

2021 AMENDMENTS TO KANSAS LIQUOR LAWS

The 2021 Legislature passed the following bill amending the liquor control act, club and drinking establishment act, cereal malt beverage act and the liquor enforcement act.

House Bill 2137 – Effective upon publication in the Kansas Register. The full text of the bill may be viewed at <http://www.kslegislature.org/li/>.

Fulfillment House License

Creates a new license type for fulfillment houses, which allows the licensee to handle all logistics on behalf of a special order shipping license holder, including packaging, warehousing, order fulfillment and shipping services. Each location must be licensed. The license fee is \$50 for a two-year term in addition to the application fee and modernization fee. Out-of-state applicants must appoint the Kansas Secretary of State as their resident agent.

Fulfillment house licensees must file a monthly report of their shipments electronically by the 15th of the month following shipments.

Expanded Sunday Sales

Authorizes Sunday sales for Retail Liquor Stores and Cereal Malt Beverage (CMB) Retailers to begin as early as 9 a.m. in cities or counties where Sunday sales have been authorized. The city or county must modify their existing ordinances in order to authorize Sunday sales before noon.

Pursuant to K.S.A. 41-2911(a)(1)(A) (counties) and (b)(1)(A) (cities), any change must be done through ordinance or resolution. If the city or county wishes to make the change, it will require an updated ordinance. The city or county may draft the ordinance or resolution without an election, but it is subject to a 60-day waiting period during which a petition for an election can be filed.

Class A Clubs

Authorizes Class A Clubs to enter into a contract with non-members to host an event provided the Class A Club notifies the ABC electronically at least 48 hours before the event and maintains records for three years. The ABC must make this information available on our website for law enforcement and the public.

Liquor License Applicants

Amends the Liquor Control Act, Club and Drinking Establishment Act and the Cereal Malt Beverage Act to remove any Kansas residency requirement to obtain a liquor license. The director may require fingerprints for out-of-state applicants. An out-of-state applicant must appoint a process agent who is a qualified Kansas resident.

Removes the requirement for an entity to be organized under Kansas laws.

Authorizes issuance of a liquor license to a person whose spouse is a law enforcement officer at the time of application.

Pitchers of Mixed Alcoholic Beverages

Authorizes Drinking Establishments, Class A Clubs, Class B Clubs, Caterers, or Temporary Permit Holders to sell pitchers of mixed alcoholic beverages provided they are at least 25 percent non-alcoholic liquid or other edible substance. A pitcher must be more than 32 ounces and not more than 64 ounces.

To-Go Alcoholic Beverages

Drinking Establishments, Class A Clubs and Class B Clubs are authorized to sell to-go alcoholic liquor or CMB. It must be otherwise legal for the licensee to sell the alcoholic liquor or CMB.

1. Beer, CMB or wine purchased on the licensed premises may be sold to go in its original, unopened container and placed in a clear, tamper proof bag.
2. All opened containers must be resealed and placed in a clear, tamper proof bag.
3. A dated receipt must be given to the patron.
4. Sales of to-go drinks must cease at 11 p.m.
5. If wine was partially consumed on the licensed premises, the licensee may reseal the bottle and place it in the clear, tamper proof bag with a receipt for removal after 11 p.m.

Sales of spirits in the original container is prohibited.

Growlers

Retail Liquor Stores, Drinking Establishments, Class A Clubs and Class B Clubs may sell and refill growlers of beer, domestic beer and CMB provided:

1. The containers are not less than 32 ounces and not more than 64 ounces.
2. They are labeled with the licensee name and type of beer or CMB in the container.
3. They are not sold or removed from the premises after 11:00 p.m.
4. Taxation:
 - a. Retail Liquor Store sales are subject to liquor enforcement tax.
 - b. Drinking Establishment, Class A Club and Class B Club sales are subject to liquor drink tax.

Kansas Agricultural Product Requirement

Effective July 1, 2021, the Kansas agricultural product requirement is reduced to 15 percent. This requirement will sunset on January 1, 2023 for a Farm Winery or a Microbrewery who also manufactures hard cider.

CMB Sales

Drinking Establishments, Caterers, Class A Clubs, Class B Clubs and Public Venues may purchase, sell and permit consumption of CMB on their licensed premise without obtaining an additional CMB Retailer's license. The sale of CMB for off-premises consumption is not permitted, with the exception of to-go sales conducted pursuant to K.S.A. 41-2653.

Temporary Permit holders, including the Kansas State Fair Temporary Permit holders, may purchase, sell and permit consumption of CMB under their temporary permit issued by the ABC without obtaining an additional CMB retailer's license.

Farm Wineries

Authorizes certain activities to be conducted in accordance with federal law:

1. Transfer or receive wine in bulk containers or packaged wine in bond to any bonded premises.
2. Transfer or receive wine in a bulk container in bond to a distilled spirits plant.
3. Receive distilled spirits in a bulk container.
4. Produce fortified wine with the addition of wine spirits to domestic wine if the added spirits are produced from the same kind of fruit used to produce the wine.
5. Authorizes the importation of wine from outside Kansas for use in the production of domestic wine.
6. Specifies that a farm winery cannot transfer wine in bulk containers to the premises of a brewery.
7. Clarifies that terms not defined in Kansas law will have the same meaning as defined in federal law.

Kansas Manufacturers

Authorizes a Kansas manufacturer to hold one drinking establishment license provided the location is within two miles from the manufacturer's location using the road usually travelled to measure the distance.

The bill requires the drinking establishment to purchase their alcoholic liquor and beer from a retail liquor store that holds a federal basic wholesale permit, distributor or a farm winery. The drinking establishment cannot sell the manufacturer's own brand to the exclusion of other alcoholic liquor.

Producer's License

Requires the county board of commissioners or the ABC Director to approve a CMB retailer's license for the holder of a Producer's license.

Retail Liquor Stores

Authorizes the sale of alcoholic liquor on Memorial Day, Independence Day and Labor Day for cities/counties who have not authorized expanded (Sunday) sales.

Authorizes the sale and delivery of CMB at wholesale to CMB retailers.

Special Order Shippers

Changes the report of sales and gallonage tax from an annual report to a quarterly report which must be filed electronically by the 15th of each month and pay any gallonage tax due.

The bill also specifies that the effective date of the license is specified on the license.

Violating a Lawful Order Issued by the ABC Director

Authorizes a penalty for violating a lawful order issued by the ABC Director.

Additional Information

The March 17, 2020 "COVID-19 Concerns Regarding Distributor Practices" memorandum is rescinded effective July 1, 2021.

The March 18, 2020 "COVID-19 Concerns Regarding Sales on the Licensed Premises" memorandum will remain in effect.

ABC handbooks for licensees are currently being updated. Please visit our website to obtain an updated version at <https://www.ksrevenue.gov/abchandbooks.html>.



Debbi Beavers, Director
Kansas Alcoholic Beverage Control Division