

Kansas Administrative Regulations

Kansas Department of Revenue—Division of Alcoholic Beverage Control

Article 14.—Manufacturers; Distributors; Nonbeverage Users; Farm Wineries; Microbreweries

14-14-11. Prohibited conduct of licensees.

(a) No manufacturer of alcoholic liquor or cereal malt beverage holding a manufacturer's license issued by the director, manufacturer of alcoholic liquor or cereal malt beverage outside of this state manufacturing alcoholic liquor or cereal malt beverage for sale and distribution within the state, licensed distributor within the state, or their agents, salesmen or representatives shall offer, give or furnish, directly or indirectly, any gifts, prizes, coupons, premiums, rebates, quantity discounts, entertainment, decorations, or the services of any employee, including errands and administrative services, or any other inducement or thing of value of any kind to a licensed retailer, club, drinking establishment or caterer or to an applicant for a retailer, club, drinking establishment or caterer license except as provided in Article 10;

(b) No manufacturer, including a manufacturer outside of this state, that manufactures alcoholic liquor or cereal malt beverage for sale and distribution within this state shall offer, furnish or give, directly or indirectly, any rebates to any distributor, distributor's spouse, agent, salesperson or representative.

(c) A licensee shall not, as a condition for the sale or delivery of alcoholic liquor or cereal malt beverage to any other licensee or to a customer, require that the other licensee or customer purchase or contract to purchase alcoholic liquor or cereal malt beverage of another form, quantity or brand in addition to, or partially in lieu of, that which was specifically ordered or desired by the licensee or customer. Licensees of any class shall not sell or deliver alcoholic liquor or cereal malt beverage in any form or quantity or of any brand to another licensee or to a customer, under any arrangement, agreement or understanding, direct or implied, that the sale or delivery will be made

only if the other licensee or customer also buys or accepts delivery of a quantity of alcoholic liquor or cereal malt beverage of another form or brand.

(d) If any licensee refuses to permit the director or any agent or employee of the director to inspect the licensed premises and any alcoholic liquor or cereal malt beverage owned or controlled by the licensee upon the licensed premises or upon any other premises where the licensee may have liquor stored, the refusal shall be grounds for the revocation of the license.

(e) A manufacturer shall be deemed to have discriminated against licensed distributors, including those possessing a franchise to distribute alcoholic liquor or cereal malt beverage in a geographical territory, if the manufacturer directly or indirectly, or through any agent or employee:

(1) Offers to sell or sells to a distributor alcoholic liquor in any manner that results in a price different than the current price which the manufacturer has offered to all distributors;

(2) requires a licensed distributor to purchase in excess of one case lot of any brand, or kind, or container size of that alcoholic liquor that is sold by the case;

(3) refuses to sell any brand or kind of alcoholic liquor, except beer, to a licensed distributor in any quantity ordered by a distributor in lots of one or more cases when alcoholic liquor is sold to distributors by the case;

(4) refuses to sell for cash at the current price any alcoholic liquor, to a licensed distributor, if such alcoholic liquor is ordered in a lot of one case or more and the price offered to distributors is by the case;

(5) refuses to sell any brand or kind of alcoholic liquor to a licensed distributor unless the licensed distributor purchases or agrees to purchase alcoholic liquor of another kind, form, quantity or brand in addition to, or partially in lieu of, the brand or kind of alcoholic liquor specifically ordered by the licensed distributor; or

(6) fails to fill orders of distributors for alcoholic liquor, other than beer, in the chronological sequence in which orders from distributors are received. This paragraph shall not apply when the manufacturer is operating under a rationing plan approved by the director.

(f) A distributor shall be deemed to have discriminated against licensed retailers, clubs, drinking establishments or caterers if it either directly or indirectly, or by any agent or employee:

(1) Makes an offer to make any secret rebate to or enters into any transaction in any manner whatsoever with any licensed retailer, club, drinking establishment or caterer which would result in, or which has as its purpose the purchase of any alcoholic liquor or cereal malt beverage at a price different than the current price offered to all retailers, clubs, drinking establishments or caterers;

(2) requires a licensed retailer to purchase in one-case lot of any brand, or kind, or container size of alcoholic liquor, except beer;

(3) refuses to sell any brand or kind of alcoholic liquor, except beer, to a licensed retailer for cash at the current price in any quantity ordered by the licensed retailer; or

(4) refuses to sell any brand or kind of alcoholic liquor or cereal malt beverage to a licensed retailer, club, drinking establishment or caterer unless the licensed retailer, club, drinking establishment or caterer purchases or agrees to purchase alcoholic liquor or cereal malt beverage of another kind, quantity, or brand in addition to, or partially in lieu of the brand or kind of alcoholic liquor or cereal malt beverage specifically ordered.

(Authorized by K.S.A. 1991 Supp. 41-210; implementing K.S.A. 1991 Supp. 41-402, 41-702, 41-703, 41-1101; effective, T-89-2, Jan. 7, 1988; effective Oct. 1, 1988; amended Dec. 21, 1992.)

***** Authenticated Kansas Administrative Regulation *****