

STATE OF KANSAS

SENATE CHAMBER

MADAM PRESIDENT:

I move to amend **SB 417**, as amended by Senate Committee, on page 1, following line 6, by inserting:

"Section 1. K.S.A. 2019 Supp. 41-308 is hereby amended to read as follows: 41-308. (a) Except as provided in K.S.A. 2019 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 and cereal malt beverage for use or consumption off and away from the premises specified in such license.

(b) A retailer's license shall permit sale and delivery of alcoholic liquor and cereal malt beverage only on the licensed premises and shall not permit sale of alcoholic liquor and cereal malt beverage for resale in any form, except that a licensed retailer may:

(1) Sell alcoholic liquor and cereal malt beverage to a temporary permit holder for resale by such permit holder;~~and~~

(2) sell and deliver alcoholic liquor and cereal malt beverage 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; and

(3) sell and deliver cereal malt beverage and beer containing not more than 6% alcohol by volume to the licensed premises of a cereal malt beverage retailer, as defined in K.S.A. 41-2701, and amendments thereto, that is licensed for on-premises consumption, if such cereal malt beverage premises are in the county where the retailer's premises are located or in an adjacent county, for resale

by such cereal malt beverage retailer.

(c) A retailer may:

(1) Charge a delivery fee for delivery of alcoholic liquor and cereal malt beverage to a public venue, club, drinking establishment or caterer pursuant to subsection (b)(2);

(2) charge a delivery fee for delivery of cereal malt beverage and beer containing not more than 6% alcohol by volume to a cereal malt beverage retailer pursuant to subsection (b)(3);

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

~~(4)~~(5) 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 or cereal malt beverage;

~~(5)~~(6) store alcoholic liquor and cereal malt beverage in refrigerators, cold storage units, ice boxes or other cooling devices, and the licensee may sell such alcoholic liquor and cereal malt beverage to consumers in a chilled condition; and

~~(6)~~(7) sell any other good or service on the licensed premises, except that the gross sales of other goods and services, excluding fees derived from the sale of lottery tickets and revenues from sales of cigarettes and tobacco products, shall not exceed 20% of the retailer's total gross sales.

(d) All alcoholic liquor, cereal malt beverage and nonalcoholic malt beverage sold by a holder of a retail license shall be subject to the liquor enforcement tax imposed by K.S.A. 79-4101, and amendments thereto.

Sec. 2. K.S.A. 2019 Supp. 41-1201 is hereby amended to read as follows: 41-1201. (a) A temporary permit shall allow the permit holder to offer for sale, sell and serve alcoholic liquor or cereal malt beverage for consumption on licensed or unlicensed premises, or on premises that are otherwise subject to a separate temporary permit, that may be open to the public, subject to the terms of such permit. A temporary permit shall also authorize the permit holder to sell, in accordance with rules and regulations adopted by the secretary, alcoholic liquor at a charitable auction, or one or more limited issue porcelain containers containing alcoholic liquor.

(b) A temporary permit holder may charge a fee for entrance into the premises described in the permit, or any portion thereof.

(c) The director may issue a temporary permit to any one or more persons or organizations applying for such a permit, in accordance with rules and regulations of the secretary. The permit shall be issued in the names of the persons or organizations to which it is issued.

(d) Applications for temporary permits shall be required to be filed with the director not less than 14 days before the event for which the permit is sought, unless the director waives such requirement for good cause. The application shall be upon a form prescribed by the director. Each application shall be electronically submitted and accompanied by a non-refundable permit fee of \$25 for each day for which the permit is issued, and such fee shall be paid by a check or credit card in the full amount thereof. All permit fees collected by the director pursuant to this section shall be remitted 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.

(e) Each application for a temporary permit shall specify the premises for which they are issued, including a diagram of the premises covered by the temporary permit. The diagram shall clearly show the boundaries of the premises, entrances to and exits from the premises and the area in which the

service of alcoholic liquor or cereal malt beverage would take place. A temporary permit shall be issued only for premises where the city, county or township zoning code allows the use for which the permit is issued. No temporary permit shall be issued for premises that are not located in a county where the qualified electors of the county:

(1) (A) Approved, by a majority vote of those voting thereon, to adopt the proposition amending section 10 of article 15 of the constitution of the state of Kansas at the general election in November, 1986; or

(B) have approved a proposition to allow the sale of 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

(2) 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.

(f) (1) A temporary permit may be issued for the consumption of alcoholic liquor or cereal malt beverage on a city, county or township street, alley, road, sidewalk or highway for an event if: (A) Such street, alley, road, sidewalk or highway is closed to motor vehicle traffic by the governing body of such city, county or township for such event; (B) a written request for such consumption and possession of such alcoholic liquor or cereal malt beverage has been made to the local governing body; and (C) the event has been approved by the governing body of such city, county or township by ordinance or resolution.

The boundaries of any such event shall be clearly marked by signs, a posted map or other means which reasonably identify the area in which alcoholic liquor or cereal malt beverage may be possessed or consumed at such event.

(2) Drinking establishments that are immediately adjacent to, or located within the licensed premises of an event, for which a temporary permit has been issued and the consumption of alcoholic liquor or cereal malt beverage on public property has been approved, may request that the drinking

establishment's licensed premises be extended into and made a part of the licensed premises of the event, for the duration of the temporary permit issued for such event.

(3) Each licensee selling alcoholic liquor or cereal malt beverage for consumption on the premises of an event for which a temporary permit has been issued shall be liable for violations of all laws governing the sale and consumption of alcoholic liquor and cereal malt beverage.

(4) Each temporary permit holder selling alcoholic liquor or cereal malt beverage for consumption on the permit premises shall be liable for all violations of laws governing the sale and consumption of alcoholic liquor and cereal malt beverage that occur in areas covered by multiple temporary permits.

(g) (1) Except as otherwise provided in this subsection, a temporary permit shall be issued for a period of time not to exceed three consecutive days, the dates and hours of which shall be specified in the permit. An applicant may not be issued more than four temporary permits in a calendar year.

(2) The director may issue a sufficient number of temporary permits as required by the state fair board, valid for the entire period of time of the Kansas state fair, ~~which that~~ authorizes the sale of wine in its original, unopened container and the serving by the drink of wine ~~or~~, beer, ~~or both~~ cereal malt beverage, or any combination thereof, on the state fairgrounds on premises specified in the temporary permit, by a person who has entered into an agreement with the state fair board for that purpose subject to the conditions imposed by the state fair board. Nothing in this paragraph shall be construed to limit the number of temporary permits the director may issue for the sale of wine ~~or~~, beer, ~~or both~~ cereal malt beverage, or any combination thereof, on the state fairgrounds consistent with the requirements of the state fair board.

(3) For an event approved by the governing body of a city, county or township pursuant to subsection (e)(1), the director may issue a temporary permit, ~~which that~~ may, at the director's discretion, be valid for the entire period of such event, but in no event shall such permit be issued for a

period of time that exceeds 30 consecutive days.

(h) An application for a temporary permit may be rejected by the director if:

(1) The applicant has been granted four permits in the current calendar year;

(2) the application was not filed with the director at least 14 days prior to the event;

(3) the applicant, or any officer, director, partner, registered agent, trustee, manager or owner of the applicant has previously owned or operated any entity holding a temporary permit, club, drinking establishment or caterer's license, had such permit or license surrendered, and at the time such permit or license was surrendered had been ordered to appear and show cause why the permit or license should not be revoked or suspended;

(4) the applicant has designated an area for an event that was the subject of the order to appear and show cause as set forth in paragraph (3), and it appears that the new application for a temporary permit covering the premises is an attempt to avoid any possible remedial action taken by the director against the former permit or license holder; or

(5) the applicant has had a license or permit revoked under the club and drinking establishment act, or has been convicted of a violation of the Kansas liquor control act, the club and drinking establishment act, the Kansas cereal malt beverage act or the provisions of K.S.A. 79-41a01 et seq., and amendments thereto.

(i) (1) A temporary permit holder may purchase and possess alcoholic liquor or cereal malt beverage for resale for a period of three days prior to the first day of sale of such alcoholic liquor or cereal malt beverage. A distributor may, without any further permission from the director, deliver such alcoholic liquor or cereal malt beverage to the permit premises.

(2) If a licensee has sold alcoholic liquor or cereal malt beverage to a temporary permit holder, and a distributor directly delivers such alcoholic liquor or cereal malt beverage to such temporary permit holder, but such licensee's normal hours of operation make immediate payment to the

distributor impossible, the licensee may pay the retailer and the retailer may pay the distributor for such alcoholic liquor or cereal malt beverage within 48 hours of the sale.

(3) Within three business days after the end of an event conducted pursuant to a temporary permit, the temporary permit holder may sell back to the retailer or farm winery from whom alcoholic liquor or cereal malt beverage was purchased any alcoholic liquor or cereal malt beverage sold to the temporary permit holder for such event.

(4) Upon written permission from the director and after four business days after the end of an event conducted pursuant to a temporary permit, the temporary permit holder may sell back to the licensee from whom alcoholic liquor or cereal malt beverage was purchased any alcoholic liquor or cereal malt beverage sold to the temporary permit holder for such event.

(j) A temporary permit shall not be transferable or assignable.

(k) Each temporary permit holder shall not employ or use the services of any person:

(1) Who is under the age of 18 years to serve alcoholic liquor or cereal malt beverage;

(2) who is under the age of 21 years to mix or dispense drinks containing alcoholic liquor or cereal malt beverage;

(3) who is under the age of 21 and not supervised by the temporary permit holder or an employee who is at least 21 years of age;

(4) who has been convicted of a felony or of any crime involving a morals charge to dispense, mix or serve alcoholic liquor or cereal malt beverage; or

(5) who has been convicted within the previous two years of a violation of any intoxicating liquor law of this state, any other state or the United States; to dispense, mix or serve alcoholic liquor or cereal malt beverage.

Sec. 3. K.S.A. 2019 Supp. 41-1202 is hereby amended to read as follows: 41-1202. (a) A temporary permit holder shall only purchase alcoholic liquor or cereal malt beverage from a retailer or

a farm winery and may receive delivery of such alcoholic liquor or cereal malt beverage from a distributor.

(b) Temporary permit holders shall only purchase alcoholic liquor or cereal malt beverage from a retailer who possesses a federal wholesaler's basic permit and who has a sign on display at the licensed premises that states that the licensee is a "Wholesale Liquor Dealer Under Federal Law." All alcoholic liquor or cereal malt beverage purchased on any one day shall be removed from the licensed premises of the retailer or farm winery within 48 hours. Temporary permit holders shall not warehouse any alcoholic liquor or cereal malt beverage on the licensed premises of any retailer or farm winery for more than 48 hours.

(c) Each temporary permit holder, when purchasing alcoholic liquor or cereal malt beverage from a retailer or farm winery, shall obtain and keep for at least one year from the date of purchase a sales receipt that contains the following information:

- (1) The date of purchase;
- (2) the name and address of the retailer or farm winery;
- (3) the name and address of the temporary permit holder as it appears on the temporary permit;
- (4) the brand, size, proof and amount of all alcoholic liquor or cereal malt beverage purchased; and
- (5) the subtotal of the cost of all alcoholic liquor or cereal malt beverage purchased, and the total cost of such purchase, including enforcement tax.

(d) Each temporary permit holder shall be responsible for all violations of the club and drinking establishment act by the following people while on the permit premises:

- (1) An employee of the temporary permit holder, or of any person contracting with the temporary permit holder to provide services or food in connection with an event; or

(2) any individual dispensing, mixing or serving alcoholic liquor or cereal malt beverage at an event.

(e) Except for a temporary permit holder who has obtained such permit for the sale of alcoholic liquor at a charitable auction or for the sale of one or more limited issue porcelain containers containing alcoholic liquor, no temporary permit holder shall sell alcoholic liquor or cereal malt beverage for removal from or consumption off the licensed premises, except that alcoholic liquor or cereal malt beverage may be removed to a drinking establishment that has extended its premises into the event area in accordance with K.S.A. 41-2608, and amendments thereto.

(f) The boundary of any premises covered by a temporary permit shall be marked by a line of demarcation.

Sec. 4. K.S.A. 2019 Supp. 41-1203 is hereby amended to read as follows: 41-1203. (a) All alcoholic liquor or cereal malt beverage sold at an event covered by a temporary permit shall be dispensed only from original containers.

(b) An individual may carry an original container of alcoholic liquor or cereal malt beverage onto the event premises with the approval of the temporary permit holder and under the following conditions:

(1) The temporary permit holder shall not store any such containers of alcoholic liquor or cereal malt beverage on the event premises; and

(2) each individual carrying any such container onto the event premises shall remove such container when the individual exits the event premises.

Sec. 5. K.S.A. 2019 Supp. 41-1204 is hereby amended to read as follows: 41-1204. Notwithstanding any other provisions of the Kansas liquor control act or the club and drinking establishment act to the contrary, any person or entity who is issued a temporary permit may provide samples of wine, beer, cereal malt beverage and distilled spirits on the permit premises as follows:

(a) All wine, beer, cereal malt beverage and spirits sampled shall come from the inventory of the temporary permit holder. Except as provided by ~~paragraph (2) subsection (b)~~, a person other than the temporary permit holder, or such permit holder's agent or employee, may not dispense or participate in the dispensing of alcoholic ~~beverages~~ liquor or cereal malt beverage under this section.

(b) A supplier's permit holder, or such permit holder's agent or employee, may provide samples of wine, beer, cereal malt beverage and distilled spirits on the permit premises, and may open, touch or pour such alcoholic liquor or cereal malt beverage, make a presentation, or answer questions at such sampling events. Any alcoholic liquor or cereal malt beverage sampled under this subsection must be purchased from a retailer or the temporary permit holder on whose premises the sampling event is held.

(c) No charge of any sort may be made for a sample serving.

(d) A person may be served more than one sample. Samples may not be served to a minor. No samples may be removed from the permit premises.

(e) The act of providing samples to consumers shall be exempt from the requirement of holding a Kansas food service dealer license from the department of agriculture under the provisions of chapter 65 of the Kansas Statutes Annotated, and amendments thereto.";

Also on page 1, in line 17, after "liquor" by inserting "or cereal malt beverage"; in line 36, after "liquor" by inserting "or cereal malt beverage";

On page 3, in line 17, after "liquor" by inserting "or cereal malt beverage"; following line 23, by inserting:

"Sec. 7. K.S.A. 41-2604 is hereby amended to read as follows: 41-2604. Any person allowing consumption of alcoholic liquor or cereal malt beverage in violation of this act on any property owned, leased or otherwise under ~~his~~ such person's control shall thereby subject ~~himself~~ such person and the property on which ~~said~~ such illegal consumption takes place to the penalties ~~hereinafter~~ provided in this

section.

(a) The person allowing such consumption shall be guilty of a misdemeanor and upon conviction thereof shall be subject to a fine not to exceed ~~five hundred dollars (\$500)~~ \$500 or confinement in the county jail not to exceed six ~~(6)~~ months, or both such fine and imprisonment.

(b) The property on which the violation takes place is declared to be a public nuisance and as such is subject to abatement as provided for any other liquor nuisance in K.S.A. 41-805, and amendments thereto.

Sec. 8. K.S.A. 2019 Supp. 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 that~~ 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.

(c) The licensed premises of a license may be extend into a city, county or township street, alley, road, sidewalk or highway if: (1) Such street, alley, road, sidewalk or highway is closed to motor vehicle traffic by the governing body of such city, county or township at any time during which alcoholic liquor or cereal malt beverage is to be sold or consumed; and (2) such extension has been approved by the city, county or township by ordinance or resolution that specifies the exact times during which alcoholic liquor or cereal malt beverage may be sold or consumed on the street, alley, road, sidewalk or highway.

Sec. 9. K.S.A. 2019 Supp. 41-2610 is hereby amended to read as follows: 41-2610. It shall be unlawful for any licensee or holder of a temporary permit under this act to:

(a) Employ any person under the age of 18 years in connection with the serving of alcoholic liquor or cereal malt beverage.

(b) Employ knowingly or continue in employment any person in connection with the dispensing or serving of alcoholic liquor or cereal malt beverage or the mixing of drinks containing alcoholic liquor who has been adjudged guilty of a felony or of any crime involving a morals charge in this or any other state, or of the United States.

(c) Knowingly employ or continue to employ any person in connection with the dispensing or serving of alcoholic liquor or cereal malt beverage, or the mixing of drinks containing alcoholic liquor, who has been adjudged guilty of two or more violations of K.S.A. 2019 Supp. 21-5607, and amendments thereto, furnishing alcoholic liquor or cereal malt beverage to minors or a similar law of any other state, or of the United States, pertaining to furnishing alcoholic liquor or cereal malt beverage to minors within the immediately preceding five years, or who has been adjudged guilty of three or more violations of any intoxicating liquor law of this or any other state, or of the United States, not involving the furnishing of alcoholic liquor or cereal malt beverage to minors within the immediately preceding five years.

(d) In the case of a club, fail to maintain at the licensed premises a current list of all members and their residence addresses or refuse to allow the director, any of the director's authorized agents or any law enforcement officer to inspect such list.

(e) Purchase alcoholic liquor or cereal malt beverage from any person except from a person authorized by law to sell such alcoholic liquor or cereal malt beverage to such licensee or permit holder.

(f) Permit any employee of the licensee or permit holder who is under the age of 21 years to work on premises where alcoholic liquor or cereal malt beverage is sold by such licensee or permit holder at any time when not under the on-premises supervision of either the licensee or permit holder, or an employee who is 21 years of age or over.

(g) Employ any person under 21 years of age in connection with the mixing or dispensing of

drinks containing alcoholic liquor or cereal malt beverage.

Sec. 10. K.S.A. 2019 Supp. 41-2611 is hereby amended to read as follows: 41-2611. The director may suspend, involuntarily cancel or revoke any license issued pursuant to the club and drinking establishment act for any one or more of the following reasons:

(a) The licensee has fraudulently obtained the license by giving false information in the application therefor or any hearing thereon.

(b) The licensee has violated any of the provisions of this act or any rules or regulations adopted hereunder.

(c) The licensee has become ineligible to obtain a license or permit under this act.

(d) The licensee's manager or employee has been intoxicated while on duty.

(e) The licensee, or its manager or employee, has permitted any disorderly person to remain on premises where alcoholic liquor or cereal malt beverage is sold by such licensee.

(f) There has been a violation of a provision of the laws of this state, or of the United States, pertaining to the sale of intoxicating or alcoholic liquors or cereal malt beverages, or any crime involving a morals charge, on premises where alcoholic liquor or cereal malt beverage is sold by such licensee.

(g) The licensee, or its managing officers or any employee, has purchased and displayed, on premises where alcoholic liquor or cereal malt beverage is sold by such licensee, a federal wagering occupational stamp issued by the United States treasury department.

(h) The licensee, or its managing officers or any employee, has purchased and displayed, on premises where alcoholic liquor or cereal malt beverage is sold by such licensee, a federal coin operated gambling device stamp for the premises issued by the United States treasury department.

(i) The licensee holds a license as a class B club, drinking establishment or caterer and has been found guilty of a violation of article 10 of chapter 44 of the Kansas Statutes Annotated, and

amendments thereto, under a decision or order of the Kansas human rights commission ~~which~~ that has become final, or such licensee has been found guilty of a violation of K.S.A. 21-4003, prior to its repeal, or K.S.A. 2019 Supp. 21-6102, and amendments thereto.

(j) There has been a violation of K.S.A. 21-4106 or 21-4107, prior to their repeal, or K.S.A. 2019 Supp. 21-6204, and amendments thereto, on premises where alcoholic liquor or cereal malt beverage is sold by such licensee.

Sec. 11. K.S.A. 2019 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, club or drinking establishment or any premises where alcoholic liquor or cereal malt beverage 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. 12. K.S.A. 2019 Supp. 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 or cereal malt beverage on its premises between the hours of 2:00 a.m. and 6:00 a.m. on any day.

(b) No caterer shall allow the serving, mixing or consumption of alcoholic liquor or cereal malt beverage 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. 13. K.S.A. 41-2619 is hereby amended to read as follows: 41-2619. The existence of any place for which a license or temporary permit has not been issued pursuant to this act and which purports, or is held out to the public or to any person by the proprietors or their agents or employees, to be a place where alcoholic liquor or cereal malt beverage is sold by the individual drink, shall be deemed to be sufficient probable cause for any judge of the district court to issue a search warrant to any law enforcement officer of the state or a subdivision of the state for the purpose of searching such place for alcoholic liquor or cereal malt beverage being sold, possessed or consumed in violation of this act, any other law of the state or any ordinance of a municipal subdivision of the state.

Sec. 14. K.S.A. 2019 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 K.S.A. 41-311(a)(1), (2), (4), (5), (6), (7), (8), (9), (12), (13) or (15), and amendments thereto, except that the provisions of ~~subsection K.S.A. 41-311(a)(7) of such section, and amendments thereto,~~ 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~~ liquor or cereal malt beverage 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 club or drinking establishment ~~which~~ that is a restaurant may be issued to a person who has a beneficial interest in other clubs or drinking establishments ~~which~~ that 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; and (3) 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~~ that:

(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 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~~ that 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.";

Also on page 3, in line 27, after "liquor" by inserting "or cereal malt beverage"; in line 30, after "liquor" by inserting "or cereal malt beverage"; in line 32, after "liquor" by inserting "or cereal malt beverage";

On page 4, in line 6, after "liquor" by inserting "or cereal malt beverage"; in line 12, after "liquor" by inserting "or cereal malt beverage"; following line 33, by inserting:

"Sec. 16. K.S.A. 2019 Supp. 41-2641 is hereby amended to read as follows: 41-2641. (a) A license for a class B club shall allow the licensee to: (1) Offer for sale, sell and serve alcoholic liquor or cereal malt beverage for consumption on the licensed premises by members of such club and guests accompanying them; and (2) serve samples of alcoholic liquor or cereal malt beverage free of charge on the licensed premises for consumption by such members and their families and guests accompanying them.

No charge of any sort may be made for a sample serving. 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.

(b) (1) Subject to the provisions of subsection (b)(2), any two or more class A or class B clubs may permit, by an agreement filed with and approved by the director, the members of each such club to have access to all other clubs ~~which~~ that are parties to such agreement. The privileges extended to the visiting members of other clubs under such an agreement shall be determined by the agreement and, if the agreement so provides, any club ~~which~~ that is a party to such agreement may sell, offer for sale and serve, to any person who is a member of another club ~~which~~ that is a party to such agreement, alcoholic liquor or cereal malt beverage for consumption on the licensed premises by such person and such person's family, and guests accompanying them.

(2) A class B club may enter into a reciprocal agreement authorized by subsection (b)(1) only if the class B club is a restaurant.

(c) Except as provided by subsection (d), an applicant for membership in a class B club shall, before becoming a member of such club:

(1) Be screened by the club for good moral character; and

(2) pay an annual membership fee of not less than \$10.

(d) Notwithstanding the membership fee requirement of subsection (c):

(1) Any class B club located on the premises of a hotel or RV resort may establish rules whereby a guest, who registered at the hotel or RV resort and who is not a resident of the county in which the club is located, may file application for temporary membership in such club. The membership, if granted, shall be valid only for the period of time that the guest is a bona fide registered guest at the hotel or RV resort and such temporary membership shall not be subject to the fee requirement of this section.

(2) Any class B club located on property which is owned or operated by a municipal airport authority and upon which consumption of alcoholic liquor or cereal malt beverage is authorized by law may establish rules whereby an air traveler who is a holder of a current airline ticket may file application for temporary membership in such club for the day such air traveler's ticket is valid, and such temporary membership shall not be subject to the fee requirement of this section.

(3) Any class B club may establish rules whereby military personnel of the armed forces of the United States on temporary duty and housed at or near any military installation located within the exterior boundaries of the state of Kansas may file application for temporary membership in such club. The membership, if granted, shall be valid only for the period of the training, not to exceed 20 weeks. Any person wishing to make application for temporary membership in a class B club under this ~~subsection (d)(3) paragraph~~ shall present the temporary duty orders to the club. Temporary membership issued under this ~~subsection (d)(3) paragraph~~ shall not be subject to the fee requirements of this section.

(4) Any class B club may enter into a written agreement with a hotel or RV resort whereby a guest who is registered at the hotel or RV resort and who is not a resident of the county in which the club is located may file application for temporary membership in such club. The temporary membership, if granted, shall be valid only for the period of time that the guest is a bona fide registered

guest at the hotel or RV resort and shall not be subject to the fee requirement of this section. A club may enter into a written agreement with a hotel or RV resort pursuant to this provision only if: (A) The hotel or RV resort is located in the same county as the club; (B) there is no class B club located on the premises of the hotel or RV resort; and (C) no other club has entered into a written agreement with the hotel or RV resort pursuant to this section.

(5) Any class B club located in a racetrack facility where races with parimutuel wagering are conducted under the Kansas parimutuel racing act may establish rules whereby persons attending such races may file an application for temporary membership in such club for the day such person is attending such races, and such temporary membership shall not be subject to the fee requirement of this section.

(e) A licensee may store on its premises wine sold to a customer for consumption at a later date on its premises in the unopened container. Such wine must be kept separate from all other alcohol stock and in a secure locked area separated by customer. Such wine shall not be removed from the licensed premises in its unopened condition.

Sec. 17. K.S.A. 2019 Supp. 41-2642 is hereby amended to read as follows: 41-2642. (a) A license for a drinking establishment shall allow the licensee to offer for sale, sell and serve alcoholic liquor or cereal malt beverage for consumption on the licensed premises which may be open to the public, and to serve samples of alcoholic liquor or cereal malt beverage free of charge on licensed premises subject to the requirements of subsection (c), but only if such premises are located in a county where the qualified electors of the county:

(1) (A) 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 (B) 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

(2) 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) A drinking establishment shall be required to derive from sales of food for consumption on the licensed premises not less than 30% of all the establishment's gross receipts from sales of food and beverages on such premises unless the licensed premises are located in a county where the qualified electors of the county:

(1) Have approved, at an election pursuant to K.S.A. 41-2646, and amendments thereto, a proposition to allow sales of alcoholic liquor by the individual drink in public places within the county without a requirement that any portion of their gross receipts be derived from the sale of food; and

(2) 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.

(c) No charge of any sort may be made for a sample serving. 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.

(d) A drinking establishment 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.

(e) Notwithstanding any other provision of law to the contrary, any hotel of which the entire premises are licensed as a drinking establishment or as a drinking establishment caterer may sell alcoholic liquor or cereal malt beverage by means of minibars located in guest rooms of such hotel, subject to the following:

(1) The key, magnetic card or other device required to attain access to a minibar in a guest room shall be provided only to guests who are registered to stay in such room and who are 21 or more years of age;

(2) containers or packages of spirits or wine sold by means of a minibar shall hold not less than 50 nor more than 200 milliliters; and

(3) a minibar shall be restocked with alcoholic liquor or cereal malt beverage only during hours when the hotel is permitted to sell alcoholic liquor and cereal malt beverage as a drinking establishment.

(f) A drinking establishment may store on its premises wine sold to a customer for consumption at a later date on its premises in the unopened container. Such wine must be kept separate from all other alcohol stock and in a secure locked area separated by customer. Such wine shall not be removed from the licensed premises in its unopened condition.

Sec. 18. K.S.A. 2019 Supp. 41-2643 is hereby amended to read as follows: 41-2643. (a) A caterer's license shall allow the licensee to offer for sale, sell and serve alcoholic liquor or cereal malt beverage for consumption on unlicensed premises, ~~which that~~ may be open to the public, but only if such premises are located in a county where the qualified electors of the county:

(1) (A) 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 (B) 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

(2) 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) A caterer shall be required to derive from sales of food at catered events not less than 30%

of the caterer's gross receipts from all sales of food and beverages at catered events in a 12-month period unless the caterer offers for sale, sells and serves alcoholic liquor or cereal malt beverage only in counties where the qualified electors of the county:

(1) Have approved, at an election pursuant to K.S.A. 41-2646, and amendments thereto, a proposition to allow sales of alcoholic liquor by the individual drink in public places within the county without a requirement that any portion of their gross receipts be derived from the sale of food; and

(2) 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.

(c) Each caterer shall maintain the caterer's principal place of business in a county in this state where the caterer is authorized by this section to sell alcoholic liquor by the individual drink in a public place. All records of the caterer relating to the caterer's licensed business and the caterer's license shall be kept at such place of business. The caterer's principal place of business shall be stated in the application for a caterer's license and the caterer shall notify the director of any change in its location within 10 days after such change.

(d) Except as otherwise provided herein, a caterer shall provide electronic notification to the director at least 48 hours prior to any event at which the caterer will sell alcoholic liquor or cereal malt beverage by the individual drink. The director shall make the electronic notification available to local law enforcement. Notice shall consist of the time, location and the names of the contracting parties of the event. For events where ~~alcohol~~ alcoholic liquor or cereal malt beverage is served, a licensee shall retain all documents for a period of three years for inspection by the director. The documents retained shall include agreements, receipts, employees assigned to the event and records of ~~alcohol~~ alcoholic liquor and cereal malt beverage purchased. Notification shall not be required for weddings, funerals, events sponsored by religious institutions, or for business, industry or trade sponsored meetings, including, but not limited to, awards presentations and retirement celebrations.

(e) A caterer may rebate a portion of the caterer's receipts from the sale of alcoholic liquor or cereal malt beverage at an event to the person or organization contracting with the caterer to sell alcoholic liquor or cereal malt beverage at such event.

Sec. 19. K.S.A. 2019 Supp. 41-2653 is hereby amended to read as follows: 41-2653. (a) In addition to the rights of a licensee pursuant to provisions of K.S.A. 41-2637, 41-2641 or 41-2642, and amendments thereto, a class A club license, class B club license or drinking establishment license shall allow the licensee to allow legal patrons of the club or drinking establishment to remove from the licensed premises one or more opened containers of alcoholic liquor or cereal malt beverage, subject to the following conditions:

(1) It must be legal for the licensee to sell the alcoholic liquor or cereal malt beverage in its original container;

(2) the alcoholic liquor or cereal malt beverage must be in its original container;

(3) each container of alcoholic liquor or cereal malt beverage must have been purchased by a patron and the alcoholic liquor or cereal malt beverage in each container must have been partially consumed on the licensed premises;

(4) the licensee or the licensee's employee must provide the patron with a dated receipt for the unfinished container or containers of alcoholic liquor or cereal malt beverage; and

(5) before the container of alcoholic liquor or cereal malt beverage is removed from the licensed premises, the licensee or the licensee's employee must securely reseal each container, place the container in a tamper-proof, transparent bag ~~which~~ that is sealed in a manner that makes it visibly apparent if the bag is subsequently tampered with or opened.

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

Sec. 20. K.S.A. 2019 Supp. 41-2655 is hereby amended to read as follows: 41-2655. (a) A license for a public venue shall allow the licensee to:

(1) Offer for sale, sell and serve alcoholic liquor or cereal malt beverage 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~~ all-inclusive packages ~~which that~~ include unlimited drinks in designated areas of the licensed premises;

(4) offer for sale, sell and serve alcoholic liquor or cereal malt beverage in the original container for consumption on the licensed premises in private suites, ~~which that~~ 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 that~~ is an enclosed or semi-enclosed seating area, having controlled access and separated from the general admission areas by a permanent barrier, alcoholic liquor or cereal malt beverage 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 or cereal malt beverage 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. No public venue licensee may offer for sale, sell or serve any alcoholic liquor or cereal malt beverage in any area not included in the licensed premises.

(c) The term "designated areas" for purposes of this section ~~shall mean~~ means an area identified in the license application, which may include suites, that has controlled access and is separated from the general admission by a barrier.

~~(d) The provisions of this section shall take effect and be in force from and after July 1, 2012.~~

(e)(d) All rules and regulations adopted on and after July 1, 2012, and prior to July 1, 2013, to implement this section shall continue to be effective and shall be deemed to be duly adopted rules and regulations of the secretary until revised, amended, revoked or nullified pursuant to law.

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

Sec. 21. K.S.A. 2019 Supp. 41-2658 is hereby amended to read as follows: 41-2658. (a) Alcoholic liquor and cereal malt beverage shall be dispensed only from original containers, except any drinking establishment licensee or its agent or employee, may dispense:

(1) Alcoholic liquor or cereal malt beverage from a machine or container used to mix alcoholic liquor with other liquids or solids intended for human consumption;

(2) alcoholic liquor or cereal malt beverage from a machine or container used to chill alcoholic liquor, which may contain additional liquids or solids intended for human consumption; or

(3) infused alcoholic liquor or cereal malt beverage from a container used to infuse alcoholic liquor with other substances intended for human consumption.

(b) A drinking establishment licensee, or its agent or employee, shall not refill any original container with any alcoholic liquor, cereal malt beverage or any other substance.

(c) Any drinking establishment licensee, or its agent or employee, may infuse alcoholic liquor or cereal malt beverage with spices, herbs, fruits, vegetables, candy or other substances intended for human consumption if no additional fermentation occurs during the process.

(d) As used in this section:

(1) "Dispense" means to portion out servings of alcoholic liquor or cereal malt beverage for consumption. This term ~~shall include~~ includes the pouring of drinks of alcoholic liquor or cereal malt beverage and opening original containers of alcoholic liquor or cereal malt beverage by the licensee or licensee's employee for consumption by customers, and shall not include any self-dispensing by a

customer.

(2) "Infuse" means to add flavor or scent to a liquid by steeping additional ingredients in the liquid.

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

Sec. 22. K.S.A. 2019 Supp. 41-2659 is hereby amended to read as follows: 41-2659. (a) (1) A city or a county may establish one or more common consumption areas within the limits of the city or within the unincorporated portion of the county, as applicable, by ordinance or resolution, respectively, and authorize the possession and consumption of alcoholic liquor or cereal malt beverage within the common consumption area. The ordinance or resolution shall designate the boundaries of any common consumption area and prescribe the times during which alcoholic liquor or cereal malt beverage may be consumed therein. The ordinance or resolution shall require that any public street or roadway that lies within a common consumption area shall be blocked from motorized traffic during the hours in which ~~alcohol~~ alcoholic liquor or cereal malt beverage is consumed.

(2) The city or county shall immediately notify the director of the division of alcoholic beverage control of the establishment of a common consumption area and submit a copy of the ordinance or resolution along with such notice.

(b) A common consumption area permit shall allow the consumption of alcoholic liquor or cereal malt beverage in any area designated by such permit. The director may issue common consumption area permits to the city or county or any one person who shall be a resident of Kansas or an organization that has its principal place of business in Kansas and that has been approved by the respective city or county, in accordance with rules and regulations adopted by the secretary of revenue.

(c) Applications for common consumption area permits shall be submitted to the director, subject to the following:

(1) A copy of any ordinance or resolution promulgated in accordance with subsection (a) shall

accompany any application for a common consumption area permit.

(2) Each application shall be accompanied by a non-refundable permit fee of \$100. All permit fees collected by the director pursuant to this section shall be remitted 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.

(3) A common consumption area permit shall be issued for a period of not to exceed one year. A common consumption area permit shall not be transferable or assignable.

(d) Any licensee immediately adjacent to, or located within a common consumption area may request that the licensee's licensed premises participate in the common consumption area for the duration of the common consumption area permit. Such a request shall be made upon forms prescribed by the director.

(e) (1) Any licensee who has requested and received permission to participate in the common consumption area may allow its legal patrons to remove alcoholic liquor or cereal malt beverage purchased from the licensee into the premises described by the common consumption area permit. All alcoholic ~~beverages~~ liquor and cereal malt beverage removed from a licensed premises in such fashion shall be served in a container that displays the licensee's trade name or logo or other identifying mark that is unique to the licensee.

(2) In addition to their licensed premises, one or more licensees that have requested and received permission to participate in a common consumption area may offer for sale, sell and serve alcoholic liquor or cereal malt beverage for consumption from one non-contiguous service area within the common consumption area, as designated and approved by the common consumption area permit holder. The licensee shall prominently display a copy of its drinking establishment license and the approval of the common consumption area permit holder at its non-contiguous service area.

(f) (1) Each licensee within a common consumption area shall be liable for violations of all liquor laws governing the sale and consumption of alcoholic liquor and cereal malt beverage that occur on the licensee's premises.

(2) Each common consumption area permit holder shall be liable for violations that occur off the licensee's premises, but within the common consumption area identified in the permit. No permit holder shall permit any person to remove any open container of alcoholic liquor or cereal malt beverage from the boundaries of the common consumption area.

(g) For the purposes of this section, "common consumption area" ~~shall mean~~ means a defined indoor or outdoor area not otherwise subject to a license issued pursuant to the Kansas liquor control act or the club and drinking establishment act where the possession and consumption of alcoholic liquor or cereal malt beverage is allowed pursuant to a common consumption area permit. The boundaries of any common consumption area must be clearly marked using a physical barrier or any apparent line of demarcation.

(h) The secretary shall adopt rules and regulations to implement this section.

(i) This section shall be a part of and supplemental to the club and drinking establishment act.";

Also on page 4, in line 34, before "K.S.A" by inserting "K.S.A. 41-2604 and 41-2619 and"; also in line 34, after "Supp." by inserting "41-308, 41-1201, 41-1202, 41-1203, 41-1204,"; also in line 34, by striking "and" and inserting ", 41-2608, 41-2610, 41-2611, 41-2613, 41-2614, 41-2623,"; also in line 34, after "41-2637" by inserting ", 41-2641, 41-2642, 41-2643, 41-2653, 41-2655, 41-2658 and 41-2659";

And by renumbering sections accordingly;

On page 1, in the title, in line 1, by striking "class A clubs" and inserting "the club and drinking establishment act"; in line 2, by striking "the" and inserting "licensees to sell and serve cereal malt

beverages; sale of cereal malt beverage by retailers to cereal malt beverage retailers licensed for on-premises consumption;"; also in line 2, after "liquor" by inserting "and cereal malt beverage"; also in line 2, after "amending" by inserting "K.S.A. 41-2604 and 41-2619 and"; in line 3, after "Supp." by inserting "41-308, 41-1201, 41-1202, 41-1203, 41-1204,"; also in line 3, by striking the first "and" and inserting ", 41-2608, 41-2610, 41-2611, 41-2613, 41-2614, 41-2623,"; also in line 3, after "41-2637" by inserting ", 41-2641, 41-2642, 41-2643, 41-2653, 41-2655, 41-2658 and 41-2659"

Senator _____