

REPORTS OF STANDING COMMITTEES

MR. SPEAKER:

The Committee on **Federal and State Affairs** recommends **SB 126** be amended on page 4, following line 36, by inserting:

"Sec. 3. K.S.A. 2020 Supp. 41-2640 is hereby amended to read as follows: 41-2640. (a) No club, drinking establishment, caterer or holder of a temporary permit, nor any person acting as an employee or agent thereof, shall:

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

(2) offer or serve to any person 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;

(5) sell, offer to sell or serve free of charge any form of powdered alcohol, as defined in K.S.A. 41-102, and amendments thereto; or

(6) advertise or promote in any way, whether on or off the licensed premises, any of the practices prohibited under subsections (a)(1) through (5).

(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;

(6) sell, offer to sell or serve free of charge any form of powdered alcohol, as defined in K.S.A. 41-102, and amendments thereto; or

(7) advertise or promote in any way, whether on or off the licensed premises, any of the practices prohibited under subsections (b)(1) through (6).

(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 or mixed alcoholic beverage in a pitcher ~~capable of containing not more than 64 fluid ounces; or~~

(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 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) (1) A public venue, club or drinking establishment may offer customer self-service of beer or wine, or both, from automated devices on licensed premises so long as the licensee monitors and has the ability to control the dispensing of such beer or wine, or both, from the automated devices.

(2) (A) For purposes of this subsection, "automated device" ~~shall mean~~ means any mechanized device capable of dispensing wine or beer, or both, directly to a customer in exchange for compensation that a licensee has received directly from the customer.

(B) No licensee shall allow an automated device to be used on its licensed premises without first providing written or electronic notification to the director of the licensee's intent to use the automated device. The licensee shall provide this notification at least 48 hours before any automated device is used on the licensed premises.

(C) Each licensee offering customer self-service of wine or beer, or both, from any automated device shall provide constant video monitoring of the automated device at all times during which the licensee is open to the public. The licensee shall keep recorded footage from the video monitoring for at least 60 days and shall provide the footage, upon request, to any agent of the director or other authorized law enforcement agent.

(D) The compensation required by subsection (a) shall be in the form of a programmable, prepaid access card containing a fixed amount of monetary credit that may be

directly exchanged for beer or wine dispensed from the automated device. Access cards may be sold, used or reactivated only during a business day. Each access card shall be purchased from the licensee by a customer. A licensee shall not issue more than one active access card to a customer. For purposes of this subsection, an access card shall be deemed active if the access card contains monetary credit or has not yet been used to dispense 15 ounces of wine or 32 ounces of beer. Each purchase of an access card under this subparagraph shall be subject to the liquor drink tax imposed by K.S.A. 79-41a02, and amendments thereto.

(E) In order to obtain a prepaid access card from a licensee, each customer shall produce a valid driver's license, identification card or other government-issued document that contains a photograph of the individual and demonstrates that the individual is at least 21 years of age. Each access card shall be programmed to require the production of the customer's valid identification before the access card can be used for the first time during any business day or for any subsequent reactivation as provided in subparagraph (D).

(F) Each access card shall become inactive at the end of each business day.

(G) Each access card shall be programmed to allow the dispensing of no more than 15 ounces of wine or 32 ounces of beer to a customer. Once an access card has been used to dispense 15 ounces of wine or 32 ounces of beer to a customer, the access card shall become inactive. Any customer in possession of an inactive access card may, upon production of the customer's valid identification to the licensee or licensee's employee, have the access card reactivated to allow the dispensing of an additional 15 ounces of wine or 32 ounces of beer from an automated device.

Subparagraph (D), (E), (F) or (G) shall not apply to wine or beer that is dispensed directly to the licensee or the licensee's agent or employee.

(3) The secretary shall adopt rules and regulations prior to January 1, 2019, as

necessary to implement the provisions of this subsection.

(4) Notwithstanding any other provision of law, all laws and rules and regulations applicable to the sale of alcoholic liquor to persons under the legal age of consumption shall be applicable to the sales transaction of the prepaid access card.

(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.

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

(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.

(i) For the purposes of this section, ~~the term:~~

(1) "Day" means from 6:00 a.m. until 2:00 a.m. the following calendar day;

(2) "mixed alcoholic beverage" means a beverage that is made by combining alcoholic liquor with a non-alcoholic liquid or other edible substance and that is comprised of at least 25% of non-alcoholic liquid or other edible substance, including, but not limited to, margarita,

sangria, daiquiri or mojito; and

(3) "pitcher" means any container that is capable of containing more than 32 fluid ounces but not more than 64 fluid ounces that is used to serve alcoholic liquor or cereal malt beverage to one or more individuals.";

Also on page 4, in line 37, by striking "and" and inserting a comma; also in line 37, after "41-2637" by inserting "and 41-2640";

And by renumbering sections accordingly;

On page 1, in the title, in line 3, after the semicolon by inserting "specifying requirements for the serving of alcoholic beverages by licensees;"; also in line 3, by striking "and" and inserting a comma; in line 4, before "and" by inserting "and 41-2640"; and the bill be passed as amended.

Chairperson