

As Amended by House Committee

Session of 2017

SENATE BILL No. 65

By Committee on Financial Institutions and Insurance

1-23

1 AN ACT concerning alcoholic beverages; pertaining to alcoholic liquors
2 pledged as collateral; relating to sale by creditors thereof; amending
3 K.S.A. 41-1125 and repealing the existing section.
4

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

6 Section 1. K.S.A. 41-1125 is hereby amended to read as follows: 41-
7 1125. (a) The sheriff of any county who has in his possession alcoholic
8 liquors on which he has levied execution for a judgment creditor may sell
9 such alcoholic liquors when an order of the court is entered directing such
10 sale. Such order shall be directed to the sheriff of the county in which
11 execution is levied and shall fix the time and place of sale, method and
12 manner in which the sale shall be held, together with such notice as the
13 court shall direct. After payment of all costs of ~~said~~ such action, the
14 balance shall be paid to the judgment creditor, except, if the amount
15 exceeds the amount of the judgment, then any excess of the judgment
16 amount shall be returned to defendant debtor.

17 (b) *If a creditor has become lawfully entitled to alcoholic liquors that*
18 *were pledged as collateral for a loan, **notwithstanding provisions of the***
19 **Kansas liquor control act to the contrary, the creditor may request**
20 *permission from the director to take possession of such alcoholic liquors*
21 *and conduct a sale to a ~~distributor or other~~ licensee **possessing a valid***
22 **license issued pursuant to the Kansas liquor control act or to a licensee**
23 **possessing a valid license issued pursuant to the club and drinking**
24 **establishment act, to satisfy any debt owed to the creditor. No such**
25 *possession or sale shall occur without prior written authorization from the*
26 *director. The director may require a detailed inventory or other*
27 *information deemed necessary to ensure the safe storage, handling and*
28 *transfer of such alcoholic liquor. The proceeds from any sale executed*
29 *pursuant to this section shall go to the creditor in satisfaction of any debt*
30 *owed, with any remaining proceeds to be returned to the debtor.*

31 (c) This act shall not apply in any case in which the court has ordered
32 and directed confiscation of liquors as part of a judgment or conviction.

33 Sec. 2. K.S.A. 41-1125 is hereby repealed.

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