SENATE BILL No. 299

By Committee on Federal and State Affairs

AN ACT concerning alcoholic beverages; relating to the club and drinking establishment act; creating a public venue license; amending K.S.A. 41-306, 41-306a, 41-307, 41-308, 41-701, 41-2608, 41-2613, 41-2614 and 41-2640 and K.S.A. 2011 Supp. 41-308a, 41-2601, 41-2622 and 41-2629 and repealing the existing sections.

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

New Section 1. (a) A license for a public venue shall allow the licensee to:

(1) Offer for sale, sell and serve alcoholic liquor by the individual drink for consumption on the licensed premises;
(2) offer for sale, sell and serve unlimited drinks for a fixed price in designated areas of the licensed premises;
(3) offer for sale and sell all inclusive packages which include unlimited drinks in designated areas of the licensed premises;
(4) offer for sale, sell and serve alcoholic liquor in the original container for consumption on the licensed premises in private suites, which are enclosed or semi-enclosed seating areas, having controlled access and separated from the general admission areas by a permanent barrier;
(5) store, in each private suite, which are enclosed or semi-enclosed seating areas, having controlled access and separated from the general admission areas by a permanent barrier, alcoholic liquor sold in the original container to a customer in that private suite; and
(6) with the approval of the retailer or distributor, return for a full refund of the original purchase price unopened containers of alcoholic liquor to the retailer or distributor from whom such items were purchased upon the conclusion of an event if the next scheduled event for that premises is more than 90 days from the date of the concluded event.

(b) An applicant or public venue licensee shall specify in the application for a license, or renewal of a license, the premises to be licensed, which may include all premises which are in close proximity and are under the control of the applicant or licensee. No public venue licensee may offer for sale, sell or serve any alcoholic liquor in any area not included in the licensed premises.

Sec. 2. K.S.A. 41-306 is hereby amended to read as follows: 41-306.
A spirits distributor's license, shall allow:

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

(b) The sale of spirits to:

(1) Spirits distributors licensed in this state;

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

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

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

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

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

Sec. 3. K.S.A. 41-306a is hereby amended to read as follows: 41-306a. A wine distributor's license shall allow:

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

(b) The sale of wine to:

(1) Wine distributors licensed in this state;

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

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

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

(1) Licensed caterers; and

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

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

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

(f) This section shall be part of and supplemental to the Kansas liquor control act.

Sec. 4. K.S.A. 41-307 is hereby amended to read as follows: 41-307.

A beer distributor's license shall allow:

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

(b) The sale of beer to:

(1) Licensed caterers;

(2) beer distributors licensed in this state;

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

(4) such persons located outside such territory or outside this state as permitted by law.
(c) The sale of cereal malt beverage to:
   (1) Beer distributors licensed in this state;
   (2) clubs and drinking establishments, licensed in this state, and retailers licensed under K.S.A. 41-2702, and amendments thereto, except that such distributor shall sell a brand of cereal malt beverage only to those such clubs, drinking establishments and retailers of which the licensed premises are located in the geographic territory within which such distributor is authorized to sell such brand, as designated in the notice or notices filed with the director pursuant to K.S.A. 41-410, and amendments thereto; and
   (3) such persons located outside such territory or outside this state as permitted by law.

(d) The purchase of cereal malt beverage in kegs or other bulk containers and the bottling or canning thereof in accordance with law.

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

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

Sec. 5. K.S.A. 41-308 is hereby amended to read as follows: 41-308.

(a) A retailer's license shall allow the licensee to sell and offer for sale at retail and deliver in the original package, as therein prescribed, alcoholic liquor for use or consumption off of and away from the premises specified in such license. A retailer's license shall permit sale and delivery of alcoholic liquor only on the licensed premises and shall not permit sale of alcoholic liquor for resale in any form, except that a licensed retailer may:
   (1) Sell alcoholic liquor to a temporary permit holder for resale by such permit holder; and
   (2) sell and deliver alcoholic liquor to a caterer or to the licensed premises of a public venue, club or drinking establishment, if such premises are in the county where the retailer's premises are located or in an adjacent county, for resale by such public venue, club, establishment or caterer.

(b) The holder of a retailer's license shall not sell, offer for sale, give away or permit to be sold, offered for sale or given away in or from the premises specified in such license any service or thing of value whatsoever except alcoholic liquor in the original package, except that a licensed
retailer may:

(1) Charge a delivery fee for delivery to a public venue, club, drinking establishment or caterer pursuant to subsection (a);

(2) sell lottery tickets and shares to the public in accordance with the Kansas lottery act, if the retailer is selected as a lottery retailer;

(3) include in the sale of alcoholic liquor any goods included by the manufacturer in packaging with the alcoholic liquor, subject to the approval of the director; and

(4) distribute to the public, without charge, consumer advertising specialties bearing advertising matter, subject to rules and regulations of the secretary limiting the form and distribution of such specialties so that they are not conditioned on or an inducement to the purchase of alcoholic liquor.

(c) No licensed retailer shall furnish any entertainment in such premises or permit any pinball machine or game of skill or chance to be located in or on such premises.

(d) A retailer's license shall allow the licensee to store alcoholic liquor in refrigerators, cold storage units, ice boxes or other cooling devices, and the licensee may sell such alcoholic liquor to consumers in a chilled condition.

Sec. 6. K.S.A. 2011 Supp. 41-308a is hereby amended to read as follows: 41-308a. (a) A farm winery license shall allow:

(1) The manufacture of domestic table wine and domestic fortified wine in a quantity not exceeding 100,000 gallons per year and the storage thereof;

(2) the sale of wine, manufactured by the licensee, to licensed wine distributors, retailers, public venues, clubs, drinking establishments, holders of temporary permits as authorized by K.S.A. 41-2645, and amendments thereto, and caterers;

(3) the sale, on the licensed premises in the original unopened container to consumers for consumption off the licensed premises, of wine manufactured by the licensee;

(4) the serving free of charge on the licensed premises and at special events, monitored and regulated by the division of alcoholic beverage control, of samples of wine manufactured by the licensee or imported under subsection (f) (e), if the premises are located in a county where the sale of alcoholic liquor is permitted by law in licensed drinking establishments;

(5) if the licensee is also licensed as a club or drinking establishment, the sale of domestic wine, domestic fortified wine and other alcoholic liquor for consumption on the licensed premises as authorized by the club and drinking establishment act;

(6) if the licensee is also licensed as a caterer, the sale of domestic
wine, domestic fortified wine and other alcoholic liquor for consumption on the unlicensed premises as authorized by the club and drinking establishment act;

(7) the sale and shipping, in the original unopened container, to consumers outside this state of wine manufactured by the licensee, provided that the licensee complies with applicable laws and rules and regulations of the jurisdiction to which the wine is shipped; and

(8) the sale and shipping of wine within this state pursuant to a permit issued pursuant to K.S.A. 2011 Supp. 41-350, and amendments thereto.

(b) Upon application and payment of the fee prescribed by K.S.A. 41-310, and amendments thereto, by a farm winery licensee, the director may issue not to exceed three winery outlet licenses to the farm winery licensee. A winery outlet license shall allow:

(1) The sale, on the licensed premises in the original unopened container to consumers for consumption off the licensed premises, of wine manufactured by the licensee;

(2) the serving on the licensed premises of samples of wine manufactured by the licensee or imported under subsection (f), if the premises are located in a county where the sale of alcoholic liquor is permitted by law in licensed drinking establishments; and

(3) the manufacture of domestic table wine and domestic fortified wine and the storage thereof; provided, that the aggregate quantity of wine produced by the farm winery licensee, including all winery outlets, shall not exceed 100,000 gallons per year.

(c) Not less than 60% of the products utilized in the manufacture of domestic table wine and domestic fortified wine by a farm winery shall be grown in Kansas except when a lesser proportion is authorized by the director based upon the director's findings and judgment. The label of domestic wine and domestic fortified wine shall indicate that a majority of the products utilized in the manufacture of the wine at such winery were grown in Kansas.

(d) A farm winery or winery outlet may sell domestic wine and domestic fortified wine in the original unopened container to consumers for consumption off the licensed premises at any time between 6 a.m. and 12 midnight on any day except Sunday and between 12 noon and 6 p.m. on Sunday. If authorized by subsection (a), a farm winery may serve samples of domestic wine, domestic fortified wine and wine imported under subsection (e) and serve and sell domestic wine, domestic fortified wine and other alcoholic liquor for consumption on the licensed premises at any time when a club or drinking establishment is authorized to serve and sell alcoholic liquor. If authorized by subsection (b), a winery outlet may serve samples of domestic wine, domestic fortified wine and wine imported under subsection (e) at any time when the winery outlet is
authorized to sell domestic wine and domestic fortified wine.

(e) The director may issue to the Kansas state fair or any bona fide group of grape growers or wine makers a permit to import into this state small quantities of wines. Such wine shall be used only for bona fide educational and scientific tasting programs and shall not be resold. Such wine shall not be subject to the tax imposed by K.S.A. 41-501, and amendments thereto. The permit shall identify specifically the brand and type of wine to be imported, the quantity to be imported, the tasting programs for which the wine is to be used and the times and locations of such programs. The secretary shall adopt rules and regulations governing the importation of wine pursuant to this subsection and the conduct of tasting programs for which such wine is imported.

(f) A farm winery license or winery outlet license shall apply only to the premises described in the application and in the license issued and only one location shall be described in the license.

(g) No farm winery or winery outlet shall:

(1) Employ any person under the age of 18 years in connection with the manufacture, sale or serving of any alcoholic liquor;

(2) permit any employee of the licensee who is under the age of 21 years to work on the licensed premises at any time when not under the on-premise supervision of either the licensee or an employee of the licensee who is 21 years of age or over;

(3) employ any person under 21 years of age in connection with mixing or dispensing alcoholic liquor; or

(4) employ any person in connection with the manufacture or sale of alcoholic liquor if the person has been convicted of a felony.

(h) Whenever a farm winery or winery outlet licensee is convicted of a violation of the Kansas liquor control act, the director may revoke the licensee's license and order forfeiture of all fees paid for the license, after a hearing before the director for that purpose in accordance with the provisions of the Kansas administrative procedure act.

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

Sec. 7. K.S.A. 41-701 is hereby amended to read as follows: 41-701. (a) Except as provided in subsection (d), no spirits distributor shall sell or attempt to sell any spirits within this state except to:

(1) A licensed manufacturer, licensed nonbeverage user or licensed spirits distributor; or

(2) a licensed retailer, as authorized by K.S.A. 41-306, and amendments thereto.

(b) Except as provided in subsection (d), no wine distributor shall sell or attempt to sell any wine within this state except to:

(1) A licensed manufacturer, licensed nonbeverage user or licensed
wine distributor;
(2) a licensed caterer; or
(3) a retailer, public venue, club or drinking establishment, licensed in
this state, as authorized by K.S.A. 41-306a, and amendments thereto.
(c) Except as provided by subsection (d), no beer distributor shall sell
or attempt to sell any beer or cereal malt beverage within this state except
to:
(1) a licensed manufacturer, licensed nonbeverage user or licensed
beer distributor;
(2) a licensed caterer; or
(3) a retailer licensed under the Kansas liquor control act or under
K.S.A. 41-2702, and amendments thereto, or a club or drinking
establishment, licensed in this state, as authorized by K.S.A. 41-307, and
amendments thereto.
(d) (1) If any spirits distributor refuses to sell spirits which such
distributor is authorized to sell or refuses to provide any service in
connection therewith to any licensed retailer as authorized by K.S.A. 41-
306, and amendments thereto, it shall be lawful for any other licensed
spirits distributor to sell such spirits to such retailer.
(2) If any wine distributor refuses to sell wine which such distributor
is authorized to sell or refuses to furnish service in connection therewith to
any licensed retailer, as authorized by K.S.A. 41-306a, and amendments
thereto, it shall be lawful for any other licensed wine distributor to sell
such wine to such retailer.
(3) If any beer distributor refuses to sell beer or cereal malt beverage
which such distributor is authorized to sell or provide service in
connection therewith to any retailer licensed under this act or under K.S.A.
41-2702, and amendments thereto, as authorized by K.S.A. 41-307, and
amendments thereto, it shall be lawful for any other licensed beer
distributor to sell such beer or cereal malt beverage to such retailer.
(e) No manufacturer of alcoholic liquor or cereal malt beverage shall
sell or attempt to sell any alcoholic liquor or cereal malt beverage within
this state except to a licensed manufacturer, licensed distributor or licensed
nonbeverage user.
(f) No supplier, wholesaler, distributor, manufacturer or importer
shall by oral or written contract or agreement, expressly or impliedly fix,
maintain, coerce or control the resale price of alcoholic liquor, beer or
cereal malt beverage to be resold by such wholesaler, distributor,
manufacturer or importer.
(g) Any supplier, wholesaler, distributor or manufacturer violating the
provisions of this section shall be guilty of a misdemeanor and upon
conviction thereof shall be punished by a fine of not less than $500 and not
more than $1,000, to which may be added not to exceed six months'
imprisonment. In addition, any supplier, wholesaler, distributor, manufacturer or importer violating the provisions of this section relating to fixing, maintaining or controlling the resale price of alcoholic liquor, beer or cereal malt beverage shall be liable in a civil action to treble the amount of any damages awarded plus reasonable attorney fees for the damaged party.

Sec. 8. K.S.A. 2011 Supp. 41-2601 is hereby amended to read as follows: 41-2601. As used in the club and drinking establishment act:

(a) The following terms shall have the meanings provided by K.S.A. 41-102, and amendments thereto: (1) "Alcoholic liquor"; (2) "director"; (3) "original package"; (4) "person"; (5) "sale"; and (6) "to sell."

(b) "Beneficial interest" shall not include any interest a person may have as owner, operator, lessee or franchise holder of a licensed hotel or motel on the premises of which a club or drinking establishment is located.

(c) "Caterer" means an individual, partnership or corporation which sells alcoholic liquor by the individual drink, and provides services related to the serving thereof, on unlicensed premises which may be open to the public, but does not include a holder of a temporary permit, selling alcoholic liquor in accordance with the terms of such permit.

(d) "Cereal malt beverage" has the meaning provided by K.S.A. 41-2701, and amendments thereto.

(e) "Class A club" means a premises which is owned or leased by a corporation, partnership, business trust or association and which is operated thereby as a bona fide nonprofit social, fraternal or war veterans' club, as determined by the director, for the exclusive use of the corporate stockholders, partners, trust beneficiaries or associates (hereinafter referred to as members) and their families and guests accompanying them.

(f) "Class B club" means a premises operated for profit by a corporation, partnership or individual, to which members of such club may resort for the consumption of food or alcoholic beverages and for entertainment.

(g) "Club" means a class A or class B club.

(h) "Minibar" means a closed cabinet, whether nonrefrigerated or wholly or partially refrigerated, access to the interior of which is restricted by means of a locking device which requires the use of a key, magnetic card or similar device.

(i) "Drinking establishment" means premises which may be open to the general public, where alcoholic liquor by the individual drink is sold.

(j) "Food" means any raw, cooked or processed edible substance or ingredient, other than alcoholic liquor or cereal malt beverage, used or intended for use or for sale, in whole or in part, for human consumption.

(k) "Food service establishment" has the meaning provided by
K.S.A. 36-501, and amendments thereto.

(k) "Hotel" has the meaning provided by K.S.A. 36-501, and amendments thereto.

(l) "Minibar" means a closed cabinet, whether nonrefrigerated or wholly or partially refrigerated, access to the interior of which is restricted by means of a locking device which requires the use of a key, magnetic card or similar device.

(m) "Minor" means a person under 21 years of age.

(n) "Morals charge" means a charge involving prostitution; procuring any person; soliciting of a child under 18 years of age for any immoral act involving sex; possession or sale of narcotics, marijuana, amphetamines or barbiturates; rape; incest; gambling; illegal cohabitation; adultery; bigamy; or a crime against nature.

(o) "Municipal corporation" means the governing body of any county or city.

(p) "Public venue" means an arena, stadium, hall or theater, used primarily for athletic or sporting events, live concerts, live theatrical productions or similar seasonal entertainment events, not operated on a daily basis, and containing:

(1) Not less than 4,000 permanent seats; and

(2) not less than two private suites, which are enclosed or semi-enclosed seating areas, having controlled access and separated from the general admission areas by a permanent barrier.

(q) "Restaurant" means:

(1) In the case of a club, a licensed food service establishment which, as determined by the director, derives from sales of food for consumption on the licensed club premises not less than 50% of its gross receipts from all sales of food and beverages on such premises in a 12-month period;

(2) in the case of a drinking establishment subject to a food sales requirement under K.S.A. 41-2642, and amendments thereto, a licensed food service establishment which, as determined by the director, derives from sales of food for consumption on the licensed drinking establishment premises not less than 30% of its gross receipts from all sales of food and beverages on such premises in a 12-month period; and

(3) in the case of a drinking establishment subject to no food sales requirement under K.S.A. 41-2642, and amendments thereto, a licensed food service establishment.

(r) "RV resort" means premises where a place to park recreational vehicles, as defined in K.S.A. 75-1212, and amendments thereto, is offered for pay, primarily to transient guests, for overnight or longer use while such recreational vehicles are used as sleeping or living accommodations.

(s) "Secretary" means the secretary of revenue.

(t) "Temporary permit" means a temporary permit issued pursuant
Sec. 9. K.S.A. 41-2608 is hereby amended to read as follows: 41-2608. (a) Any public venue, club or drinking establishment license issued pursuant to this act shall be for one particular premises which shall be stated in the application and in the license. *Not more than one premises licensed under the club and drinking establishment act shall exist at a single legal address.*

(b) No license shall be issued for a public venue, club or drinking establishment unless the city, township or county zoning code allows a club or drinking establishment at that location.

Sec. 10. K.S.A. 41-2613 is hereby amended to read as follows: 41-2613. The right of immediate entry to and inspection of any premises licensed as a public venue, club or drinking establishment or any premises where alcoholic liquor is sold by a holder of a temporary permit, or any premises subject to the control of any licensee or temporary permit holder, by any duly authorized officer or agent of the director, or by any law enforcement officer, shall be a condition on which every license or temporary permit is issued, and the application for, and acceptance of, any license or temporary permit shall conclusively be deemed to be the consent of the applicant and licensee or permit holder to such immediate entry and inspection. Such right of immediate entry and inspection shall be at any time when the premises are occupied and is not limited to hours when the club or drinking establishment is open for business. Such consent shall not be revocable during the term of the license or temporary permit. Refusal of such entry shall be grounds for revocation of the license or temporary permit.

Sec. 11. K.S.A. 41-2614 is hereby amended to read as follows: 41-2614. (a) Except as provided by subsection (c), no public venue, club or drinking establishment shall allow the serving, mixing or consumption of alcoholic liquor on its premises between the hours of 2:00 a.m. and 9:00 a.m. on any day.

(b) No caterer shall allow the serving, mixing or consumption of alcoholic liquor between the hours of 2:00 a.m. and 6:00 a.m. on any day at an event catered by such caterer.

(c) A hotel of which the entire premises are licensed as a drinking establishment or as a drinking establishment/caterer may allow at any time the serving, mixing and consumption of alcoholic liquor and cereal malt beverage from a minibar in a guest room by guests registered to stay in such room, and guests of guests registered to stay in such room.

Sec. 12. K.S.A. 2011 Supp. 41-2622 is hereby amended to read as follows: 41-2622. (a) At the time application is made to the director for a license pursuant to the club and drinking establishment act, the applicant shall pay the following license fee in the manner provided by K.S.A. 41-
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2606, and amendments thereto:

(1) For a class A club which is a *bona fide* nonprofit fraternal or war veterans' club, as defined by rules and regulations of the secretary, $500;

(2) for a class A club which is a *bona fide* nonprofit social club, as defined by rules and regulations of the secretary, and which has not more than 500 members, $1,000;

(3) for a class A club which is a *bona fide* nonprofit social club, as defined by rules and regulations of the secretary, and which has more than 500 members, $2,000;

(4) for a class B club, $2,000;

(5) for a drinking establishment, $1,000;

(6) for a hotel of which the entire premises are licensed as a drinking establishment, $3,000;

(7) for a caterer, $1,000;

(8) for a drinking establishment/caterer, $1,500; and

(9) for a drinking establishment/caterer, if the drinking establishment is a hotel of which the entire premises are licensed as a drinking establishment, $3,500.

(b) On and after July 1, 2011, at the time an application is submitted to the director for a drinking establishment license pursuant to the club and drinking establishment act, the applicant shall pay the following license fee in the manner provided by K.S.A. 41–2606, and amendments thereto:

(1) for a drinking establishment, $2,000;

(2) for a hotel of which the entire premises are licensed as a drinking establishment, $6,000;

(3) for a drinking establishment/caterer, $3,000; and

(4) for a drinking establishment/caterer, if the drinking establishment is a hotel of which the entire premises are licensed as a drinking establishment, $7,000;

(10) for a public venue with a maximum capacity of not more than 10,000 persons, $5,000;

(11) for a public venue with a maximum capacity of not more than 25,000 persons, $10,000; and

(12) for a public venue with a maximum capacity exceeding 25,000 persons, $20,000.

(c) In addition to the fee provided by subsection (a) and (b), any city where the licensed premises of a club or drinking establishment are located or, if such licensed premises are not located in a city, the board of county commissioners of the county where the licensed premises are located may levy and collect a biennial occupation or license tax from the licensee in an amount equal to not less than $200 nor more than $500.

(c) In addition to the fee provided by subsection (a), any city where the licensed premises of a public venue is located or, if such licensed
premises is not located in a city, the board of county commissioners of the
county where the licensed premises is located may levy and collect a
biennial occupation or license tax from the licensee in an amount not less
than $200.

(d) No occupational or excise tax or license fee other than that
authorized by subsection (b) or (c) shall be levied by any city or county
against or collected from a licensed public venue, club or drinking
establishment.

(e) The director shall remit all moneys received under this section to
the state treasurer in accordance with the provisions of K.S.A. 75-4215,
and amendments thereto. Upon receipt of each such remittance, the state
treasurer shall deposit the entire amount in the state treasury. Of each such
deposit, 50% shall be credited to the state general fund, and the remaining
50% shall be credited to the other state fees fund of the department of
social and rehabilitation services. In addition to other purposes for which
expenditures may be made from the other state fees fund of the department
of social and rehabilitation services, expenditures may be made by the
secretary of social and rehabilitation services for the purpose of
implementing the powers and duties of the secretary under the provisions
of K.S.A. 65-4006 and 65-4007, and amendments thereto.

Sec. 13. K.S.A. 2011 Supp. 41-2629 is hereby amended to read as
follows: 41-2629. (a) A class B club license, drinking establishment,
public venue or caterer's license shall be issued for a term not to exceed
two years after issuance, except as otherwise provided by law, unless
sooner suspended or revoked as provided in this act.

(b) Prior to July 1, 2011, a drinking establishment license shall be
issued for a term not to exceed one year after issuance, except as otherwise
provided by law, unless sooner suspended or revoked as provided by this
act. On and after July 1, 2011, a drinking establishment license shall be
issued for a term not to exceed two years after issuance, except as
otherwise provided by law, unless sooner suspended or revoked as
provided by this act.

(c) The director, may, at the director's sole discretion and after
examination of the circumstances, extend the license term of any license
for not more than 30 days beyond such date the license would expire
pursuant to this section. Any extension of the license term by the director
pursuant to this section shall automatically extend the due date for
payment by the licensee of any occupation or license tax levied by a city
or township pursuant to K.S.A. 41-2622, and amendments thereto, by the
same number of days the director has extended the license term.

(d) (c) A class B license club, drinking establishment license, public
venue or caterer's license shall be purely a personal privilege and shall not
constitute property, nor shall it be subject to attachment, garnishment or
execution, nor shall it be alienable or transferable, voluntarily or
involuntarily, or subject to being encumbered or hypothecated. A class B
club license, drinking establishment license, public venue or caterer's
license shall not descend by the laws of testate or intestate devolution, but
shall cease or expire upon the death of the licensee subject to the following
 provision subsection (d).

(e) (d) An executor, administrator or representative of the estate of
any deceased holder of a class B club, drinking establishment, public
venue or caterer's license, or the trustee of any insolvent or bankrupt class
B club, drinking establishment, public venue or caterer's license may
continue the licensee's business under order of the appropriate court and
may exercise the privilege of the deceased, insolvent or bankrupt licensee
after the death of such licensee or after such insolvency or bankruptcy
until the expiration of such license, but in no case longer than one year
after the death, insolvency or bankruptcy of such licensee.

(f) (e) When the licensee pays the full amount of the license fee upon
application and is prevented from operating under such license in
accordance with the provisions of this act for the entire second year of the
license term, a refund shall be made of one-half of the license fee paid by
such licensee. The secretary shall adopt, in accordance with K.S.A. 41-
210, and amendments thereto, rules and regulations providing for the
authorization of refunds of one-half of the license fee paid when the
licensee does not use such license for the entire second year of the license
term as a result of the cancellation of the license upon the request of the
licensee for voluntary reasons.

Sec. 14. K.S.A. 41-2640 is hereby amended to read as follows: 41-
2640. (a) No club, drinking establishment, caterer or holder of a temporary
permit, nor any person acting as an employee or agent thereof, shall:

(1) Offer or serve any free cereal malt beverage or alcoholic liquor in
any form to any person;

(2) offer or serve to any person a drink at a price that is less than the
acquisition cost of the drink to the licensee or permit holder;

(3) sell, offer to sell or serve to any person an unlimited number of
drinks during any set period of time for a fixed price, except at private
functions not open to the general public or to the general membership of a
club;

(4) sell, offer to sell or serve any drink to any person at any time at a
price less than that charged all other purchasers of drinks on that day;

(5) increase the volume of alcoholic liquor contained in a drink or the
size of a drink of cereal malt beverage without increasing proportionately
the price regularly charged for the drink on that day;

(6) encourage or permit, on the licensed premises, any game or
contest which involves drinking alcoholic liquor or cereal malt beverage or
the awarding of drinks as prizes; or
    (7) advertise or promote in any way, whether on or off the licensed
     premises, any of the practices prohibited under subsections (a)(1) through
     (6).
  (b) No public venue, nor any person acting as an employee or agent
     thereof, shall:
    (1) Offer or serve any free cereal malt beverage or alcoholic liquor
     in any form to any person;
    (2) offer or serve to any person a drink or original container of
     alcoholic liquor or cereal malt beverage at a price that is less than the
     acquisition cost of the drink or original container of alcoholic liquor or
     cereal malt beverage to the licensee;
    (3) sell or serve alcoholic liquor in glass containers to customers in
     the general admission area;
    (4) sell or serve more than two drinks per customer at any one time
     in the general admission area;
    (5) encourage or permit, on the licensed premises, any game or
     contest which involves drinking alcoholic liquor or cereal malt beverage
     or the awarding of drinks as prizes; or
    (6) advertise or promote in any way, whether on or off the licensed
     premises, any of the practices prohibited under subsections (b)(1) through
     (5).
  (b) (c) Nothing in subsection subsections (a) or (b) shall be construed
     to prohibit a public venue, club, drinking establishment, caterer or holder
     of a temporary permit from:
    (1) Offering free food or entertainment at any time; or
    (2) selling or delivering wine by the bottle or carafe.
  (e) (d) Violation of any provision of this section is a misdemeanor
     punishable as provided by K.S.A. 41-2633, and amendments thereto.
  (f) (e) Violation of any provision of this section shall be grounds for
     suspension or revocation of the licensee's license as provided by K.S.A.
     41-2609, and amendments thereto, and for imposition of a civil fine on the
     licensee or temporary permit holder as provided by K.S.A. 41-2633a, and
     amendments thereto.
  (f) (f) Every licensed club and drinking establishment shall make
     available at any time upon request a price list showing the club's or
     drinking establishment's current prices per drink for all drinks.
  (g) As used in this section, "drink" means an individual serving of
     any beverage containing alcoholic liquor or an individual serving of cereal
     malt beverage.
Sec. 15. K.S.A. 41-306, 41-306a, 41-307, 41-308, 41-701, 41-2608,
41-2613, 41-2614 and 41-2640 and K.S.A. 2011 Supp. 41-308a, 41-2601,
41-2622 and 41-2629 are hereby repealed.
Sec. 16. This act shall take effect and be in force from and after its publication in the statute book.