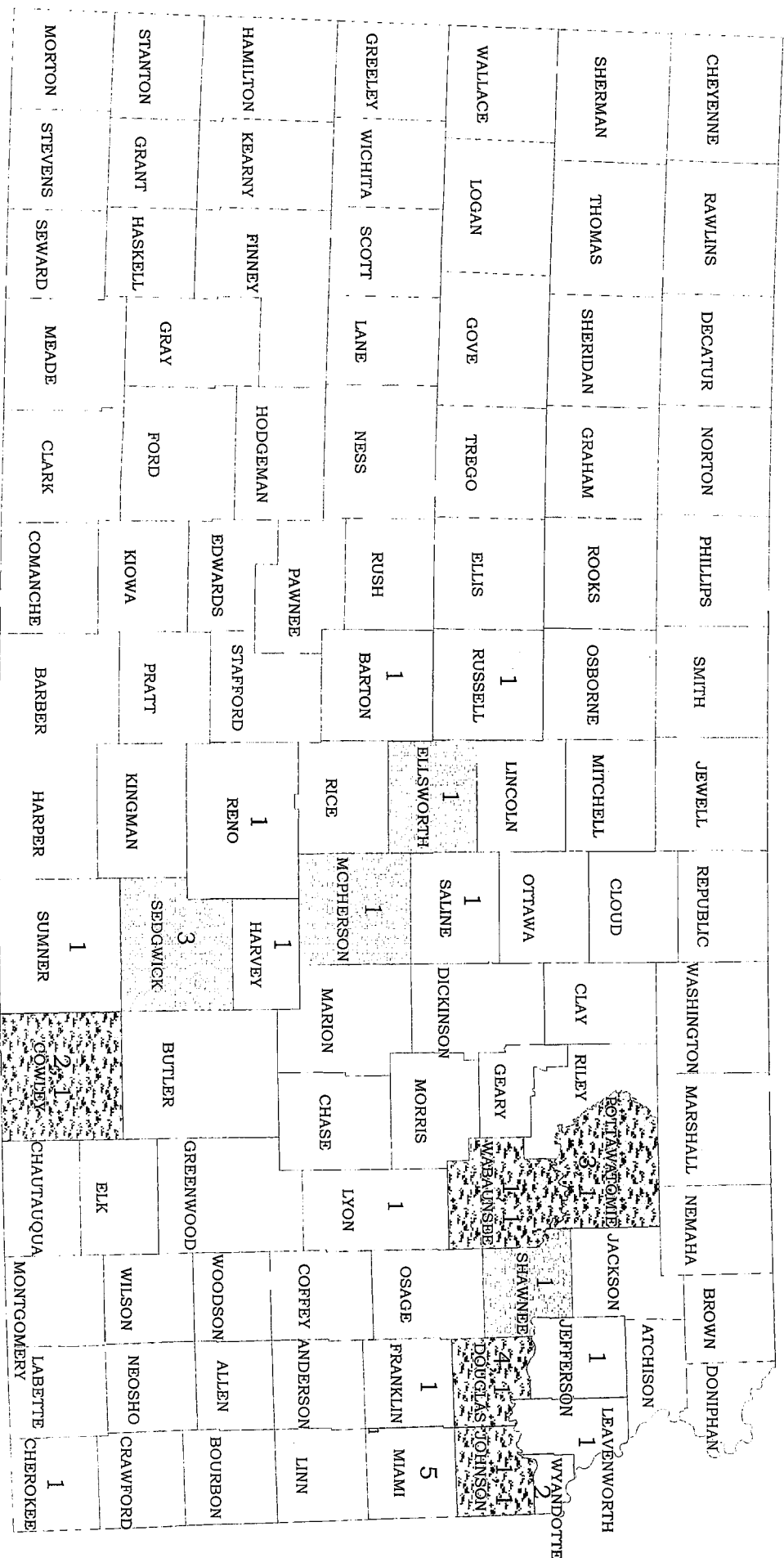


The data used for this map was derived from the Kansas Department of Revenue, Alcoholic Beverage Control Division, Liquor Licensing Database, for January 2012. This map was prepared by Kansas Department of Revenue, Property Valuation Division, GIS Section.

Kansas
 Department of Revenue
 Alcoholic Beverage Control
 January 6, 2012
 Map #AC12-001

Total: 2,320 Active On-Premise Licenses

2012 Active Kansas Farm Winery and Outlet Licenses



The data used for this map was derived from the Kansas Department of Revenue, Alcoholic Beverage Control Division, Liquor Licensing Database, for January 2012. This map was prepared by Kansas Department of Revenue, Property Valuation Division, GIS Section.

of Counties

Counties with Wineries and Outlets

(13) Farm Wineries

(5) Farm Wineries and Farm Winery Outlets

(4) Farm Winery Outlets

Total: 29 Active Farm Winery Licenses
11 Active Farm Winery Outlet Licenses



2012

12rs1629

SENATE BILL NO. _____

By

AN ACT concerning alcoholic beverages; repealing statutes pertaining to salesperson's permits; repealing K.S.A. 41-333, 41-334, 41-335, 41-336, 41-337, 41-338, 41-339, 41-340 and 41-341.

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

Section 1. K.S.A. 41-333, 41-334, 41-335, 41-336, 41-337, 41-338, 41-339, 41-340 and 41-341 are hereby repealed.

Sec. 2. This act shall take effect and be in force from and after its publication in the statute book.

SENATE BILL NO. _____

By Committee on Federal and State Affairs

AN ACT concerning alcoholic beverages; relating to the employment of certain individuals by licensees under the club and drinking establishment act; amending K.S.A. 41-2610 and repealing the existing section.

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

Section 1. K.S.A. 41-2610 is hereby amended to read as follows: 41-2610. (a) It shall be unlawful for any licensee or holder of a temporary permit under this act to:

~~(a)~~ (1) Employ any person under the age of 18 years in connection with the serving of alcoholic liquor.

~~(b)~~ (2) Employ ~~knowingly or continue in employment~~ any person in connection with the dispensing or serving of alcoholic liquor or the mixing of drinks containing alcoholic liquor who has been adjudged guilty of a felony or of any crime involving a morals charge in this or any other state, or of the United States.

~~(c)~~ (3) Employ ~~knowingly or to continue in employment~~ any person in connection with the dispensing or serving of alcoholic liquor or mixing of drinks containing alcoholic liquor who has been adjudged guilty of a violation of any intoxicating liquor law of this or any other state, or of the United States, during the two-year period immediately following such adjudging.

~~(d)~~ (4) In the case of a club, fail to maintain at the licensed premises a current list of all members and their residence addresses or refuse to allow the director, any of the director's authorized agents or any law enforcement officer to inspect such list.

~~(e)~~ (5) Purchase alcoholic liquor from any person except from a person authorized by law to sell such alcoholic liquor to such licensee or permit holder.

~~(f)~~ (6) Permit any employee of the licensee or permit holder who is under the age of 21

Kansas Department of Revenue
Legislative Proposal No. (P&R will assign)
2012 Session

Amended 10/07/2011

1. **Proposal No.** Drink pricing, pitchers, and serving size
2. **Summary.** Remove the proportionate pricing requirement of K.S.A. 41-2640(a)(5); amend K.S.A. 41-2640(b) to allow licensees to sell and serve beer in pitchers; and amend K.S.A. 41-2601 to provide a definition of "individual serving" as it relates to alcoholic beverages.
3. **Administrative Impact.** None.
4. **Fiscal Impact.** None.
5. **Policy Implications and Impact on the Agency Strategic Plan.** The proportionate pricing requirement of K.S.A. 41-2640(a)(5) is vague and leads to confusion among both industry and regulators. Some chain restaurants asked ABC to create a comprehensive price policy to avoid conflicting information across regions of the state. When ABC attempted to do so in a policy memorandum it met with mixed support from the industry, but the beer industry strongly opposed it. The policy has been withdrawn until after the legislature has a chance to address the issue. The provision, in its current form at least, is unenforceable.

The serving of beer in ever increasing sizes has become an issue that can no longer be ignored. State law does not specifically address the sale or service of beer in pitchers or beer towers. An amendment specifying that beer and cereal malt beverage may be sold and served in pitchers not exceeding a certain size clarifies the issue, allows licensees to meet the requests of their customers and limits the size of container to avoid over-consumption.

The adoption of a definition of individual serving, limiting the amount of alcohol that may be sold in any one drink, will help prevent over-service and over-consumption of liquor.

6. **Proposal Contacts.** Doug Jorgensen, ABC Director; Sarah Byrne, AAG

~~(n)~~ **(p)** "Morals charge" means a charge involving prostitution; procuring any person; soliciting of a child under 18 years of age for any immoral act involving sex; possession or sale of narcotics, marijuana, amphetamines or barbiturates; rape; incest; gambling; illegal cohabitation; adultery; bigamy; or a crime against nature.

~~(o)~~ **(q)** "Municipal corporation" means the governing body of any county or city.

~~(p)~~ **(r)** "Restaurant" means:

(1) In the case of a club, a licensed food service establishment which, as determined by the director, derives from sales of food for consumption on the licensed club premises not less than 50% of its gross receipts from all sales of food and beverages on such premises in a 12-month period;

(2) in the case of a drinking establishment subject to a food sales requirement under K.S.A. 41-2642 and amendments thereto, a licensed food service establishment which, as determined by the director, derives from sales of food for consumption on the licensed drinking establishment premises not less than 30% of its gross receipts from all sales of food and beverages on such premises in a 12-month period; and

(3) in the case of a drinking establishment subject to no food sales requirement under K.S.A. 41-2642 and amendments thereto, a licensed food service establishment.

~~(q)~~ **(s)** "RV resort" means premises where a place to park recreational vehicles, as defined in K.S.A. 75-1212 and amendments thereto, is offered for pay, primarily to transient guests, for overnight or longer use while such recreational vehicles are used as sleeping or living accommodations.

~~(r)~~ **(t)** "Secretary" means the secretary of revenue.

~~(s)~~ **(u)** "Temporary permit" means a temporary permit issued pursuant to K.S.A. 41-2645 and amendments thereto.

41-2640. Certain sales practices prohibited; penalties; "drink" defined. (a) No club, drinking establishment, caterer or holder of a temporary permit, nor any person acting as an employee or agent thereof, shall:

(1) Offer or serve any free cereal malt beverage or alcoholic liquor in any form to any person;

(2) offer or serve to any person a drink at a price that is less than the acquisition cost of the drink to the licensee or permit holder;

(3) sell, offer to sell or serve to any person an unlimited number of drinks during any set period of time for a fixed price, except at private functions not open to the general public or to the general membership of a club;

(4) sell, offer to sell or serve any drink to any person at any time at a price less than that charged all other purchasers of drinks on that day;

~~(5) increase the volume of alcoholic liquor contained in a drink or the size of a drink of cereal malt beverage without increasing proportionately the price regularly charged for the drink on that day;~~

~~(6)~~ **(5)** encourage or permit, on the licensed premises, any game or contest which involves drinking alcoholic liquor or cereal malt beverage or the awarding of drinks as prizes; or

~~(7)~~ **(6)** advertise or promote in any way, whether on or off the licensed premises, any of the practices prohibited under subsections (a)(1) through (6).

Kansas Department of Revenue
Legislative Proposal No. (P&R will assign)
2012 Session

Amended 1/12/2012

1. **Proposal No.** Public Venue License
2. **Summary.** Create a public venue license for large venues hosting sporting events, concerts, theatrical productions, etc. and establish rights and restrictions for the license type.
3. **Administrative Impact.** Unknown
4. **Fiscal Impact.** Unknown
5. **Policy Implications and Impact on the Agency Strategic Plan.** Kansas now has several large public venues that are used primarily for sporting events, concerts and theatrical productions. These venues are unique in their size, capacity, and operations. The drinking establishment license, which is currently the only license type available for these types of operations, prohibits these venues from operating in a manner consistent with reasonable expectations of the licensees, the venues' owners, and the general public.

A new license type, different and unique, is necessary to efficiently regulate these types of premises, yet allow activities that are standard business practices across the country for these types of venues.

6. **Proposal Contacts.** Doug Jorgensen, ABC Director; Sarah Byrne, AAG

41-2601. Definitions. As used in the club and drinking establishment act:

(a) The following terms shall have the meanings provided by K.S.A. 41-102 and amendments thereto: (1) "Alcoholic liquor"; (2) "director"; (3) "original package"; (4) "person"; (5) "sale"; and (6) "to sell."

(b) "Beneficial interest" shall not include any interest a person may have as owner, operator, lessee or franchise holder of a licensed hotel or motel on the premises of which a club or drinking establishment is located.

(c) "Caterer" means an individual, partnership or corporation which sells alcoholic liquor by the individual drink, and provides services related to the serving thereof, on unlicensed premises which may be open to the public, but does not include a holder of a temporary permit, selling alcoholic liquor in accordance with the terms of such permit.

(d) "Cereal malt beverage" has the meaning provided by K.S.A. 41-2701 and amendments thereto.

(~~e~~) (*r*) "RV resort" means premises where a place to park recreational vehicles, as defined in K.S.A. 75-1212 and amendments thereto, is offered for pay, primarily to transient guests, for overnight or longer use while such recreational vehicles are used as sleeping or living accommodations.

(~~r~~) (*s*) "Secretary" means the secretary of revenue.

(~~s~~) (*t*) "Temporary permit" means a temporary permit issued pursuant to K.S.A. 41-2645 and amendments thereto.

41-2608. Same; premises licensed; zoning compliance. (*a*) Any club, *public venue* or drinking establishment license issued pursuant to this act shall be for one particular premises which shall be stated in the application and in the license. *Not more than one premises licensed under the club and drinking establishment act shall exist at a single legal address.*

(*b*) No license shall be issued for a club, *public venue* or drinking establishment unless the city, township or county zoning code allows a club or drinking establishment at that location.

41-2613. Immediate entry to and inspection of premises condition of license or permit; revocation for refusal. The right of immediate entry to and inspection of any premises licensed as a club, *public venue* or drinking establishment or any premises where alcoholic liquor is sold by a holder of a temporary permit, or any premises subject to the control of any licensee or temporary permit holder, by any duly authorized officer or agent of the director, or by any law enforcement officer, shall be a condition on which every license or temporary permit is issued, and the application for, and acceptance of, any license or temporary permit shall conclusively be deemed to be the consent of the applicant and licensee or permit holder to such immediate entry and inspection. Such right of immediate entry and inspection shall be at any time when the premises are occupied and is not limited to hours when the club or drinking establishment is open for business. Such consent shall not be revocable during the term of the license or temporary permit. Refusal of such entry shall be grounds for revocation of the license or temporary permit.

41-2614. Hours of operation. (*a*) Except as provided by subsection (*c*), no club, ~~or~~ drinking establishment *or public venue* shall allow the serving, mixing or consumption of alcoholic liquor on its premises between the hours of 2:00 a.m. and 9:00 a.m. on any day.

(*b*) No caterer shall allow the serving, mixing or consumption of alcoholic liquor between the hours of 2:00 a.m. and 6:00 a.m. on any day at an event catered by such caterer.

(*c*) A hotel of which the entire premises are licensed as a drinking establishment or as a drinking establishment/caterer may allow at any time the serving, mixing and consumption of alcoholic liquor and cereal malt beverage from a minibar in a guest room by guests registered to stay in such room, and guests of guests registered to stay in such room.

(d) (e) No occupational or excise tax or license fee other than that authorized by subsections (c) or (d) shall be levied by any city or county against or collected from a licensed club, or drinking establishment or *public venue*.

(e) (f) The director shall remit all moneys received under this section to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury. Of each such deposit, 50% shall be credited to the state general fund, and the remaining 50% shall be credited to the other state fees fund of the department of social and rehabilitation services. In addition to other purposes for which expenditures may be made from the other state fees fund of the department of social and rehabilitation services, expenditures may be made by the secretary of social and rehabilitation services for the purpose of implementing the powers and duties of the secretary under the provisions of K.S.A. 65-4006 and 65-4007, and amendments thereto.

41-2629. Class B club, drinking establishment, *public venue* or caterer's license; nature of; term; transfer limited; refund of fees. (a) A class B club, *drinking establishment, public venue* license or caterer's license shall be issued for a term not to exceed two years after issuance, except as otherwise provided by law, unless sooner suspended or revoked as provided in this act.

~~(b) Prior to July 1, 2011, a drinking establishment license shall be issued for a term not to exceed one year after issuance, except as otherwise provided by law, unless sooner suspended or revoked as provided by this act. On and after July 1, 2011, a drinking establishment license shall be issued for a term not to exceed two years after issuance, except as otherwise provided by law, unless sooner suspended or revoked as provided by this act.~~

(e) (b) The director, may, at the director's sole discretion and after examination of the circumstances, extend the license term of any license for not more than 30 days beyond such date the license would expire pursuant to this section. Any extension of the license term by the director pursuant to this section shall automatically extend the due date for payment by the licensee of any occupation or license tax levied by a city or township pursuant to K.S.A. 41-2622, and amendments thereto, by the same number of days the director has extended the license term.

(d) (c) A class B license, drinking establishment license, *public venue license* or caterer's license shall be purely a personal privilege and shall not constitute property, nor shall it be subject to attachment, garnishment or execution, nor shall it be alienable or transferable, voluntarily or involuntarily, or subject to being encumbered or hypothecated. A class B club license, drinking establishment license, *public venue license* or caterer's license shall not descend by the laws of testate or intestate devolution but shall cease or expire upon the death of the licensee subject to the following provision.

(e) (d) An executor, administrator or representative of the estate of any deceased holder of a class B club, drinking establishment, *public venue* or caterer's license or the trustee of any insolvent or bankrupt class B club, drinking establishment, *public venue* or caterer's license may continue the licensee's business under order of the appropriate court and may exercise the privilege of the deceased, insolvent or bankrupt licensee after the death of such licensee or after such insolvency or bankruptcy until the expiration of such

(6) advertise or promote in any way, whether on or off the licensed premises, any of the practices prohibited under subsections (c)(1) through (5).

(d) Violation of any provision of this section is a misdemeanor punishable as provided by K.S.A. 41-2633 and amendments thereto.

(e) Violation of any provision of this section shall be grounds for suspension or revocation of the licensee's license as provided by K.S.A. 41-2609 and amendments thereto and for imposition of a civil fine on the licensee as provided by K.S.A. 41-2633a and amendments thereto.

(f) As used in this section, "drink" means an individual serving of any beverage containing alcoholic liquor.

41-306. Spirits distributor's license; rights of licensee. A spirits distributor's license, shall allow:

(a) The wholesale purchase, importation and storage of spirits, but all such spirits so purchased or imported which are manufactured in the United States shall be purchased from the primary American source of supply or from another licensed spirits distributor, except that a licensed spirits distributor may purchase confiscated spirits at a sheriff's sale.

(b) The sale of spirits to:

(1) Spirits distributors licensed in this state;

(2) retailers licensed in this state, except that such distributor shall sell a brand of spirits only to those retailers whose licensed premises are located in the geographic territory within which such distributor is authorized to sell such brand, as designated in the notice or notices filed with the director pursuant to K.S.A. 41-410 and amendments thereto; and

(3) such persons located outside such territory or outside this state as permitted by law.

(c) The purchase of spirits in barrels, casks or other bulk containers and the bottling thereof before resale, but all bottles or containers filled with such spirits shall be sealed, labeled and otherwise made to comply with all laws and rules and regulations governing the preparation and bottling of spirits by manufacturers and with all federal rules, regulations and laws.

(d) The storage and delivery to a retailer licensed under the Kansas liquor control act or a retailer licensed under K.S.A. 41-2702 and amendments thereto, on the distributor's licensed premises, of alcoholic liquor or cereal malt beverage of another licensed distributor authorized by law to sell such alcoholic liquor or cereal malt beverage to such retailer, in accordance with an agreement entered into with such other distributor and approved by the director.

(e) The storage and delivery to a public venue licensed under the club and drinking establishment act of alcoholic liquor purchased by the public venue from a retailer authorized by law to sell such alcoholic liquor to such public venue.

designated in the notice or notices filed with the director pursuant to K.S.A. 41-410 and amendments thereto; and

(4) such persons located outside such territory or outside this state as permitted by law.

(c) The sale of cereal malt beverage to:

(1) Beer distributors licensed in this state;

(2) clubs and drinking establishments, licensed in this state, and retailers licensed under K.S.A. 41-2702 and amendments thereto, except that such distributor shall sell a brand of cereal malt beverage only to those such clubs, drinking establishments and retailers of which the licensed premises are located in the geographic territory within which such distributor is authorized to sell such brand, as designated in the notice or notices filed with the director pursuant to K.S.A. 41-410 and amendments thereto; and

(3) such persons located outside such territory or outside this state as permitted by law.

(d) The purchase of cereal malt beverage in kegs or other bulk containers and the bottling or canning thereof in accordance with law.

(e) The storage and delivery to a retailer licensed under the Kansas liquor control act or a retailer licensed under K.S.A. 41-2702 and amendments thereto, on the distributor's licensed premises, of alcoholic liquor or cereal malt beverage of another licensed distributor authorized by law to sell such alcoholic liquor or cereal malt beverage to such retailer, in accordance with an agreement entered into with such other distributor and approved by the director.

(f) The delivery and storage, with proper invoicing in accordance with regulations adopted by the secretary, on the premises of a public venue, of beer sold to or available for purchase by the public venue during an event.

41-308. Retailer's license; rights of licensee. (a) A retailer's license shall allow the licensee to sell and offer for sale at retail and deliver in the original package, as therein prescribed, alcoholic liquor for use or consumption off of and away from the premises specified in such license. A retailer's license shall permit sale and delivery of alcoholic liquor only on the licensed premises and shall not permit sale of alcoholic liquor for resale in any form, except that a licensed retailer may:

(1) Sell alcoholic liquor to a temporary permit holder for resale by such permit holder; and

(2) sell and deliver alcoholic liquor to a caterer or to the licensed premises of a club, *public venue* or drinking establishment, if such premises are in the county where the retailer's premises are located or in an adjacent county, for resale by such club, *public venue, drinking* establishment or caterer.

(b) The holder of a retailer's license shall not sell, offer for sale, give away or permit to be sold, offered for sale or given away in or from the premises specified in such license any service or thing of value whatsoever except alcoholic liquor in the original package, except that a licensed retailer may:

(1) Charge a delivery fee for delivery to a club, *public venue*, drinking establishment or caterer pursuant to subsection (a);

(1) The sale, on the licensed premises in the original unopened container to consumers for consumption off the licensed premises, of wine manufactured by the licensee;

(2) the serving on the licensed premises of samples of wine manufactured by the licensee or imported under subsection (f) (e), if the premises are located in a county where the sale of alcoholic liquor is permitted by law in licensed drinking establishments; and

(3) the manufacture of domestic table wine and domestic fortified wine and the storage thereof; provided, that the aggregate quantity of wine produced by the farm winery licensee, including all winery outlets, shall not exceed 100,000 gallons per year.

(c) Not less than 60% of the products utilized in the manufacture of domestic table wine and domestic fortified wine by a farm winery shall be grown in Kansas except when a lesser proportion is authorized by the director based upon the director's findings and judgment. The label of domestic wine and domestic fortified wine shall indicate that a majority of the products utilized in the manufacture of the wine at such winery were grown in Kansas.

(d) A farm winery or winery outlet may sell domestic wine and domestic fortified wine 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. on Sunday. If authorized by subsection (a), a farm winery may serve samples of domestic wine, domestic fortified wine and wine imported under subsection (e) and serve and sell domestic wine, domestic fortified wine 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. If authorized by subsection (b), a winery outlet may serve samples of domestic wine, domestic fortified wine and wine imported under subsection (f) at any time when the winery outlet is authorized to sell domestic wine and domestic fortified wine.

(e) The director may issue to the Kansas state fair or any bona fide group of grape growers or wine makers a permit to import into this state small quantities of wines. Such wine shall be used only for bona fide educational and scientific tasting programs and shall not be resold. Such wine 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 wine to be imported, the quantity to be imported, the tasting programs for which the wine is to be used and the times and locations of such programs. The secretary shall adopt rules and regulations governing the importation of wine pursuant to this subsection and the conduct of tasting programs for which such wine is imported.

(f) A farm winery license or winery outlet 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.

(g) No farm winery or winery outlet 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-premise supervision of either the licensee or an employee of the licensee who is 21 years of age or over;

(f) No supplier, wholesaler, distributor, manufacturer or importer shall by oral or written contract or agreement, expressly or impliedly fix, maintain, coerce or control the resale price of alcoholic liquor, beer or cereal malt beverage to be resold by such wholesaler, distributor, manufacturer or importer.

(g) Any supplier, wholesaler, distributor or manufacturer violating the provisions of this section shall be guilty of a misdemeanor and upon conviction thereof shall be punished by a fine of not less than \$500 and not more than \$1,000, to which may be added not to exceed six months' imprisonment. In addition, any supplier, wholesaler, distributor, manufacturer or importer violating the provisions of this section relating to fixing, maintaining or controlling the resale price of alcoholic liquor, beer or cereal malt beverage shall be liable in a civil action to treble the amount of any damages awarded plus reasonable attorney fees for the damaged party.