

## House Substitute for SENATE BILL No. 116

By Committee on Federal and State Affairs

3-20

1 AN ACT concerning alcoholic beverages; relating to spirits distributors,  
2 wine distributors and cereal malt beverage distributors; regulating  
3 samples; relating to the special order shipping of wine; requiring  
4 monthly remittance of gallonage taxes; amending the common  
5 consumption area law to permit rather than require that roads be  
6 blocked and to allow designation of such areas by signage; relating to  
7 the Kansas cereal malt beverage act; allowing businesses to sell cereal  
8 malt beverage by the drink on Sundays without requiring that 30% of  
9 the gross receipts of such businesses be derived from the sale of food;  
10 amending K.S.A. 41-306, 41-306a, 41-307, 41-350 and 41-2659 and  
11 K.S.A. 2022 Supp. 41-2704 and repealing the existing sections.  
12

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

14 Section 1. K.S.A. 41-306 is hereby amended to read as follows: 41-  
15 306. A spirits distributor's license, shall allow:

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

21 (b) The sale of spirits to:

22 (1) Spirits distributors licensed in this state;

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

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

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

36 (d) The storage and delivery to a retailer licensed under the Kansas

1 liquor control act or a retailer licensed under K.S.A. 41-2702, and  
2 amendments thereto, on the distributor's licensed premises, of alcoholic  
3 liquor or cereal malt beverage of another licensed distributor authorized by  
4 law to sell such alcoholic liquor or cereal malt beverage to such retailer, in  
5 accordance with an agreement entered into with such other distributor and  
6 approved by the director.

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

11 (f) The withdrawal of spirits from such licensee's inventory for use as  
12 samples in the course of the business of the distributor or at industry  
13 seminars. Samples may only be provided to persons licensed as a  
14 distributor or a retailer under the Kansas liquor control act; and such  
15 person's employees *or to persons licensed under the club and drinking*  
16 *establishment act and such persons' employees*. Samples may be served on  
17 the licensed premises of the licensee, or on the premises of a licensed  
18 retailer, ~~provided~~ *except that* no sample shall be served on that portion of  
19 the premises of a licensed retailer that is open to the public and where  
20 sales of alcoholic liquor at retail are made. *Only products that have not*  
21 *been purchased from the distributor licensee by the retailer or club and*  
22 *drinking establishment act licensee within the previous 12 months may be*  
23 *provided for sampling pursuant to this subsection*. No sample shall be  
24 provided to any minor. Nothing in this subsection shall be construed to  
25 permit the licensee to sell any alcoholic liquor for consumption on the  
26 premises. The withdrawal of spirits shall be subject to the tax imposed by  
27 K.S.A. 79-4101 et seq., and amendments thereto, based on the applicable  
28 current posted bottle or case price. For purposes of ~~providing samples~~  
29 ~~pursuant to this subsection other than at industry seminars or to the~~  
30 ~~licensee's employees, the term "sample" shall have the same meaning as~~  
31 ~~that term is defined in K.S.A. 41-2601, and amendments thereto~~ *this*  
32 *subsection, "sample" means not more than three liters of distilled spirits.*

33 Sec. 2. K.S.A. 41-306a is hereby amended to read as follows: 41-  
34 306a. A wine distributor's license shall allow:

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

40 (b) The sale of wine to:

41 (1) Wine distributors licensed in this state;

42 (2) retailers licensed in this state, except that such distributor shall  
43 sell a brand of wine only to those retailers whose licensed premises are

1 located in the geographic territory within which such distributor is  
2 authorized to sell such brand, as designated in the notice or notices filed  
3 with the director pursuant to K.S.A. 41-410, and amendments thereto; and

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

6 (c) The sale of wine, but only in barrels, casks and other bulk  
7 containers, to:

8 (1) Licensed caterers; and

9 (2) public venues, clubs and drinking establishments licensed in this  
10 state, except that such distributor shall sell a brand of wine only to such  
11 public venues, clubs and drinking establishments the licensed premises of  
12 which are located in the geographic territory within which such distributor  
13 is authorized to sell such brand, as designated in the notice or notices filed  
14 with the director pursuant to K.S.A. 41-410, and amendments thereto.

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

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

27 (f) The withdrawal of wine from such licensee's inventory for use as  
28 samples in the course of the business of the distributor or at industry  
29 seminars. Samples may only be provided to persons licensed as a  
30 distributor or a retailer under the Kansas liquor control act, and such  
31 person's employees, or to persons licensed under the club and drinking  
32 establishment act, and such person's employees. Samples may be served  
33 on the licensed premises of the licensee, or on the premises of a licensed  
34 retailer, provided no sample shall be served on that portion of the premises  
35 of a licensed retailer that is open to the public and where sales of alcoholic  
36 liquor at retail are made. Samples may be served on the premises of a  
37 licensee holding a license issued under the club and drinking establishment  
38 act, provided no sample shall be served on that portion of the premises that  
39 is open to the public and where sales of alcoholic liquor are made. *Only*  
40 *products that have not been purchased from the distributor licensee by the*  
41 *retailer or club and drinking establishment licensee within the previous 12*  
42 *months may be provided for sampling pursuant to this subsection. No*  
43 *sample shall be provided to any minor. Nothing in this subsection shall be*

1 construed to permit the licensee to sell any alcoholic liquor for  
2 consumption on the premises. The withdrawal of wine shall be subject to  
3 the tax imposed by K.S.A. 79-4101 et seq., and amendments thereto, based  
4 on the applicable current posted bottle or case price. For purposes ~~of~~  
5 ~~providing samples pursuant to this subsection other than at industry~~  
6 ~~seminars or to the licensee's employees, the term of this subsection,~~  
7 "sample" ~~shall have the same meaning as that term is defined in K.S.A. 41-~~  
8 ~~2601, and amendments thereto means not more than three liters of any~~  
9 ~~brand of wine.~~

10 (g) This section shall be a part of and supplemental to the Kansas  
11 liquor control act.

12 Sec. 3. K.S.A. 41-307 is hereby amended to read as follows: 41-307.

13 A beer distributor's license shall allow:

14 (a) The wholesale purchase, importation and storage of beer.

15 (b) The sale of beer to:

16 (1) Licensed caterers;

17 (2) beer distributors licensed in this state;

18 (3) retailers, public venues, clubs and drinking establishments,  
19 licensed in this state, except that such distributor shall sell a brand of beer  
20 only to those retailers, public venues, clubs and drinking establishments of  
21 which the licensed premises are located in the geographic territory within  
22 which such distributor is authorized to sell such brand, as designated in the  
23 notice or notices filed with the director pursuant to K.S.A. 41-410, and  
24 amendments thereto; and

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

27 (c) The sale of cereal malt beverage to:

28 (1) Beer distributors licensed in this state;

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

37 (3) retailers; and

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

40 (d) The sale of beer containing not more than 6% alcohol by volume  
41 to cereal malt beverage retailers licensed pursuant to K.S.A. 41-2702, and  
42 amendments thereto.

43 (e) The purchase of cereal malt beverage in kegs or other bulk

1 containers and the bottling or canning thereof in accordance with law.

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

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

13 (h) The withdrawal of beer or cereal malt beverage from such  
14 licensee's inventory for use as samples in the course of the business of the  
15 distributor or at industry seminars. Samples may only be provided to  
16 persons licensed as a distributor or a retailer under the Kansas liquor  
17 control act, and such person's employees, or to persons licensed under the  
18 club and drinking establishment act, and such person's employees.  
19 Samples may be served on the licensed premises of the licensee, or on the  
20 premises of a licensed retailer, provided no sample shall be served on that  
21 portion of the premises of a licensed retailer that is open to the public and  
22 where sales of alcoholic liquor at retail are made. Samples may be served  
23 on the premises of a licensee holding a license issued under the club and  
24 drinking establishment act, provided no sample shall be served on that  
25 portion of the premises that is open to the public and where sales of  
26 alcoholic liquor are made. *Only products that have not been purchased*  
27 *from the distributor licensee by the retailer or club and drinking*  
28 *establishment act licensee within the previous 12 months may be provided*  
29 *for sampling pursuant to this subsection.* No sample shall be provided to  
30 any minor. Nothing in this subsection shall be construed to permit the  
31 licensee to sell any alcoholic liquor for consumption on the premises. The  
32 withdrawal of beer or cereal malt beverage shall be subject to the tax  
33 imposed by K.S.A. 79-4101 et seq., and amendments thereto, based on the  
34 applicable current posted bottle or case price. For purposes of ~~providing~~  
35 ~~samples pursuant to this subsection other than at industry seminars or to~~  
36 ~~the licensee's employees, the term this subsection, "sample" shall have the~~  
37 ~~same meaning as that term is defined in K.S.A. 41-2601, and amendments~~  
38 ~~thereto means not more than three gallons of any brand of beer or cereal~~  
39 ~~malt beverage.~~

40 Sec. 4. On and after July 1, 2023, K.S.A. 41-350 is hereby amended  
41 to read as follows: 41-350. (a) For the purposes of this act, the term  
42 "winery" means any maker or producer of wine whether in this state or in  
43 any other state, who holds a valid federal basic wine manufacturing

1 permit. The terms "director" and "secretary" ~~have the meaning ascribed to~~  
2 ~~these terms~~ *mean the same as defined* in K.S.A. 41-102, and amendments  
3 thereto.

4 (b) Any winery may be authorized to make direct shipments of wine  
5 to consumers in this state upon obtaining a special order shipping license  
6 from the secretary pursuant to this act.

7 (1) A special order shipping license shall only be issued to a winery  
8 upon compliance with all applicable provisions of this act and the  
9 regulations promulgated pursuant to this act, and upon payment of a  
10 license fee in the amount of \$100. The license term for a special order  
11 shipping license shall commence on the date specified on the license and  
12 shall end two years after that date.

13 (2) A special order shipping license shall entitle the winery to ship  
14 wine upon order directly to consumers for personal or household use in  
15 this state. The purchaser shall pay the purchase price and all shipping costs  
16 directly to the permit holder. Enforcement taxes collected herein shall be  
17 paid solely on the purchase price and not on the shipping costs.

18 (c) No holder of a special order shipping license shall be permitted to  
19 ship in excess of 12 standard cases of wine of one brand or a combination  
20 of brands into this state to any one consumer or address per calendar year.

21 (d) (1) Before accepting an order from a consumer in this state, the  
22 holder of a special order shipping license shall require that the person  
23 placing the order to state affirmatively that ~~he or she~~ *such person* is 21  
24 years of age or older and shall verify the age of such person placing the  
25 order either by the physical examination of an approved government  
26 issued form of identification or by utilizing an internet based age and  
27 identification service approved by the director of alcoholic beverage  
28 control; or the director's designee.

29 (2) Every shipment of wine by the holder of a special order shipping  
30 license shall be clearly marked *"Alcoholic Beverages, Adult Signature*  
31 *Required!"* and the carrier delivering such shipment shall be responsible  
32 for obtaining the signature of an adult who is at least 21 years of age as a  
33 condition of delivery.

34 (e) A special order shipping license shall not authorize the shipment  
35 of any wine to any premises licensed to sell alcoholic beverages pursuant  
36 to this act or the club and drinking establishment act.

37 (f) The failure to comply strictly with the requirements of this act and  
38 rules and regulations promulgated pursuant to this act shall be grounds for  
39 the revocation of a special order shipping license or other disciplinary  
40 action by the director. After notice and an opportunity for hearing in  
41 accordance with the provisions of the Kansas administrative procedure act,  
42 the director may refuse to issue or renew or may revoke a shipping permit  
43 upon a finding that the permit holder has failed to comply with any

1 provision of this section or K.S.A. 41-501 et seq., and amendments  
2 thereto, or any rules and regulations adopted pursuant to such statutes.  
3 Upon revocation of a special order shipping license for shipment of wine  
4 to a person not of legal age as required herein such winery shall not be  
5 issued any special order shipping license pursuant to this act for a period  
6 of one year from the date of revocation.

7 (g) The holder of a special order shipping license shall collect all  
8 gallonage taxes imposed by K.S.A. 41-501 et seq., and amendments  
9 thereto, shall on a ~~quarterly~~ *monthly* basis electronically remit such taxes  
10 in a manner prescribed by the secretary and shall accompany such  
11 remittance with any reports, documentation or other information as may be  
12 required by the secretary. In addition, an applicant for and a holder of a  
13 special order shipping license, as a condition of receiving and holding a  
14 valid license, shall:

15 (1) Collect and pay the applicable Kansas enforcement tax on each  
16 sale shipped to a consumer in Kansas imposed by K.S.A. 79-4101 et seq.,  
17 and amendments thereto;

18 (2) accompany each remittance with such sales tax reports,  
19 documentation and other information as may be required by the director of  
20 taxation; and

21 (3) if the holder of the license is an out-of-state shipper, the licensee  
22 shall be deemed to have appointed the secretary of state as the resident  
23 agent and representative of the licensee to accept service of process from  
24 the secretary of revenue, the director and the courts of this state concerning  
25 enforcement of this section, K.S.A. 41-501 et seq., and amendments  
26 thereto, and any related laws and rules and regulations and to accept  
27 service of any notice or order provided for in the liquor control act.

28 (h) The secretary of revenue may adopt rules and regulations to  
29 implement, administer and enforce the provisions of this section.

30 (i) This section shall be a part of and supplemental to the Kansas  
31 liquor control act.

32 Sec. 5. On and after July 1, 2023, K.S.A. 41-2659 is hereby amended  
33 to read as follows: 41-2659. (a) (1) A city or a county may establish one or  
34 more common consumption areas within the limits of the city or within the  
35 unincorporated portion of the county, as applicable, by ordinance or  
36 resolution, respectively, and authorize the possession and consumption of  
37 alcoholic liquor or cereal malt beverage within the common consumption  
38 area. The ordinance or resolution shall designate the boundaries of any  
39 common consumption area and prescribe the times during which alcoholic  
40 liquor or cereal malt beverage may be consumed therein. The ordinance or  
41 resolution ~~shall~~ *may* require that any public street or roadway that lies  
42 within a common consumption area ~~shall~~ be blocked from motorized  
43 traffic during the hours in which alcoholic liquor or cereal malt beverage is

1 consumed.

2 (2) The city or county shall immediately notify the director of the  
3 division of alcoholic beverage control of the establishment of a common  
4 consumption area and submit a copy of the ordinance or resolution along  
5 with such notice.

6 (b) A common consumption area permit shall allow the consumption  
7 of alcoholic liquor or cereal malt beverage in any area designated by such  
8 permit. The director may issue common consumption area permits to the  
9 city or county or any one person who shall be a resident of Kansas or an  
10 organization that has its principal place of business in Kansas and that has  
11 been approved by the respective city or county, in accordance with rules  
12 and regulations adopted by the secretary of revenue.

13 (c) Applications for common consumption area permits shall be  
14 submitted to the director, subject to the following:

15 (1) A copy of any ordinance or resolution promulgated in accordance  
16 with subsection (a) shall accompany any application for a common  
17 consumption area permit.

18 (2) Each application shall be accompanied by a non-refundable  
19 permit fee of \$100. All permit fees collected by the director pursuant to  
20 this section shall be remitted to the state treasurer in accordance with the  
21 provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of  
22 each such remittance, the state treasurer shall deposit the entire amount in  
23 the state treasury to the credit of the state general fund.

24 (3) A common consumption area permit shall be issued for a period  
25 of not to exceed one year. A common consumption area permit shall not be  
26 transferable or assignable.

27 (d) Any licensee immediately adjacent to, or located within a  
28 common consumption area may request that the licensee's licensed  
29 premises participate in the common consumption area for the duration of  
30 the common consumption area permit. Such a request shall be made upon  
31 forms prescribed by the director.

32 (e) (1) Any licensee who has requested and received permission to  
33 participate in the common consumption area may allow its legal patrons to  
34 remove alcoholic liquor or cereal malt beverage purchased from the  
35 licensee into the premises described by the common consumption area  
36 permit. All alcoholic liquor and cereal malt beverage removed from a  
37 licensed premises in such fashion shall be served in a container that  
38 displays the licensee's trade name or logo or other identifying mark that is  
39 unique to the licensee.

40 (2) In addition to their licensed premises, one or more licensees that  
41 have requested and received permission to participate in a common  
42 consumption area may offer for sale, sell and serve alcoholic liquor or  
43 cereal malt beverage for consumption from one non-contiguous service



1 area within the common consumption area, as designated and approved by  
2 the common consumption area permit holder. The licensee shall  
3 prominently display a copy of its drinking establishment license and the  
4 approval of the common consumption area permit holder at its non-  
5 contiguous service area.

6 (f) (1) Each licensee within a common consumption area shall be  
7 liable for violations of all liquor laws governing the sale and consumption  
8 of alcoholic liquor or cereal malt beverage that occur on the licensee's  
9 premises.

10 (2) Each common consumption area permit holder shall be liable for  
11 violations that occur off the licensee's premises, but within the common  
12 consumption area identified in the permit. No permit holder shall permit  
13 any person to remove any open container of alcoholic liquor or cereal malt  
14 beverage from the boundaries of the common consumption area.

15 (g) (1) For the purposes of this section, "common consumption area"  
16 means a defined indoor or outdoor area not otherwise subject to a license  
17 issued pursuant to the Kansas liquor control act or the club and drinking  
18 establishment act where the possession and consumption of alcoholic  
19 liquor or cereal malt beverage is allowed pursuant to a common  
20 consumption area permit.

21 (2) The boundaries of any common consumption area must be clearly  
22 marked using a physical barrier or any apparent line of demarcation. *Every*  
23 *common consumption area shall have signs conspicuously posted*  
24 *identifying the boundaries of such area in a size and manner that provides*  
25 *notice to persons entering or leaving the area.*

26 (h) The secretary shall adopt rules and regulations to implement this  
27 section.

28 (i) This section shall be a part of and supplemental to the club and  
29 drinking establishment act.

30 Sec. 6. K.S.A. 2022 Supp. 41-2704 is hereby amended to read as  
31 follows: 41-2704. (a) In addition to and consistent with the requirements  
32 of the Kansas cereal malt beverage act, the board of county commissioners  
33 of any county or the governing body of any city may prescribe hours of  
34 closing, standards of conduct and rules and regulations concerning the  
35 moral, sanitary and health conditions of places licensed pursuant to this act  
36 and may establish zones within which no such place may be located.

37 (b) Within any city where the days of sale at retail of cereal malt  
38 beverage in the original package have not been expanded as provided by  
39 K.S.A. 41-2911, and amendments thereto, or have been so expanded and  
40 subsequently restricted as provided by K.S.A. 41-2911, and amendments  
41 thereto, no cereal malt beverages or beer containing not more than 6%  
42 alcohol by volume may be sold:

43 (1) Between the hours of 12 midnight and 6 a.m.; or

1 (2) on Sunday, except in a place of business ~~which~~ *that* is licensed to  
2 sell cereal malt beverage for consumption on the premises, ~~which derives~~  
3 ~~not less than 30% of its gross receipts from the sale of food for~~  
4 ~~consumption on the licensed premises~~ and ~~which~~ *that* is located in a  
5 county where such sales on Sunday have been authorized by resolution of  
6 the board of county commissioners of the county or in a city where such  
7 sales on Sunday have been authorized by ordinance of the governing body  
8 of the city.

9 (c) Within any city where the days of sale at retail of cereal malt  
10 beverage in the original package have been expanded as provided by  
11 K.S.A. 41-2911, and amendments thereto, and have not been subsequently  
12 restricted as provided in K.S.A. 41-2911, and amendments thereto, no  
13 person shall sell at retail cereal malt beverage or beer containing not more  
14 than 6% alcohol by volume:

15 (1) Between the hours of 12 midnight and 6 a.m.;

16 (2) in the original package not earlier than 9 a.m. and not later than 8  
17 p.m. on Sunday;

18 (3) on Easter Sunday; or

19 (4) for consumption on the licensed premises on Sunday, except in a  
20 place of business ~~which~~ *that* is licensed to sell cereal malt beverage for  
21 consumption on the premises, ~~which derives not less than 30% of its gross~~  
22 ~~receipts from the sale of food for consumption on the licensed premises~~  
23 ~~and~~ ~~which~~ *that* is located in a county where such sales on Sunday have  
24 been authorized by resolution of the board of county commissioners of the  
25 county or in a city where such sales on Sunday have been authorized by  
26 ordinance of the governing body of the city.

27 (d) No private rooms or closed booths shall be operated in a place of  
28 business, but this provision shall not apply if the licensed premises also are  
29 licensed as a club pursuant to the club and drinking establishment act.

30 (e) Each place of business shall be open to the public and to law  
31 enforcement officers at all times during business hours, except that a  
32 premises licensed as a club pursuant to the club and drinking establishment  
33 act shall be open to law enforcement officers and not to the public.

34 (f) Except as otherwise provided by this subsection, no licensee shall  
35 permit a person under the legal age for consumption of cereal malt  
36 beverage or beer containing not more than 6% alcohol by volume to  
37 consume or purchase any cereal malt beverage in or about a place of  
38 business. A licensee's employee who is not less than 18 years of age may  
39 dispense or sell cereal malt beverage or beer containing not more than 6%  
40 alcohol by volume, if:

41 (1) The licensee's place of business is licensed only to sell at retail  
42 cereal malt beverage or beer containing not more than 6% alcohol by  
43 volume in the original package and not for consumption on the premises;

1 or

2 (2) the licensee's place of business is a licensed food service  
3 establishment, as defined by K.S.A. 36-501, and amendments thereto, and  
4 not less than 50% of the gross receipts from the licensee's place of  
5 business is derived from the sale of food for consumption on the premises  
6 of the licensed place of business.

7 (g) No person shall have any alcoholic liquor, except beer containing  
8 not more than 6% alcohol by volume, in such person's possession while in  
9 a place of business, unless the premises are currently licensed as a club or  
10 drinking establishment pursuant to the club and drinking establishment act  
11 or the business is a farm winery licensed pursuant to K.S.A. 41-316, and  
12 amendments thereto, or a producer licensed pursuant to K.S.A. 41-355,  
13 and amendments thereto.

14 (h) Cereal malt beverages may be sold on premises that are licensed  
15 pursuant to both the Kansas cereal malt beverage act and the club and  
16 drinking establishment act at any time when alcoholic liquor is allowed by  
17 law to be served on the premises.

18 Sec. 7. K.S.A. 41-306, 41-306a and 41-307 and K.S.A. 2022 Supp.  
19 41-2704 are hereby repealed.

20 Sec. 8. On and after July 1, 2023, K.S.A. 41-350 and 41-2659 are  
21 hereby repealed.

22 Sec. 9. This act shall take effect and be in force from and after its  
23 publication in the Kansas register.