

The Kansas Wine and Spirits Wholesalers Association produces this quarterly newsletter directed to Kansas' beverage alcohol retailers to serve as a means of communicating regarding industry issues of common concern. Send your comments or questions to: kswswa@yahoo.com



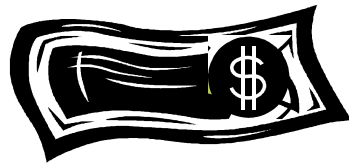
KANSAS WINE & SPIRITS WHOLESALERS ASSOCIATION

Distributors' Dispatch

Liquor Retailers May Sell Gift Certificates

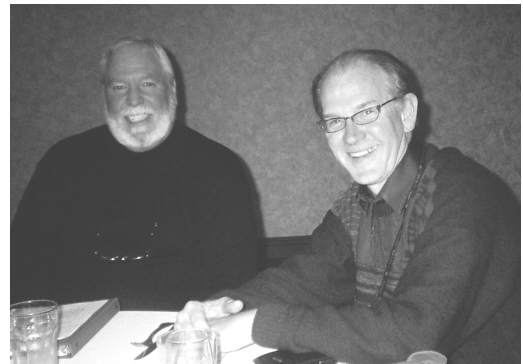
At the recent Kansas Beverage Retailers Association Convention the Director of the Kansas Alcoholic Beverage Control, Tom Groneman, affirmed that Kansas retail liquor stores may sell gift certificates and that this practice *does not* conflict with the Kansas package sales law.

The use of gift certificates and gift cards has become a very popular method for



family members and employers to use for gift giving during the holiday season. Such certificates must originate from the retailer (for example, a retailer cannot sell a commercial VISA or Master Card gift card) for use only in the retailer's store. The retailer will calculate the liquor excise tax at the time the gift certificate is redeemed, not at the time of

the initial purchase. Participants at the convention also discussed the upcoming legislative session (*see article on page 2*) and discussed the importance of the three-tier system of beverage alcohol sales in Kansas which has been in effect since repeal of prohibition in 1949.



ABC Director Tom Groneman (left) and KS Wine & Spirits Wholesalers' General Counsel R.E. "Tuck" Duncan visit during recent Kansas Beverage Retailers Assn. Convention

NEW P.O.S. TO COMBAT UNDERAGE SALES



The Century Council has initiated a new campaign against underage drinking. The "We Don't Serve Teens" campaign is designed to deter under-

age drinking by reminding adults that providing underage drinkers with alcohol is unsafe, illegal and irresponsible. The "We Don't Serve

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GET READY FOR 2007 LEGISLATURE

The Kansas Legislature returns to Topeka in less than 90 days. There will be new state representatives following the fall election, new leaders in the Kansas House, and perhaps some new committee chairs. BUT some old ideas may confront the beverage alcohol industry: One Strength Beer and Dram Shop Liability are possible issues. Industry members need to communicate with their elected representatives about these issues and the negative effect of passing laws which allow for the sale of strong beer in convenience stores. New laws providing for dram shop liability could significantly increase insurance premiums for both on- and off- premise licensees.



Retailers can best tell that story. So while your State Senators and Representatives are still at home invite them to stop by your store. Explain to them the importance of retailers in this regulated industry in preventing underage purchases and in collecting tax revenues. At the recent Kansas Beverage Retailer Association convention a former Senate President explained that it is important to get to know your legislator BEFORE an issue is on fire. Fire Prevention, he said, is better than having to run red lights and sirens when an emergency arises.

You can find your reps at:

<http://www.iprs.ku.edu/ksdata/vote/>

We Don't Serve Teens

Continued from p. 1



The holidays are a good time to remind adults of their social responsibilities.

Teens" campaign also seeks to educate adults on the severe legal consequences of providing alcohol to minors, which could include fines and jail sentences, through television and radio public service announcements, lapel pins, cold case stickers, ceiling danglers, and register signs. Some of these P.O.S. materials are enclosed with this newsletter for your use. For additional information and materials go to: <http://www.centurycouncil.org> **The Kansas Wine & Spirits Wholesalers Association is committed to preventing underage consumption. Kansas law prohibits adults hosting minors:**

THE CENTURY COUNCIL

Distillers fighting drunk driving and underage drinking

PROHIBITED CONDUCT- CRIMES AFFECTING FAMILY RELATIONSHIPS AND CHILDREN
K.S.A. 21-3610c. Unlawfully hosting minors consuming alcoholic liquor or cereal malt beverage.

(a) Unlawfully hosting minors consuming alcoholic liquor or cereal malt beverage is intentionally permitting a person's residence or any land, building, structure or room owned, occupied or procured by such person to be used by an invitee of such person or an invitee of such person's child or ward, in a manner that results in the possession or consumption therein of alcoholic liquor or cereal malt beverages by persons under the age of 18.

(b) Unlawfully hosting minors consuming alcoholic liquor or cereal malt beverage is a class B person misdemeanor, for which the minimum fine is \$200.

(c) As used in this section, terms have the meanings provided by K.S.A. 41-102, and amendments thereto, except for the purposes of this section, "minor" means a person under the age of 18.

(d) This section shall be a part of and supplemental to the Kansas criminal code.

History: L. 2004, ch. 94, § 4; July 1.

Distributor'
 Dispatch
 Editor:
 Tuck Duncan
 Ex. Secretary &
 General Counsel
 KS Wine & Spirits
 Wholesalers Assn.

Television newscasts report on the ease of minors buying online and on the failure of delivery companies to check IDs in delivering alcohol

In a story entitled "Who is minding the Internet liquor store?" an NBC News investigation by Lea Thompson aired August 9, 2006, found it easy for underage drinkers to buy online. The youth purchaser stated: "It's a lot easier because there's no ID'ing,"

According to a new survey, the report stated, one in 10 teenagers have an under-aged friend who has ordered beer, wine or liquor over the Internet — more than a third think they can easily do it — and nearly half think they won't get caught.

NBC reported that Massachusetts, Texas and Virginia have launched undercover investigations of online sales to minors and they all found it very easy to do. So did NBC News. Two packages were delivered to a state where mail

order alcohol is illegal — one was delivered to a 15-year-old who happened to be standing in the front yard, no questions



asked. Only one came marked as alcohol. The others came in brown paper wrappers. There is no indication anywhere wine is in one, grain alcohol in the other.

NBC reported that some online sellers blatantly flaunt the law. One Web site says it ships "discreetly in plain packaging." And NBC reported that an online site stated: "Don't worry we don't think the Feds will shoot a stun grenade through your window for placing a little online order."



A KSHB-TV story out of Kansas

City July 18, 2006 reported that Missouri minors buy online and have the product delivered to their front doors without an ID check.

The story reported "getting booze is as easy as clicking a mouse."

The NBC story can be seen at <http://www.msnbc.msn.com/id/14271378/> and the KSHB story can be seen at: http://www.kshb.com/kshb/nw_investigators/

The stories on this page validate KS' new face-to-face transaction direct shipping law.

Kansas State U.: Some Kansas State U. minors admit to purchasing alcohol online

Released : Tuesday, August 29, 2006 10:26 PM U-WIRE-08/29/2006-



MANHATTAN, Kan. -- More than half a million minors have bought alcohol on the Internet. According to a survey by the Wine and Spirits Wholesalers of America Inc. released Aug. 10, 3.1 million minors between the ages of 14 and 20 have either bought alcohol on the Internet or know someone who has. In fact, 551,000 have admitted doing it themselves. At least 20 states in the past year have passed laws that expand alcohol sales outside of the traditional ways to purchase it. This process breaks down the safeguards in place for face-to-face methods of purchasing alcohol. "If we don't trust rushed FedEx and UPS drivers to card kids for cigarette shipments, why on Earth should anyone trust them to card kids for vodka and merlot shipments?" said WSWA CEO Juanita Duggan. While several states have pushed for legislation allowing for Internet alcohol sales, nearly none regulates age checks. WSWA's audit of lead alcohol-enforcement officials in all 50 states and Washington, D.C., found that 39 states and Washington, D.C., did not conduct any online alcohol compliance checks. Six additional states most likely did not conduct checks because they said they couldn't recall ever completing one, and only five states conducted isolated compliance checks, though none did them regularly. The Manhattan area has statistics similar to the national numbers. **In a recent survey, nearly half of the Kansas State University students polled who were under age 21 admitted to purchasing alcohol on the Internet or knowing someone who did.** "I would steer clear of that," said Jared Rizzo, president of Greeks Advocating the Mature Management of Alcohol, about purchasing alcohol online. "You never know what you'll get. It's a very risky thing." Rizzo said he could not recall anyone in GAMMA attempting to purchase alcohol via the Internet and said his group does not encourage the practice. GAMMA advocates responsible alcohol use to all its members, no matter their age, he said. A minor caught in possession of alcohol in Kansas will face a mandatory appearance in juvenile court, potential fines, jail time and a potential license suspension, no matter how the alcohol was purchased.



Spotlight on the Kansas ABC: phone numbers, office address, & email address

If you ever need a question answered by the Kansas A.B.C. you can write or call, here are their numbers; but it may be faster to communicate via e-mail. The A.B.C. receives many calls each day, and sometimes the best way to "cut through the red tape" is to send your request via the internet.

Office location and Mailing Address

Alcohol Beverage Control
915 SW Harrison Street
Room 214
Topeka, KS 66625-3512

Office Hours

8:00 A.M. to 5:00 P.M. Monday through Friday

Telephone

Liquor registration and Enforcement 785-296-7015
Tax Fraud Enforcement 785-296-7015
Tobacco Registration & Enforcement 785-296-7015
Drug Tax Stamp Purchase 1-785-368-8222

Fax

785-296-7185

Hearing Impaired TTY

785-296-6117

E-mail: abc_email@kdor.state.ks.us

**KWSWA
WISHES YOU**



AND



K · A · N · S · A · S

WINE & SPIRITS

WHOLESALE ASSOCIATION

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