

STATE OF KANSAS

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SENATE CHAMBER

MADAM PRESIDENT:

I move to amend **HB 2331**, as amended by Senate Committee, on page 13, following line 35, by inserting:

"New Sec. 8. (a) On and after July 1, 2016, the director may issue to qualified applicants a beer retailer's license. A beer retailer's license shall allow the licensee to sell and offer for sale at retail and deliver in the original package, as therein prescribed, beer for use or consumption off of and away from the premises specified in such license.

(b) A beer retailer's license shall permit the sale and delivery of beer only on the licensed premises and shall not permit the sale of beer for resale in any form, except that the licensee may:

- (1) Sell beer to a temporary permit holder for resale by such temporary permit holder; and
- (2) sell and deliver beer to a caterer or to the licensed premises of a tavern, club or drinking establishment, if such premises are in the county where the retailer's licensed premises are located or in an adjacent county, for resale by such caterer, tavern, club or drinking establishment.

(c) A beer retailer's licensee may:

- (1) Charge a delivery fee for delivery of beer to a caterer, tavern, club or drinking establishment pursuant to subsection (b);
- (2) sell lottery tickets and shares to the public in accordance with the Kansas lottery act, if the licensee is selected as a lottery retailer;
- (3) include in the sale of beer any goods included by the manufacturer in packaging with the beer, subject to the approval of the director;
- (4) distribute to the public, without charge, consumer advertising specialities bearing

advertising matter, subject to rules and regulations of the secretary limiting the form and distribution of such specialities so that they are not conditioned on or an inducement to the purchase of beer;

(5) store beer in refrigerators, cold storage units, ice boxes or other cooling devices, and sell such beer to consumers in a chilled condition; and

(6) sell any other good or service on the licensed premises.

(d) A beer retailer's license shall be subject to the provisions of K.S.A. 41-1101, and amendments thereto, prohibiting a retailer from purchasing alcoholic liquor from a distributor, who has not filed with the director a sworn statement agreeing to sell to all retailers in the distributor's franchised territory at the same unit price and prohibiting a distributor from selling alcoholic liquor to a retailer at a discount for multiple case lots. A beer retailer's license also shall be subject to the provisions of K.S.A. 41-729, and amendments thereto, prohibiting the sale of alcoholic liquor at less than the acquisition cost thereof.

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

New Sec. 9. (a) The director may propose rules and regulations necessary to implement and administer the provisions of this act, and submit such rules and regulations to the secretary in accordance with K.S.A. 41-210, and amendments thereto. Such rules and regulations may include, but are not limited to:

(1) That on and after July 1, 2016, the number of beer retailer's licenses that are issued by the director in any one month may be limited to that number which may be reasonably processed and issued by the director based on the resources of the division of alcoholic beverage control; and

(2) that submission of applications for a beer retailer's license to the director and review of such applications by the director for compliance with the Kansas liquor control act may be permitted prior to July 1, 2016.

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

New Sec. 10. (a) On and after July 1, 2016, 3% of the revenue remitted to the state treasurer pursuant to K.S.A. 79-4108, and amendments thereto, during the prior calendar year quarter that is deposited in the state treasury shall be credited to the local beer sales enforcement fund, which is hereby created in the state treasury. Moneys credited to the local beer sales enforcement fund shall be distributed quarterly as part of the January, April, July and October sales tax distribution to each city and county which levied a local retailers' sales tax. The amount to be distributed to each city and county shall be determined by the department of revenue based on a weighted population average. The weighted population average shall be computed by multiplying the total tax rate in effect for the city or county by the population of such city or county. The weighted population average for each city and county shall then be divided by the total Kansas population. The resulting quotient is the percentage of distribution for such city or county. The population data shall be updated annually with the issuance of the certified population data through the division of the budget.

(b) The local beer sales enforcement fund shall be used for the purposes set forth in K.S.A. 79-4101 et seq., and amendments thereto, and for no other governmental purposes. It is the intent of the legislature that the local beer sales enforcement fund shall remain intact and inviolate for the purposes set forth in K.S.A. 79-4101 et seq., and amendments thereto, and moneys in the local beer sales enforcement fund shall not be subject to the provisions of K.S.A. 75-3722, 75-3725a and 75-3726a, and amendments thereto.

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

New Sec. 11. (a) As used in the Kansas liquor control act:

(1) "Beer retailer's license" means a license to sell at retail beer in the original package issued pursuant to the Kansas liquor control act.

(2) "Convenience store" means a retail business with primary emphasis placed on providing the public a convenient location to quickly purchase from a wide array of consumable products

(predominantly food or food and gasoline) and services.

(3) "Grocery store" means an establishment primarily engaged in retailing a general line of groceries, including, but not limited to, packaged food, fresh and frozen food, prepared foods and other consumable products, and includes establishments primarily engaged in retailing a general line of groceries in combination with general lines of new merchandise.

(4) "Liquor store" means an establishment whose primary business is the retail sale of alcoholic liquor in the original and unopened container and not for consumption on the premises.

(5) "Retailer's license" means a license to sell at retail alcoholic liquor in the original package issued pursuant to the Kansas liquor control act.

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

New Sec. 12. (a) On and after July 1, 2016, whenever the term "cereal malt beverage" is referred to by statute, such reference shall be deemed to mean "beer" as that term is defined in K.S.A. 41-102, and amendments thereto.

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

New Sec. 13. (a) A license for a tavern shall allow the licensee to offer for sale, sell and serve beer by the individual drink for consumption on the licensed premises which may be open to the public, and to serve samples of beer free of charge on the licensed premises subject to the requirements of subsection (b), but only if such premises are located in a county where the qualified electors of the county have approved, by a majority vote of those voting thereon, the proposition to amend section 10 of article 15 of the constitution of the state of Kansas at the general election in November 1986, or have approved a proposition to allow sales of alcoholic liquor by the individual drink in public places within the county at an election pursuant to K.S.A. 41-2646, and amendments thereto, and have not approved a proposition to prohibit such sales of alcoholic liquor in such places at a subsequent election pursuant to K.S.A. 41-2646, and amendments thereto.

(b) No charge of any sort may be made for a sample serving. A person may be served no more than five samples per visit. Samples may not be served to a minor. No samples may be removed from the licensed premises. Providing samples is prohibited for any licensee who charges a cover charge or entry fee at any time during the business day. No consideration shall be requested or required for entry onto the premises, participation in any event taking place on the premises or to remain on the premises.

(c) A tavern 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.

(d) This section shall be part of and supplemental to the club and drinking establishment act.

(e) This section shall be effective from and after July 1, 2016.

Sec. 14. From and after July 1, 2016, K.S.A. 2014 Supp. 41-102 is hereby amended to read as follows: 41-102. As used in this act, unless the context clearly requires otherwise:

(a) "Alcohol" means the product of distillation of any fermented liquid, whether rectified or diluted, whatever its origin, and includes synthetic ethyl alcohol but does not include denatured alcohol or wood alcohol.

(b) "Alcoholic liquor" means alcohol, spirits, wine, beer and every liquid or solid, patented or not, containing alcohol, spirits, wine or beer and capable of being consumed as a beverage by a human being, ~~but shall not include any cereal malt beverage.~~

(c) "Beer" means ~~a beverage, containing more than 3.2% alcohol by weight, obtained by alcoholic fermentation of an infusion or concoction of barley, or other grain, malt and hops in water and includes beer, ale, stout, lager beer, porter and similar beverages having such alcoholic content~~ beer, ale, porter, stout and other similar fermented beverages, including saké or similar products, of any name or description containing 0.5% or more of alcohol by volume, that is brewed or produced, wholly or in part, from malt, rice, grain of any kind, bran, glucose, sugar or molasses.

~~(d)~~ "Caterer" has the meaning provided by K.S.A. 41-2601, and amendments thereto.

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

~~(f)~~(e) "Club" has the meaning provided by K.S.A. 41-2601, and amendments thereto.

~~(g)~~(f) "Director" means the director of alcoholic beverage control of the department of revenue.

~~(h)~~(g) "Distributor" means the person importing or causing to be imported into the state, or purchasing or causing to be purchased within the state, alcoholic liquor for sale or resale to retailers licensed under this act ~~or cereal malt beverage for sale or resale to retailers licensed under K.S.A. 41-2702, and amendments thereto.~~

~~(i)~~(h) "Domestic beer" means beer which contains not more than 10% alcohol by weight and which is manufactured in this state.

~~(j)~~(i) "Domestic fortified wine" means wine which contains more than 14%, but not more than 20% alcohol by volume and which is manufactured in this state.

~~(k)~~(j) "Domestic table wine" means wine which contains not more than 14% alcohol by volume and which is manufactured without rectification or fortification in this state.

~~(l)~~(k) "Drinking establishment" has the meaning provided by K.S.A. 41-2601, and amendments thereto.

~~(m)~~(l) "Farm winery" means a winery licensed by the director to manufacture, store and sell domestic table wine and domestic fortified wine.

~~(n)~~(m) "Manufacture" means to distill, rectify, ferment, brew, make, mix, concoct, process, blend, bottle or fill an original package with any alcoholic liquor, beer or cereal malt beverage.

~~(o)~~(n) (1) "Manufacturer" means every brewer, fermenter, distiller, rectifier, wine maker, blender, processor, bottler or person who fills or refills an original package and others engaged in

brewing, fermenting, distilling, rectifying or bottling alcoholic liquor, ~~beer or cereal malt beverage.~~

(2) "Manufacturer" does not include a microbrewery, microdistillery or a farm winery.

~~(p)~~ (o) "Microbrewery" means a brewery licensed by the director to manufacture, store and sell domestic beer.

~~(q)~~ (p) "Microdistillery" means a facility which produces spirits from any source or substance that is licensed by the director to manufacture, store and sell spirits.

~~(r)~~ (q) "Minor" means any person under 21 years of age.

~~(s)~~ (r) "Nonbeverage user" means any manufacturer of any of the products set forth and described in K.S.A. 41-501, and amendments thereto, when the products contain alcohol or wine, and all laboratories using alcohol for nonbeverage purposes.

~~(t)~~ (s) "Original package" means any bottle, flask, jug, can, cask, barrel, keg, hogshead or other receptacle or container whatsoever, used, corked or capped, sealed and labeled by the manufacturer of alcoholic liquor, to contain and to convey any alcoholic liquor. Original container does not include a sleeve.

~~(u)~~ (t) "Person" means any natural person, corporation, partnership, trust or association.

~~(v)~~ (u) "Primary American source of supply" means the manufacturer, the owner of alcoholic liquor at the time it becomes a marketable product or the manufacturer's or owner's exclusive agent who, if the alcoholic liquor cannot be secured directly from such manufacturer or owner by American wholesalers, is the source closest to such manufacturer or owner in the channel of commerce from which the product can be secured by American wholesalers.

~~(w)~~ (v) (1) "Retailer" means a person who sells at retail, or offers for sale at retail, alcoholic liquors.

(2) "Retailer" does not include a microbrewery, microdistillery or a farm winery.

~~(x)~~ (w) "Sale" means any transfer, exchange or barter in any manner or by any means

whatsoever for a consideration and includes all sales made by any person, whether principal, proprietor, agent, servant or employee.

~~(y)~~(x) "Salesperson" means any natural person who:

(1) Procures or seeks to procure an order, bargain, contract or agreement for the sale of alcoholic liquor ~~or cereal-malt beverage~~; or

(2) is engaged in promoting the sale of alcoholic liquor ~~or cereal-malt beverage~~, or in promoting the business of any person, firm or corporation engaged in the manufacturing and selling of alcoholic liquor ~~or cereal-malt beverage~~, whether the seller resides within the state of Kansas and sells to licensed buyers within the state of Kansas, or whether the seller resides without the state of Kansas and sells to licensed buyers within the state of Kansas.

~~(z)~~(y) "Secretary" means the secretary of revenue.

~~(aa)~~(z) (1) "Sell at retail" and "sale at retail" refer to and mean sales for use or consumption and not for resale in any form and sales to licensed taverns, licensed clubs, licensed drinking establishments, licensed caterers or holders of temporary permits.

(2) "Sell at retail" and "sale at retail" do not refer to or mean sales by a distributor, a microbrewery, a farm winery, a licensed tavern, a licensed club, a licensed drinking establishment, a licensed caterer or a holder of a temporary permit.

~~(bb)~~(aa) "To sell" includes to solicit or receive an order for, to keep or expose for sale and to keep with intent to sell.

~~(ee)~~(bb) "Sleeve" means a package of two or more 50-milliliter (3.2-fluid-ounce) containers of spirits.

~~(dd)~~(cc) "Spirits" means any beverage which contains alcohol obtained by distillation, mixed with water or other substance in solution, and includes brandy, rum, whiskey, gin or other spirituous liquors, and such liquors when rectified, blended or otherwise mixed with alcohol or other substances.

~~(ee)~~ (dd) "Supplier" means a manufacturer of alcoholic liquor ~~or cereal malt beverage or an~~ agent of such manufacturer, other than a salesperson.

~~(ff)~~ (ee) "Temporary permit" has the meaning provided by K.S.A. 41-2601, and amendments thereto.

~~(gg)~~ (ff) "Wine" means any alcoholic beverage obtained by the normal alcoholic fermentation of the juice of sound, ripe grapes, fruits, berries or other agricultural products, including such beverages containing added alcohol or spirits or containing sugar added for the purpose of correcting natural deficiencies.

Sec. 15. From and after July 1, 2016, K.S.A. 2014 Supp. 41-301 is hereby amended to read as follows: 41-301. ~~(a) Except as provided by subsection (b), the director shall issue to qualified applicants, who have filed the bond and paid the registration and license fees required by this act, licenses to sell at retail alcoholic liquor in the original package on premises within the corporate limits of cities and outside the corporate limits of any city.~~

~~(b) No retailer's license or beer retailer's license shall be issued for premises within a city if the governing body of such city, on or before February 15, 2006, adopts adopted an ordinance prohibiting the licensing of the sale at retail of alcoholic liquor in the original package within such city. Upon adoption of such ordinance, the city clerk promptly shall transmit a copy of such ordinance to the director and the director shall refuse to issue licenses to sell at retail alcoholic liquor in the original package in such city. If the governing body adopts such an ordinance, the holder of any valid existing retailer's license for premises in such city shall have the right to continue to operate under such license for a period of 90 days after the effective date of the ordinance or until the expiration of such license, whichever period of time is shorter. If such period of time expires before the expiration of the term for which the retailer's license was issued, the licensee shall be entitled to a refund of the license fee for the unexpired portion of the license period which remains, in accordance with rules and regulations~~

~~adopted by the secretary.~~

~~(e)(b) No retailer's license or beer retailer's license shall be issued for premises within a city if, after November 15, 2005, a majority of the qualified voters of such city voting at an election held as provided by K.S.A. 41-302, and amendments thereto, votes against the licensing of the sale at retail of alcoholic liquor in the original package within such city unless, at a subsequent election, a majority of the qualified voters of such city voting at such election votes in favor of the licensing of the sale at retail of alcoholic liquor in the original package within such city.~~

Sec. 16. From and after July 1, 2016, K.S.A. 2014 Supp. 41-303 is hereby amended to read as follows: 41-303. (a) ~~The director may issue to qualified applicants licenses to sell at retail alcoholic liquor in the original package on premises not located in an incorporated city for use or consumption off the premises. No such license shall be issued to any applicant unless the applicant possesses all the qualifications required of other applicants for retailers' licenses except the qualification of residency within a city.~~

~~No such~~ No retailer's license or beer retailer's license shall be issued to any applicant under this section for premises not located in an incorporated city unless the board of county commissioners of the county in which the premises for which licensure is sought are located adopts a resolution approving the issuance of such license. A certified copy of such resolution shall accompany the application for a such license ~~authorized by this section.~~

~~(b) If a license has been issued under the provisions of this section in the unincorporated area of a county and thereafter the premises so licensed are annexed to a city wherein retail liquor licenses may be issued, such license shall continue to be valid and may be renewed at the appropriate time even though the licensee does not reside in the city to which the area is annexed if the licensee otherwise is qualified and resides in the township in which the premises were located prior to annexation or in the city to which the premises have been annexed.~~

~~(e) Any retail~~ Any retailer's license issued prior to the effective date of this act for premises not located in an incorporated city shall continue to be valid and such premises shall continue to be eligible for licensure if the board of county commissioners of the county in which the premises are located has adopted a resolution approving the issuance of such license. A certified copy of such resolution shall accompany the application for a such license ~~authorized by this subsection.~~

Sec. 17. From and after July 1, 2016, K.S.A. 2014 Supp. 41-304 is hereby amended to read as follows: 41-304. Licenses issued by the director shall be of the following classes: (a) Manufacturer's license; (b) spirits distributor's license; (c) wine distributor's license; (d) beer distributor's license; (e) retailer's license; (f) beer retailer's license; (g) microbrewery license; ~~(g) (h)~~ microdistillery license; ~~(h)~~ (i) farm winery license; and ~~(i) (j)~~ (j) nonbeverage user's license.

Sec. 18. From and after July 1, 2016, K.S.A. 2014 Supp. 41-308 is hereby amended to read as follows: 41-308. (a) Except as provided in K.S.A. 2014 Supp. 41-308d, and amendments thereto, 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 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, tavern, 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, tavern, 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, tavern, 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;

(5) 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; and

(6) sell any other good or service on the licensed premises.

~~(e) 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. 19. From and after July 1, 2016, K.S.A. 2014 Supp. 41-310 is hereby amended to read as follows: 41-310. (a) At the time application is made to the director for a license of any class, the applicant shall pay the fee provided by this section.

(b) The fee for a manufacturer's license to manufacture alcohol and spirits shall be \$5,000.

(c) The fee for a manufacturer's license to manufacture beer ~~and cereal malt beverage~~ shall be:

- (1) For 1 to 100 barrel daily capacity or any part thereof, \$400.
- (2) For 100 to 150 barrel daily capacity, \$800.
- (3) For 150 to 200 barrel daily capacity, \$1,400.
- (4) For 200 to 300 barrel daily capacity, \$2,000.
- (5) For 300 to 400 barrel daily capacity, \$2,600.
- (6) For 400 to 500 barrel daily capacity, \$2,800.
- (7) For 500 or more barrel daily capacity, \$3,200.

As used in this subsection, "daily capacity" means the average daily barrel production for the previous 12 months of manufacturing operation. If no basis for comparison exists, the licensee shall pay in advance for operation during the first term of the license a fee of \$2,000.

(d) The fee for a manufacturer's license to manufacture wine shall be \$1,000.

(e) (1) The fee for a microbrewery license, a microdistillery license or a farm winery license shall be \$500.

(2) The fee for a winery outlet license shall be \$100.

(3) The fee for a microbrewery packaging and warehousing facility license shall be \$200.

(4) The fee for a microdistillery packaging and warehousing facility license shall be \$200.

(f) The fee for a spirits distributor's license for the first and each additional distributing place of business operated in this state by the licensee and wholesaling and jobbing spirits shall be \$2,000.

(g) The fee for a wine distributor's license for the first and each additional distributing place of business operated in this state by the licensee and wholesaling and jobbing wine shall be \$2,000.

(h) The fee for a beer distributor's license, for the first and each additional wholesale distributing place of business operated in this state by the licensee and wholesaling or jobbing beer ~~and cereal malt beverage~~ shall be \$2,000.

(i) The fee for a nonbeverage user's license shall be:

(1) For class 1, \$20.

(2) For class 2, \$100.

(3) For class 3, \$200.

(4) For class 4, \$400.

(5) For class 5, \$1,000.

(j) In addition to the license fees prescribed by subsections (b), (c), (d), (f), (g), (h) and (i):

(1) Any city in which the licensed premises are located may levy and collect a biennial occupation or license tax on the licensee in an amount not exceeding the amount of the license fee required to be paid under this act to obtain the license, but no city shall impose an occupation or privilege tax on the licensee in excess of that amount; and

(2) any township in which the licensed premises are located may levy and collect a biennial occupation or license tax on the licensee in an amount not exceeding the amount of the license fee required to be paid under this act to obtain the license, but no township shall impose an occupation or privilege tax on the licensee in excess of that amount; the township board of the township is authorized to fix and impose the tax and the tax shall be paid by the licensee to the township treasurer, who shall issue a receipt therefor to the licensee and shall cause the tax paid to be placed in the general fund of the township.

(k) The fee for a retailer's license shall be \$500.

(l) The fee for a beer retailer's license shall be \$2,000.

~~(m)~~ In addition to the license fee prescribed by subsection (k):

(1) Any city in which the licensed premises are located may levy and collect a biennial occupation or license tax on the licensee in an amount not less than \$200 nor more than \$600, but no other occupation or excise tax or license fee shall be levied by any city against or collected from the

licensee; and

(2) any township in which the licensed premises are located may levy and collect a biennial occupation or license tax on the licensee in an amount not less than \$200 nor more than \$600; the township board of the township is authorized to fix and impose the tax and the tax shall be paid by the licensee to the township treasurer, who shall issue a receipt therefor to the licensee and shall cause the tax paid to be placed in the general fund of the township.

~~(m)~~(n) The license term for a license shall commence on the date the license is issued by the director and shall end two years after that date. 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 the date such 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 this section by the same number of days the director has extended the license term.

Sec. 20. From and after July 1, 2016, K.S.A. 2014 Supp. 41-311 is hereby amended to read as follows: 41-311. (a) No license of any kind shall be issued pursuant to the liquor control act to a person:

- (1) Who is not a citizen of the United States;
- (2) who has been convicted of a felony under the laws of this state, any other state or the United States;
- (3) who has had a license revoked for cause under the provisions of the liquor control act, or the beer and cereal malt beverage keg registration act ~~or who has had any license issued under the cereal malt beverage laws of any state revoked for cause~~ except that a license may be issued to a person whose license was revoked for the conviction of a misdemeanor at any time after the lapse of 10 years following the date of the revocation;

(4) who has been convicted of being the keeper or is keeping any property, whether real or personal, where sexual relations are being sold or offered for sale by a person who is 18 years of age or older or has forfeited bond to appear in court to answer charges of being a keeper of any property, whether real or personal, where sexual relations are being sold or offered for sale by a person who is 18 years of age or older;

(5) who has been convicted of being a proprietor of a gambling house, pandering or any other crime opposed to decency and morality or has forfeited bond to appear in court to answer charges for any of those crimes;

(6) who is not at least 21 years of age;

(7) who, other than as a member of the governing body of a city or county, appoints or supervises any law enforcement officer, who is a law enforcement official or who is an employee of the director;

(8) who intends to carry on the business authorized by the license as agent of another;

(9) who at the time of application for renewal of any license issued under this act would not be eligible for the license upon a first application, except as provided by subsection ~~(a)(12)~~ (a)(11);

~~(10) who is the holder of a valid and existing license issued under article 27 of chapter 41 of the Kansas Statutes Annotated, and amendments thereto, unless the person agrees to and does surrender the license to the officer issuing the same upon the issuance to the person of a license under this act, except that a retailer licensed pursuant to K.S.A. 41-2702, and amendments thereto, shall be eligible to receive a retailer's license under the Kansas liquor control act;~~

~~(11)~~ who does not own the premises for which a license is sought, or does not, at the time of application, have a written lease thereon;

~~(12)~~ (11) whose spouse would be ineligible to receive a license under this act for any reason other than citizenship, residence requirements or age, except that this subsection (a)(12) shall not apply

in determining eligibility for a renewal license;

~~(13)~~ (12) whose spouse has been convicted of a felony or other crime which would disqualify a person from licensure under this section and such felony or other crime was committed during the time that the spouse held a license under this act; or

~~(14)~~ (13) who does not provide any data or information required by K.S.A. 2014 Supp. 41-311b, and amendments thereto.

(b) (1) No retailer's license shall be issued to:

~~(1) A person who is not a resident of this state;~~

~~(2) a person who has not been a resident of this state for at least four years immediately preceding the date of application;~~

~~(3)~~ (A) A person who has a beneficial interest in a manufacturer, distributor, farm winery or microbrewery licensed under this act, except that the spouse of an applicant for a retailer's license may own and hold a farm winery license, microbrewery license, or both, if the spouse does not hold a retailer's license issued under this act;

~~(4) a person who has a beneficial interest in any other retail establishment licensed under this act, except that the spouse of a licensee may own and hold a retailer's license for another retail establishment;~~

~~(5) a copartnership, unless all of the copartners are qualified to obtain a license;~~

~~(6) a corporation; or~~

~~(7) a trust, if any grantor, beneficiary or trustee would be ineligible to receive a license under this act for any reason, except that the provisions of subsection (a)(6) shall not apply in determining whether a beneficiary would be eligible for a license~~ (B) a corporation, if any officer, manager or director thereof, or any natural person owning in the aggregate more than 5% of the common or preferred stock of such corporation would be ineligible to receive a license hereunder for any reason.

other than citizenship and residence requirements; or

(C) a corporation, if any officer, manager or director thereof, or any natural person owning in the aggregate more than 5% of the common or preferred stock of such corporation, has been an officer, manager or director, or a natural person owning in the aggregate more than 5% of the common or preferred stock, of a corporation which:

- (i) Has had a license revoked under the provisions of the Kansas liquor control act; or
- (ii) has been convicted of a violation of the Kansas liquor control act.

(2) No retailer's license shall be issued to a person who is not engaged in business as a liquor store, except that a retailer's license may be issued to such person if upon issuance of the license such person engages in business as a liquor store.

(3) No beer retailer's license shall be issued to a person who is not engaged in business as a convenience store or grocery store, except that a beer retailer's license may be issued to such person if upon issuance of the license such person engaged in business as a convenience store or grocery store.

(c) No manufacturer's license shall be issued to:

(1) A corporation, if any officer or director thereof, or any stockholder owning in the aggregate more than 25% of the stock of the corporation would be ineligible to receive a manufacturer's license for any reason other than citizenship and residence requirements;

(2) a copartnership, unless all of the copartners shall have been residents of this state for at least five years immediately preceding the date of application and unless all the members of the copartnership would be eligible to receive a manufacturer's license under this act;

(3) a trust, if any grantor, beneficiary or trustee would be ineligible to receive a license under this act for any reason, except that the provisions of subsection (a)(6) shall not apply in determining whether a beneficiary would be eligible for a license;

(4) an individual who is not a resident of this state;

(5) an individual who has not been a resident of this state for at least five years immediately preceding the date of application; or

(6) a person who has a beneficial interest in a distributor, retailer, farm winery or microbrewery licensed under this act, except as provided in K.S.A. 41-305, and amendments thereto.

(d) No distributor's license shall be issued to:

(1) A corporation, if any officer, director or stockholder of the corporation would be ineligible to receive a distributor's license for any reason. It shall be unlawful for any stockholder of a corporation licensed as a distributor to transfer any stock in the corporation to any person who would be ineligible to receive a distributor's license for any reason, and any such transfer shall be null and void, except that: (A) If any stockholder owning stock in the corporation dies and an heir or devisee to whom stock of the corporation descends by descent and distribution or by will is ineligible to receive a distributor's license, the legal representatives of the deceased stockholder's estate and the ineligible heir or devisee shall have 14 months from the date of the death of the stockholder within which to sell the stock to a person eligible to receive a distributor's license, any such sale by a legal representative to be made in accordance with the provisions of the probate code; or (B) if the stock in any such corporation is the subject of any trust and any trustee or beneficiary of the trust who is 21 years of age or older is ineligible to receive a distributor's license, the trustee, within 14 months after the effective date of the trust, shall sell the stock to a person eligible to receive a distributor's license and hold and disburse the proceeds in accordance with the terms of the trust. If any legal representatives, heirs, devisees or trustees fail, refuse or neglect to sell any stock as required by this subsection, the stock shall revert to and become the property of the corporation, and the corporation shall pay to the legal representatives, heirs, devisees or trustees the book value of the stock. During the period of 14 months prescribed by this subsection, the corporation shall not be denied a distributor's license or have its distributor's license revoked if the corporation meets all of the other requirements necessary to have a distributor's license;

(2) a copartnership, unless all of the copartners are eligible to receive a distributor's license;

(3) a trust, if any grantor, beneficiary or trustee would be ineligible to receive a license under this act for any reason, except that the provisions of subsection (a)(6) shall not apply in determining whether a beneficiary would be eligible for a license; or

(4) a person who has a beneficial interest in a manufacturer, retailer, farm winery or microbrewery licensed under this act.

(e) No nonbeverage user's license shall be issued to a corporation, if any officer, manager or director of the corporation or any stockholder owning in the aggregate more than 25% of the stock of the corporation would be ineligible to receive a nonbeverage user's license for any reason other than citizenship and residence requirements.

(f) No microbrewery license, microdistillery license or farm winery license shall be issued to a:

(1) Person who is not a resident of this state;

(2) person who has not been a resident of this state for at least one year immediately preceding the date of application;

(3) person who has a beneficial interest in a manufacturer or distributor licensed under this act, except as provided in K.S.A. 41-305, and amendments thereto;

(4) person, copartnership or association which has a beneficial interest in any retailer licensed under this act or under K.S.A. 41-2702, and amendments thereto, except that the spouse of an applicant for a microbrewery or farm winery license may own and hold a retailer's license if the spouse does not hold a microbrewery or farm winery license issued under this act;

(5) copartnership, unless all of the copartners are qualified to obtain a license;

(6) corporation, unless stockholders owning in the aggregate 50% or more of the stock of the corporation would be eligible to receive such license and all other stockholders would be eligible to

receive such license except for reason of citizenship or residency; or

(7) a trust, if any grantor, beneficiary or trustee would be ineligible to receive a license under this act for any reason, except that the provisions of subsection (a)(6) shall not apply in determining whether a beneficiary would be eligible for a license.

(g) The provisions of subsections ~~(b)(1), (b)(2)~~, (c)(3), (c)(4), (d)(3), (f)(1), (f)(2) and K.S.A. 2014 Supp. 41-311b, and amendments thereto, shall not apply in determining eligibility for the 10<sup>th</sup>, or a subsequent, consecutive renewal of a license if the applicant has appointed a citizen of the United States who is a resident of Kansas as the applicant's agent and filed with the director a duly authenticated copy of a duly executed power of attorney, authorizing the agent to accept service of process from the director and the courts of this state and to exercise full authority, control and responsibility for the conduct of all business and transactions within the state relative to alcoholic liquor and the business licensed. The agent must be satisfactory to and approved by the director, except that the director shall not approve as an agent any person who:

(1) Has been convicted of a felony under the laws of this state, any other state or the United States;

(2) has had a license issued under the alcoholic liquor ~~or cereal-malt beverage~~ laws of this or any other state revoked for cause, except that a person may be appointed as an agent if the person's license was revoked for the conviction of a misdemeanor and 10 years have lapsed since the date of the revocation;

(3) has been convicted of being the keeper or is keeping any property, whether real or personal, where sexual relations are being sold or offered for sale by a person who is 18 years of age or older or has forfeited bond to appear in court to answer charges of being a keeper of any property, whether real or personal, where sexual relations are being sold or offered for sale by a person who is 18 years of age or older;

(4) has been convicted of being a proprietor of a gambling house, pandering or any other crime opposed to decency and morality or has forfeited bond to appear in court to answer charges for any of those crimes; or

(5) is less than 21 years of age.

Sec. 21. From and after July 1, 2016, K.S.A. 2014 Supp. 41-313 is hereby amended to read as follows: 41-313. (a) No corporation, either organized under the laws of this state, any other state or a foreign country, shall be issued a retailer's, beer retailer's, manufacturer's, distributor's, microbrewery, microdistillery or farm winery license unless the corporation has first ~~procured a certificate of authority from~~ filed a formation document with the secretary of state to do business in this state as provided by law, appointed a citizen of the United States, and resident of Kansas, as its resident agent ~~and filed with the director a duly authenticated copy of a duly executed power of attorney~~, authorizing the agent to accept service of process from the director and the courts of this state and to exercise full authority of the corporation and full authority, control and responsibility for the conduct of all business and transactions of the corporation within the state relative to alcoholic liquor and the business licensed. ~~The agent must be satisfactory to and approved by the director with respect to the agent's character.~~ The agent shall at all times be maintained by the corporation.

~~In addition, any corporation organized under the laws of any other state or foreign country, as a condition precedent to the issuance to it of any license, shall file with the secretary of state of the state of Kansas, a duly authorized and executed power of attorney, authorizing the secretary of state to accept service of process from the director and the courts of this state and to accept service of any notice or order provided for in this act, and all such acts by the secretary of state shall be fully binding upon the corporation.~~

(b) Every nonresident applicant on applying for a license or permit under this act, and as a condition precedent to obtaining such license or permit, shall file with the secretary of state of this state

its written consent, irrevocable, that any action or garnishment proceeding may be commenced against such applicant in the proper court of any county in this state in which the cause of action shall arise or in which the plaintiff may reside by the service of process on the resident agent specified in subsection (a), and stipulating and agreeing that such service shall be taken and held in all courts to be as valid and binding as if due service had been made upon the applicant. The written consent shall state that the courts of this state have jurisdiction over the person of such applicant and are the proper and convenient forum for such action and shall waive the right to request a change of jurisdiction or venue to a court outside this state and that all actions arising under this act and commenced by the applicant shall be brought in this state's courts as the proper and convenient forum. Such consent shall be executed by the applicant and if a corporation, by the president and secretary of the corporate applicant, and shall be accompanied by a duly certified copy of the order or resolution of the board of directors, trustees or managers authorizing the president and secretary to execute the same.

Sec. 22. From and after July 1, 2016, K.S.A. 2014 Supp. 41-317 is hereby amended to read as follows: 41-317. (a) Applications for all licenses under this act shall be completed and submitted to the director in a manner prescribed by the director. Each applicant shall submit an application fee of \$50 for each initial application and \$10 for each renewal application to defray the cost of processing the application.

(b) Each applicant shall submit to the division of alcoholic beverage control the full amount of the application fee and:

(1) The full amount of the license fee required to be paid for the kind of license specified in the application; or

(2) one-half of the full amount of the license fee required to be paid for the kind of license specified in the application.

(c) If the applicant elects to pay only one-half of the license fee pursuant to subsection (b)(2),

the remaining one-half of the license fee plus 10% of such remaining balance shall be due and payable one year from the date of issuance of the license. Notwithstanding any other provision of law, failure to pay the full amount due under this paragraph on the date it is due shall result in the automatic cancellation of such license for the remainder of the license term. The director may, at the director's sole discretion and after examination of the circumstances, extend the date payment is due pursuant to this paragraph for not more than 30 days beyond the date such payment is originally due.

(d) Any license fee paid by an applicant shall be returned to the applicant if the application is denied.

(e) Payment of all fees required to be paid pursuant to this section may be made by personal, certified or cashier's check, United States post office money order, debit or credit card or cash, or by electronic payment authorized by the applicant in a manner prescribed by the director.

(f) All fees received by the director pursuant to this section shall be remitted by the director 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 to the credit of the state general fund.

(g) Every applicant for a manufacturer's, distributor's, nonbeverage user's, microbrewery, microdistillery, farm winery, retailer's or special order shipping license shall file with the application a joint and several bond on a form prescribed by the director and executed by good and sufficient corporate sureties licensed to do business within the state of Kansas to the director, in the following amounts:

(1) For a manufacturer, \$25,000;

(2) for a spirits distributor, \$15,000 or an amount equal to the highest monthly liability of the distributor for taxes imposed by the Kansas liquor control act for any of the 12 months immediately prior to renewal of the distributor's license, whichever amount is greater;

- (3) for a beer or wine distributor, \$5,000 or an amount equal to the highest monthly liability of the distributor for taxes imposed by the Kansas liquor control act for any of the 12 months immediately prior to renewal of the distributor's license, whichever amount is greater;
- (4) for a retailer or beer retailer, \$2,000;
- (5) for nonbeverage users, \$200 for class 1, \$500 for class 2, \$1,000 for class 3, \$5,000 for class 4 and \$10,000 for class 5;
- (6) for a microbrewery, microdistillery or a farm winery, \$2,000; and
- (7) for a winery holding a special order shipping license, \$750, unless the winery has already complied with subsection (g)(6).

If a distributor holds or applies for more than one distributor's license, only one bond for all such licenses shall be required, which bond shall be in an amount equal to the highest applicable bond.

(h) All bonds required by this section shall be conditioned on the licensee's compliance with the provisions of this act and payment of all taxes, fees, fines and forfeitures which may be assessed against the licensee.

Sec. 23. From and after July 1, 2016, K.S.A. 2014 Supp. 41-713 is hereby amended to read as follows: 41-713. (a) It shall be unlawful for a ~~retailer of alcoholic liquor~~ retailer's licensee:

- (1) To permit any person to mix drinks in or on the licensed premises, except as provided in subsection (b);
- (2) to employ any person under the age of 21 years in connection with the operation of such retail establishment; or
- (3) to employ any person in connection with the operation of such retail establishment who has been adjudged guilty of a felony.

(b) The provisions of subsection (a)(1) shall not apply to the preparation or mixing of samples for the purposes of conducting wine, beer or distilled spirit tastings, or any combination thereof, as

authorized by K.S.A. 2014 Supp. 41-308d, and amendments thereto.

(c) It shall be unlawful for a beer retailer's licensee:

(1) To permit any person to mix drinks in or on the licensed premises;

(2) to authorize or allow any person under the age of 18 to sell at retail beer at the point of sale; or

(3) to authorize or employ any person who has been adjudged guilty of a felony to sell at retail any beer at the point of sale.

Sec. 24. From and after July 1, 2016, K.S.A. 2014 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) "beer"; (3) "director"; ~~(3) (4)~~ "original package"; ~~(4) (5)~~ "person"; ~~(5) (6)~~ "sale"; and ~~(6) (7)~~ "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) (d)~~ "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)~~(e) "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)~~(f) "Club" means a class A or class B club.

~~(h)~~(g) "Drinking establishment" means premises which may be open to the general public, where alcoholic liquor by the individual drink is sold. Drinking establishment includes a railway car.

~~(i)~~(h) "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.

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

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

~~(l)~~(k) "Individual drink" means a beverage containing alcoholic liquor ~~or cereal-malt beverage~~ served to an individual for consumption by such individual or another individual, but which is not intended to be consumed by two or more individuals. The term "individual drink" includes beverages containing not more than: (1) Eight ounces of wine; (2) thirty-two ounces of beer ~~or cereal-malt beverage~~; or (3) four ounces of a single spirit or a combination of spirits.

~~(m)~~(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.

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

~~(o)~~(n) "Morals charge" means a charge involving the sale of sexual relations; 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.

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

~~(q)~~(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.

~~(r)~~(q) "Railway car" means a locomotive drawn conveyance used for the transportation and accommodation of human passengers that is confined to a fixed rail route and which derives from sales of food for consumption on the railway car not less than 30% of its gross receipts from all sales of food and beverages in a 12-month period.

~~(s)~~(r) "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.

(~~t~~)(s) "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.

(~~u~~)(t) "Sample" means a serving of alcoholic liquor which contains not more than: (1) One-half ounce of distilled spirits; (2) one ounce of wine; or (3) two ounces of beer ~~or cereal malt beverage~~. A sample of a mixed alcoholic beverage shall contain not more than one-half ounce of distilled spirits.

(~~v~~)(u) "Secretary" means the secretary of revenue.

(v) "Tavern" means premises which may be open to the general public, where only beer by the individual drink is sold.

(w) "Temporary permit" means a temporary permit issued pursuant to K.S.A. 41-2645, and amendments thereto.

Sec. 25. From and after July 1, 2016, K.S.A. 2014 Supp. 41-2608 is hereby amended to read as follows: 41-2608. (a) Any public venue, tavern, 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, tavern, club or drinking establishment unless the city, township or county zoning code allows a public venue, tavern, club or drinking establishment at that location.

Sec. 26. From and after July 1, 2016, K.S.A. 2014 Supp. 41-2612 is hereby amended to read as follows: 41-2612. Every holder of a license for a tavern, club or drinking establishment shall cause such license to be framed and hung in plain view in a conspicuous place on the licensed premises. In the case of a railway car, the license shall be posted at its main office which shall be stated in the

application.

Sec. 27. From and after July 1, 2016, K.S.A. 2014 Supp. 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, tavern, 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 tavern, 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. 28. From and after July 1, 2016, K.S.A. 2014 Supp. 41-2614 is hereby amended to read as follows: 41-2614. (a) Except as provided by subsection (c), no public venue, tavern, 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. 29. From and after July 1, 2016, K.S.A. 41-2620 is hereby amended to read as follows:

41-2620. (a) No person shall maintain or operate any tavern, club or drinking establishment in this state without having in such person's possession for the location of the establishment a valid unexpired and unrevoked license issued by the director for such tavern, club or drinking establishment.

(b) No person shall act as a caterer in this state without having in such person's possession a valid unexpired and unrevoked caterer's license issued by the director.

(c) No person or organization shall sponsor, conduct or hold an event in this state which requires a temporary permit unless such person or organization has in such person's or organization's possession a temporary permit issued by the director for such event and such event is conducted in accordance with the terms of such permit.

Sec. 30. From and after July 1, 2016, K.S.A. 2014 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. 41-2606, 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 caterer, \$1,000;

(6) for a drinking establishment, \$2,000;

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

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

(9) 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, \$7,500;

and

(12) for a public venue with a maximum capacity exceeding 25,000 persons, \$10,000; and

(13) for a tavern, \$500.

(b) In addition to the fee provided by subsection (a), any city where the licensed premises of a tavern, 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 more than \$1,000.

(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, tavern, 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 Kansas department for aging and disability services. In addition to other purposes

for which expenditures may be made from the other state fees fund of the Kansas department for aging and disability services, expenditures may be made by the secretary for aging and disability 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. 31. From and after July 1, 2016, K.S.A. 2014 Supp. 41-2623 is hereby amended to read as follows: 41-2623. (a) No license shall be issued under the provisions of this act to:

(1) Any person described in ~~subsection (a)(1), (2), (4), (5), (6), (7), (8), (9), (12) or (13) of~~ K.S.A. 41-311(a)(1), (2), (4), (5), (6), (7), (8), (9), (11) or (12), and amendments thereto, except that the provisions of subsection (a)(7) of such section shall not apply to nor prohibit the issuance of a license for a class A club to an officer of a post home of a congressionally chartered service or fraternal organization, or a benevolent association or society thereof.

(2) A person who has had the person's license revoked for cause under the provisions of this act.

(3) A person who has not been a resident of this state for a period of at least one year immediately preceding the date of application.

(4) A person who has a beneficial interest in the manufacture, preparation or wholesaling or the retail sale of alcoholic liquors or a beneficial interest in any other club, drinking establishment or caterer licensed hereunder, except that:

(A) A license for premises located in a hotel may be granted to a person who has a beneficial interest in one or more other clubs or drinking establishments licensed hereunder if such other clubs or establishments are located in hotels.

(B) A license for a tavern, club or drinking establishment which is a restaurant may be issued to a person who has a beneficial interest in other taverns, clubs or drinking establishments which are restaurants.

(C) A caterer's license may be issued to a person who has a beneficial interest in a club or drinking establishment and a license for a club or drinking establishment may be issued to a person who has a beneficial interest in a caterer.

(D) A license for a class A club may be granted to an organization of which an officer, director or board member is a distributor or retailer licensed under the liquor control act if such distributor or retailer sells no alcoholic liquor to such club.

(E) Any person who has a beneficial interest in a microbrewery, microdistillery or farm winery licensed pursuant to the Kansas liquor control act may be issued any or all of the following: (1) Class B club license; (2) drinking establishment license; (3) tavern license; and ~~(3)~~(4) caterer's license.

(5) A copartnership, unless all of the copartners are qualified to obtain a license.

(6) A corporation, if any officer, manager or director thereof, or any stockholder owning in the aggregate more than 5% of the common or preferred stock of such corporation would be ineligible to receive a license hereunder for any reason other than citizenship and residence requirements.

(7) A corporation, if any officer, manager or director thereof, or any stockholder owning in the aggregate more than 5% of the common or preferred stock of such corporation, has been an officer, manager or director, or a stockholder owning in the aggregate more than 5% of the common or preferred stock, of a corporation which:

(A) Has had a license revoked under the provisions of the club and drinking establishment act;  
or

(B) has been convicted of a violation of the club and drinking establishment act ~~or the cereal malt beverage laws of this state.~~

(8) A corporation organized under the laws of any state other than this state.

(9) A trust, if any grantor, beneficiary or trustee would be ineligible to receive a license under this act for any reason, except that the provisions of ~~subsection (a)(6) of~~ K.S.A. 41-311(a)(6), and

amendments thereto, shall not apply in determining whether a beneficiary would be eligible for a license.

(b) No club or drinking establishment license shall be issued under the provisions of the club and drinking establishment act to:

(1) A person who does not own the premises for which a license is sought, or does not, at the time the application is submitted, have a written lease thereon, except that an applicant seeking a license for a premises which is owned by a city or county, or is a stadium, arena, convention center, theater, museum, amphitheater or other similar premises may submit an executed agreement to provide alcoholic beverage services at the premises listed in the application in lieu of a lease.

(2) A person who is not a resident of the county in which the premises sought to be licensed are located.

Sec. 32. From and after July 1, 2016, K.S.A. 41-2625 is hereby amended to read as follows: 41-2625. (a) No corporation shall be issued a license as a tavern club, drinking establishment or caterer unless such corporation first appoints a citizen of the United States, and resident of Kansas, as its agent and files with the director a duly authenticated copy of a duly executed power of attorney authorizing such agent to: (1) Accept service of process from the director and the courts of this state; and (2) exercise full authority of such corporation and full authority, control and responsibility for the conduct of all business and transactions of the corporation within the state relative to the business licensed. Such agent must have the qualifications of a licensee except for the qualification of residence. Such agent shall at all times be maintained by such corporation.

(b) No corporation shall be issued a license as a tavern club, drinking establishment or caterer unless such corporation first files with the director a copy of its articles of incorporation and its bylaws.

(c) No partnership shall be issued a license as a tavern club, drinking establishment or caterer unless such partnership first files with the director a copy of the partnership agreement.

Sec. 33. From and after July 1, 2016, K.S.A. 2014 Supp. 41-2640 is hereby amended to read as follows: 41-2640. (a) No ~~tavern, 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 an individual drink at a price that is less than the acquisition cost of the individual drink to the licensee or permit holder;
- (3) sell, offer to sell or serve to any person an unlimited number of individual 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) encourage or permit, on the licensed premises, any game or contest which involves drinking alcoholic liquor ~~or cereal-malt beverage~~ or the awarding of individual drinks as prizes; or
- (5) advertise or promote in any way, whether on or off the licensed premises, any of the practices prohibited under subsections (a)(1) through (4).

(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).

(c) A public venue club, drinking establishment, caterer or holder of a temporary permit may:

(1) Offer free food or entertainment at any time;

(2) sell or deliver wine by the bottle or carafe;

(3) sell, offer to sell and serve individual drinks at different prices throughout any day;

(4) sell or serve beer ~~or cereal-malt beverage~~ in a pitcher capable of containing not more than 64 fluid ounces;

(5) offer samples of alcohol liquor free of charge as authorized by this act; or

(6) sell or serve margarita, sangria, daiquiri, mojito or other mixed alcoholic beverages as approved by the director in a pitcher containing not more than 64 fluid ounces.

(d) A tavern may:

(1) Offer free food or entertainment at any time;

(2) sell, offer to sell and serve individual drinks at different prices throughout any day;

(3) sell or serve beer in a pitcher capable of containing not more than 64 fluid ounces; or

(4) offer samples of beer free of charge as authorized by this act.

~~(d)~~ (e) A hotel of which the entire premises is licensed as a drinking establishment may, in accordance with rules and regulations adopted by the secretary, distribute to its guests coupons redeemable on the hotel premises for drinks containing alcoholic liquor. The hotel shall remit liquor drink tax in accordance with the provisions of the liquor drink tax act, K.S.A. 79-41a01 et seq., and amendments thereto, on each drink served based on a price which is not less than the acquisition cost of the drink.

~~(e)~~ (f) A hotel of which the entire premises is not licensed as a drinking establishment may, in accordance with rules and regulations adopted by the secretary, through an agreement with one or more

clubs or drinking establishments, distribute to its guests coupons redeemable at such clubs or drinking establishments for drinks containing alcoholic liquor. Each club or drinking establishment redeeming coupons issued by a hotel shall collect from the hotel the agreed price, which shall be not less than the acquisition cost of the drink plus the liquor drink tax for each drink served. The club or drinking establishment shall collect and remit the liquor drink tax in accordance with the provisions of the liquor drink tax act, K.S.A. 79-41a01 et seq., and amendments thereto.

~~(f)~~ (g) Violation of any provision of this section is a misdemeanor punishable as provided by K.S.A. 41-2633, and amendments thereto.

~~(g)~~ (h) 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.

Sec. 34. From and after July 1, 2016, K.S.A. 2014 Supp. 79-4108 is hereby amended to read as follows: 79-4108. All revenue collected or received by the director of taxation from taxes imposed by K.S.A. 79-4101 to 79-4105, and amendments thereto, shall be remitted to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Except as otherwise provided in section 10, and amendments thereto, upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury to the credit of the state general fund. The state treasurer shall transfer any moneys remaining in the county and city alcoholic liquor control enforcement fund on the effective date of this act to the state general fund.";

Also on page 13, following line 37, by inserting:

"Sec. 36. From and after July 1, 2016, K.S.A. 41-103, 41-711, 41-2620, 41-2625, 41-2705, 41-2709, 41-2711, 41-2712, 41-2725, 41-2726 and 41-2727 and K.S.A. 2014 Supp. 41-102, 41-301, 41-303, 41-304, 41-308, 41-310, 41-311, 41-313, 41-317, 41-713, 41-2601, 41-2608, 41-2612, 41-

2613, 41-2614, 41-2622, 41-2623, 41-2640, 41-2701, 41-2702, 41-2703, 41-2704, 41-2708, 41-2722, 41-2728, 41-2729, 41-2906 and 79-4108 are hereby repealed.";

And by renumbering sections accordingly;

On page 1, in the title, by striking all in lines 4 and 5; in line 6, by striking all before the period and inserting: "K.S.A. 41-2620, 41-2625 and 41-2643 and K.S.A. 2014 Supp. 41-102, 41-301, 41-303, 41-304, 41-308, 41-310, 41-311, 41-313, 41-317, 41-350, 41-351, 41-710, 41-713, 41-719, 41-2601, 41-2608, 41-2612, 41-2613, 41-2614, 41-2622, 41-2623, 41-2640, 41-2645 and 79-4108 and repealing the existing sections; also repealing K.S.A. 41-103, 41-711, 41-2705, 41-2709, 41-2711, 41-2712, 41-2725, 41-2726 and 41-2727 and K.S.A. 2014 Supp. 41-2701, 41-2702, 41-2703, 41-2704, 41-2708, 41-2722, 41-2728, 41-2729 and 41-2906"

Senator \_\_\_\_\_