

**SENATE BILL No. 432**

By Committee on Federal and State Affairs

2-13

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1 AN ACT concerning alcoholic liquor; relating to wineries; special order  
2 shipping licenses; license terms; submission requirements, as required  
3 by the secretary of revenue; amending K.S.A. 2019 Supp. 41-350 and  
4 repealing the existing section.

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

7 Section 1. K.S.A. 2019 Supp. 41-350 is hereby amended to read as  
8 follows: 41-350. (a) For the purposes of this act, the term "winery" means  
9 any maker or producer of wine whether in this state or in any other state,  
10 who holds a valid federal basic wine manufacturing permit. The terms  
11 "director" and "secretary" have the meaning ascribed to these terms in  
12 K.S.A. 41-102, and amendments thereto.

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

16 (1) A special order shipping license shall only be issued to a winery  
17 upon compliance with all applicable provisions of this act and the  
18 regulations promulgated pursuant to this act, and upon payment of a  
19 license fee in the amount of \$100. The license term for a special order  
20 shipping license shall commence on the date ~~the license is issued by the~~  
21 ~~director~~ *specified on the license* and shall end two years after that date.

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

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

30 (d) (1) Before accepting an order from a consumer in this state, the  
31 holder of a special order shipping license shall require that the person  
32 placing the order to state affirmatively that he or she is 21 years of age or  
33 older and shall verify the age of such person placing the order either by the  
34 physical examination of an approved government issued form of  
35 identification or by utilizing an internet based age and identification  
36 service approved by the director of alcoholic beverage control, or the

1 director's designee.

2 (2) Every shipment of wine by the holder of a special order shipping  
3 license shall be clearly marked 'Alcoholic Beverages, Adult Signature  
4 Required' and the carrier delivering such shipment shall be responsible for  
5 obtaining the signature of an adult who is at least 21 years of age as a  
6 condition of delivery.

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

10 (f) The failure to comply strictly with the requirements of this act and  
11 rules and regulations promulgated pursuant to this act shall be grounds for  
12 the revocation of a special order shipping license or other disciplinary  
13 action by the director. After notice and an opportunity for hearing in  
14 accordance with the provisions of the Kansas administrative procedure act,  
15 the director may refuse to issue or renew or may revoke a shipping permit  
16 upon a finding that the permit holder has failed to comply with any  
17 provision of this section or K.S.A. 41-501 et seq., and amendments  
18 thereto, or any rules and regulations adopted pursuant to such statutes.  
19 Upon revocation of a special order shipping license for shipment of wine  
20 to a person not of legal age as required herein such winery shall not be  
21 issued any special order shipping license pursuant to this act for a period  
22 of one year from the date of revocation.

23 (g) The holder of a special order shipping license shall collect all  
24 gallonage taxes imposed by K.S.A. 41-501 et seq., and amendments  
25 thereto, shall *on a quarterly basis electronically* remit such taxes ~~annually~~  
26 in a manner prescribed by the secretary and shall accompany such  
27 remittance with ~~such~~ any reports, documentation ~~and~~ or other information  
28 as may be required by the secretary. In addition, an applicant for and a  
29 holder of a special order shipping license, as a condition of receiving and  
30 holding a valid license, shall:

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

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

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

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

3 (i) This section shall be *a* part of and supplemental to the Kansas  
4 liquor control act.

5 Sec. 2. K.S.A. 2019 Supp. 41-350 is hereby repealed.

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