

5
6 **SENATE BILL No. 152**

7
8 By Committee on Federal and State Affairs

9
10 1-29

11
12 AN ACT concerning alcoholic beverages; relating to the regulation
13 thereof; amending K.S.A. 21-3610, 41-204, 41-311, **as amended by**
14 **section 1 of 2001 Senate Bill No. 178, 41-2623** and 41-2703 and
15 repealing the existing sections; also repealing K.S.A. 21-3610a.

16
17 *Be it enacted by the Legislature of the State of Kansas:*

18 Section 1. K.S.A. 21-3610 is hereby amended to read as follows: 21-
19 3610. (a) Furnishing alcoholic liquor *or cereal malt beverage* to a minor
20 is directly or indirectly, selling to, buying for, giving or furnishing any
21 alcoholic liquor *or cereal malt beverage* to any minor.

22 (b) *Except as provided by subsections (d) and (e)*, furnishing alcoholic
23 liquor *or cereal malt beverage* to a minor is a class B person misdemeanor
24 for which the minimum fine is \$200.

25 (c) (1) *Except as provided by paragraph (2) of this subsection*, as
26 used in this section, terms have the meanings provided by K.S.A. 41-102,
27 and amendments thereto.

28 (2) *As used in this section, "cereal malt beverage," "retailer" and "le-*
29 *gal age for consumption of cereal malt beverage" have the meanings pro-*
30 *vided by K.S.A. 41-2701, and amendments thereto.*

31 (d) It shall be a defense to a prosecution under this section if: (1) The
32 defendant is a licensed retailer, club, drinking establishment or caterer
33 or holds a temporary permit, or an employee thereof; (2) the defendant
34 sold the alcoholic liquor *or cereal malt beverage* to the minor with rea-
35 sonable cause to believe that the minor was 21 or more years of age *or*
36 *of legal age for the consumption of alcoholic liquor or cereal malt bever-*
37 *age*; and (3) to purchase the alcoholic liquor, ~~the minor~~ *or cereal malt*
38 *beverage, the person* exhibited to the defendant a driver's license, Kansas
39 nondriver's identification card or other official or apparently official doc-
40 ument, containing a photograph of the minor and purporting to establish
41 that such minor was 21 or more years of age *or of legal age for the con-*
42 *sumption of alcoholic liquor or cereal malt beverage.*

43 (e) *This section shall not apply to the furnishing of cereal malt bev-*

1 *erage by a parent or legal guardian to such parent's child or such guard-*
2 *ian's ward.*

3 Sec. 2. K.S.A. 41-204 is hereby amended to read as follows: 41-204.
4 ~~(a) No person shall be appointed director who is not a citizen of the~~
5 ~~United States and who has not resided in the state of Kansas successively~~
6 ~~for five years immediately preceding the date of appointment.~~

7 ~~—(b) No person shall be appointed deputy director who is not a citizen~~
8 ~~of the United States and who has not resided in the state of Kansas suc-~~
9 ~~cessively for two years immediately preceding the date of appointment.~~

10 ~~(a) Any person appointed as director and all employees of the division~~
11 ~~shall be citizens of the United States and residents of the state of Kansas.~~

12 ~~(c) (b) No person shall be appointed director or deputy director if~~
13 ~~such person has been convicted of a felony or of any violation of any~~
14 ~~federal or state law concerning the manufacture or sale of alcoholic liquor~~
15 ~~or cereal malt beverages, has paid a fine or penalty in settlement in any~~
16 ~~prosecution against such person in any violation of such laws or has for-~~
17 ~~feited bond to appear in court to answer charges for any such violation.~~

18 ~~(d) (c) No person appointed director, deputy director or agent or~~
19 ~~employee of the director may or any employee of the division may have,~~
20 ~~directly or indirectly, individually or as a member of a partnership, or as~~
21 ~~a shareholder of a corporation, have any interest whatsoever in the man-~~
22 ~~ufacture, sale or distribution of alcoholic liquor, nor receive any compen-~~
23 ~~sation or profit therefrom, nor have any interest whatsoever in the pur-~~
24 ~~chases or sales made by the persons authorized by this act, or to purchase~~
25 ~~or to sell alcoholic liquor. None of the provisions of Nothing in this sub-~~
26 ~~section shall prevent a person subject to this subsection from purchasing~~
27 ~~and keeping in the person's possession for the use of the person or the~~
28 ~~person's family or guests any alcoholic liquor which may be purchased or~~
29 ~~kept by any person by virtue of this act.~~

30 Sec. 3. K.S.A. 41-311 is hereby amended to read as follows: 41-311.

31 ~~(a) No license of any kind shall be issued pursuant to the liquor control~~
32 ~~act to a person:~~

33 ~~—(1) Who has not been a citizen of the United States for at least 10~~
34 ~~years, except that the spouse of a deceased retail licensee may receive~~
35 ~~and renew a retail license notwithstanding the provisions of this subsec-~~
36 ~~tion (a)(1) if such spouse is otherwise qualified to hold a retail license and~~
37 ~~is a United States citizen or becomes a United States citizen within one~~
38 ~~year after the deceased licensee's death;~~

39 ~~—(2) who has been convicted of a felony under the laws of this state,~~
40 ~~any other state or the United States;~~

41 ~~—(3) who has had a license revoked for cause under the provisions of~~
42 ~~this act or who has had any license issued under the cereal malt beverage~~
43 ~~laws of any state revoked for cause except that a license may be issued to~~

1 a person whose license was revoked for the conviction of a misdemeanor
2 at any time after the lapse of 10 years following the date of the revocation;
3 — (4) who has been convicted of being the keeper or is keeping a house
4 of prostitution or has forfeited bond to appear in court to answer charges
5 of being a keeper of a house of prostitution;
6 — (5) who has been convicted of being a proprietor of a gambling house,
7 pandering or any other crime opposed to decency and morality or has
8 forfeited bond to appear in court to answer charges for any of those
9 crimes;
10 — (6) who is not at least 21 years of age;
11 — (7) who, other than as a member of the governing body of a city or
12 county, appoints or supervises any law enforcement officer, who is a law
13 enforcement official or who is an employee of the director;
14 — (8) who intends to carry on the business authorized by the license as
15 agent of another;
16 — (9) who at the time of application for renewal of any license issued
17 under this act would not be eligible for the license upon a first application,
18 except as provided by subsection (a)(12);
19 — (10) who is the holder of a valid and existing license issued under
20 article 27 of chapter 41 of the Kansas Statutes Annotated unless the per-
21 son agrees to and does surrender the license to the officer issuing the
22 same upon the issuance to the person of a license under this act, except
23 that a retailer licensed pursuant to K.S.A. 41-2702 and amendments
24 thereto shall be eligible to receive a retailer's license under the Kansas
25 liquor control act;
26 — (11) who does not own the premises for which a license is sought, or
27 does not have a written lease thereon for at least $\frac{3}{4}$ of the period for
28 which the license is to be issued; or
29 — (12) whose spouse would be ineligible to receive a license under this
30 act for any reason other than citizenship, residence requirements or age,
31 except that this subsection (a)(12) shall not apply in determining eligibility
32 for a renewal license.
33 — (b) No retailer's license shall be issued to:
34 — (1) A person who is not a resident of this state;
35 — (2) a person who has not been a resident of this state for at least four
36 years immediately preceding the date of application;
37 — (3) a person who has beneficial interest in the manufacture, prepa-
38 ration or wholesaling of alcoholic beverages;
39 — (4) a person who has beneficial interest in any other retail establish-
40 ment licensed under this act, except that the spouse of a licensee may
41 own and hold a retailer's license for another retail establishment;
42 — (5) a copartnership, unless all of the copartners are qualified to obtain
43 a license;

1 ~~—(6)—a corporation; or~~

2 ~~—(7)—a trust, if any grantor, beneficiary or trustee would be ineligible~~
3 ~~to receive a license under this act for any reason, except that the provi-~~
4 ~~sions of subsection (a)(6) shall not apply in determining whether a ben-~~
5 ~~eficiary would be eligible for a license.~~

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

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

11 ~~—(2)—a copartnership, unless all of the copartners shall have been res-~~
12 ~~idents of this state for at least five years immediately preceding the date~~
13 ~~of application and unless all the members of the copartnership would be~~
14 ~~eligible to receive a manufacturer's license under this act;~~

15 ~~—(3)—a trust, if any grantor, beneficiary or trustee would be ineligible~~
16 ~~to receive a license under this act for any reason, except that the provi-~~
17 ~~sions of subsection (a)(6) shall not apply in determining whether a ben-~~
18 ~~eficiary would be eligible for a license;~~

19 ~~—(4)—an individual who is not a resident of this state; or~~

20 ~~—(5)—an individual who has not been a resident of this state for at least~~
21 ~~five years immediately preceding the date of application.~~

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

23 ~~—(1)—A corporation, if any officer, director or stockholder of the cor-~~
24 ~~poration would be ineligible to receive a distributor's license for any rea-~~
25 ~~son. It shall be unlawful for any stockholder of a corporation licensed as~~
26 ~~a distributor to transfer any stock in the corporation to any person who~~
27 ~~would be ineligible to receive a distributor's license for any reason, and~~
28 ~~any such transfer shall be null and void, except that: (A) If any stockholder~~
29 ~~owning stock in the corporation dies and an heir or devisee to whom stock~~
30 ~~of the corporation descends by descent and distribution or by will is in-~~
31 ~~eligible to receive a distributor's license, the legal representatives of the~~
32 ~~deceased stockholder's estate and the ineligible heir or devisee shall have~~
33 ~~14 months from the date of the death of the stockholder within which to~~
34 ~~sell the stock to a person eligible to receive a distributor's license, any~~
35 ~~such sale by a legal representative to be made in accordance with the~~
36 ~~provisions of the probate code; or (B) if the stock in any such corporation~~
37 ~~is the subject of any trust and any trustee or beneficiary of the trust who~~
38 ~~is 21 years of age or older is ineligible to receive a distributor's license,~~
39 ~~the trustee, within 14 months after the effective date of the trust, shall~~
40 ~~sell the stock to a person eligible to receive a distributor's license and~~
41 ~~hold and disburse the proceeds in accordance with the terms of the trust.~~
42 ~~If any legal representatives, heirs, devisees or trustees fail, refuse or ne-~~
43 ~~glect to sell any stock as required by this subsection, the stock shall revert~~

1 to and become the property of the corporation, and the corporation shall
2 pay to the legal representatives, heirs, devisees or trustees the book value
3 of the stock. During the period of 14 months prescribed by this subsec-
4 tion, the corporation shall not be denied a distributor's license or have its
5 distributor's license revoked if the corporation meets all of the other
6 requirements necessary to have a distributor's license;

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

9 —(3)—a trust, if any grantor, beneficiary or trustee would be ineligible
10 to receive a license under this act for any reason, except that the provi-
11 sions of subsection (a)(6) shall not apply in determining whether a ben-
12 efiary would be eligible for a license;

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

14 —(5)—an individual who has not been a resident of this state for at least
15 10 years immediately preceding the date of application, except that:

16 —(A)—A wholesaler of cereal malt beverages properly licensed on Sep-
17 tember 1, 1948, shall be eligible for a beer distributor's license; and

18 —(B)—a person who has been a resident of the state for at least one year
19 immediately preceding the date of application shall be eligible for a beer
20 distributor's license.

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

26 —(f)—No microbrewery license or farm winery license shall be issued to
27 a:

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

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

31 —(3)—person who has beneficial interest in the manufacture, prepara-
32 tion or wholesaling of alcoholic beverages other than that produced by
33 such brewery or winery;

34 —(4)—person, copartnership or association which has beneficial interest
35 in any retailer licensed under this act or under K.S.A. 41-2702, and
36 amendments thereto;

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

39 —(6)—corporation, unless stockholders owning in the aggregate 50% or
40 more of the stock of the corporation would be eligible to receive such
41 license and all other stockholders would be eligible to receive such license
42 except for reason of citizenship or residency; or

43 —(7)—a trust, if any grantor, beneficiary or trustee would be ineligible

1 to receive a license under this act for any reason, except that the provi-
2 sions of subsection (a)(6) shall not apply in determining whether a ben-
3 efiiciary would be eligible for a license.

4 ~~—(g) The provisions of subsections (b)(1), (b)(2), (c)(3), (c)(4), (d)(3),~~
5 ~~(d)(4), (f)(1) and (f)(2) shall not apply in determining eligibility for the~~
6 ~~10th, or a subsequent, consecutive renewal of a license if the applicant~~
7 ~~has appointed a citizen of the United States who is a resident of Kansas~~
8 ~~as the applicant's agent and filed with the director a duly authenticated~~
9 ~~copy of a duly executed power of attorney, authorizing the agent to accept~~
10 ~~service of process from the director and the courts of this state and to~~
11 ~~exercise full authority, control and responsibility for the conduct of all~~
12 ~~business and transactions within the state relative to alcoholic liquor and~~
13 ~~the business licensed. The agent must be satisfactory to and approved by~~
14 ~~the director, except that the director shall not approve as an agent any~~
15 ~~person who:~~

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

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

23 ~~—(3) has been convicted of being the keeper or is keeping a house of~~
24 ~~prostitution or has forfeited bond to appear in court to answer charges of~~
25 ~~being a keeper of a house of prostitution;~~

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

30 ~~—(5) is less than 21 years of age.~~

31 **Sec. 3. K.S.A. 41-311, as amended by section 1 of 2001 Senate**
32 **Bill No. 178 is hereby amended to read as follows: 41-311.**

33 **(a) No license of any kind shall be issued pursuant to the liquor**
34 **control act to a person:**

35 **(1) Who has not been a citizen of the United States for at least**
36 **10 years, except that the spouse of a deceased retail licensee may**
37 **receive and renew a retail license notwithstanding the provisions of**
38 **this subsection (a)(1) if such spouse is otherwise qualified to hold**
39 **a retail license and is a United States citizen or becomes a United**
40 **States citizen within one year after the deceased licensee's death;**

41 **(2) who has been convicted of a felony under the laws of this**
42 **state, any other state or the United States;**

43 **(3) who has had a license revoked for cause under the provisions**

1 *of this act or who has had any license issued under the cereal malt*
2 *beverage laws of any state revoked for cause except that a license*
3 *may be issued to a person whose license was revoked for the con-*
4 *viction of a misdemeanor at any time after the lapse of 10 years*
5 *following the date of the revocation;*

6 *(4) who has been convicted of being the keeper or is keeping a*
7 *house of prostitution or has forfeited bond to appear in court to*
8 *answer charges of being a keeper of a house of prostitution;*

9 *(5) who has been convicted of being a proprietor of a gambling*
10 *house, pandering or any other crime opposed to decency and mo-*
11 *rality or has forfeited bond to appear in court to answer charges*
12 *for any of those crimes;*

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

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

17 *(8) who intends to carry on the business authorized by the li-*
18 *cence as agent of another;*

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

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

29 *(11) who does not own the premises for which a license is*
30 *sought, or does not have a written lease thereon for at least $\frac{3}{4}$ of*
31 *the period for which the license is to be issued; or*

32 *(12) whose spouse would be ineligible to receive a license under this*
33 *act for any reason other than citizenship, residence requirements or age,*
34 *except that this subsection (a)(12) shall not apply in determining eligibility*
35 *for a renewal license; or*

36 *—(13) (12) who does not provide any data or information required*
37 *by section 2 of 2001 Senate Bill No. 178, and amendments thereto.*

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

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

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

42 *(3) a person who has beneficial interest in the manufacture,*
43 *preparation or wholesaling of alcoholic beverages;*

1 **(4) a person who has beneficial interest in any other retail es-**
2 **establishment licensed under this act, except that the spouse of a li-**
3 **icensee may own and hold a retailer's license for another retail**
4 **establishment;**

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

7 **(6) a corporation; or**

8 **(7) a trust, if any grantor, beneficiary or trustee would be in-**
9 **eligible to receive a license under this act for any reason, except**
10 **that the provisions of subsection (a)(6) shall not apply in determin-**
11 **ing whether a beneficiary would be eligible for a license.**

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

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

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

23 **(3) a trust, if any grantor, beneficiary or trustee would be in-**
24 **eligible to receive a license under this act for any reason, except**
25 **that the provisions of subsection (a)(6) shall not apply in determin-**
26 **ing whether a beneficiary would be eligible for a license;**

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

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

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

31 **(1) A corporation, if any officer, director or stockholder of the**
32 **corporation would be ineligible to receive a distributor's license for**
33 **any reason. It shall be unlawful for any stockholder of a corporation**
34 **licensed as a distributor to transfer any stock in the corporation to**
35 **any person who would be ineligible to receive a distributor's license**
36 **for any reason, and any such transfer shall be null and void, except**
37 **that: (A) If any stockholder owning stock in the corporation dies**
38 **and an heir or devisee to whom stock of the corporation descends**
39 **by descent and distribution or by will is ineligible to receive a dis-**
40 **tributor's license, the legal representatives of the deceased stock-**
41 **holder's estate and the ineligible heir or devisee shall have 14**
42 **months from the date of the death of the stockholder within which**
43 **to sell the stock to a person eligible to receive a distributor's license,**

1 *any such sale by a legal representative to be made in accordance*
2 *with the provisions of the probate code; or (B) if the stock in any*
3 *such corporation is the subject of any trust and any trustee or ben-*
4 *eficiary of the trust who is 21 years of age or older is ineligible to*
5 *receive a distributor's license, the trustee, within 14 months after*
6 *the effective date of the trust, shall sell the stock to a person eligible*
7 *to receive a distributor's license and hold and disburse the proceeds*
8 *in accordance with the terms of the trust. If any legal representa-*
9 *tives, heirs, devisees or trustees fail, refuse or neglect to sell any*
10 *stock as required by this subsection, the stock shall revert to and*
11 *become the property of the corporation, and the corporation shall*
12 *pay to the legal representatives, heirs, devisees or trustees the book*
13 *value of the stock. During the period of 14 months prescribed by*
14 *this subsection, the corporation shall not be denied a distributor's*
15 *license or have its distributor's license revoked if the corporation*
16 *meets all of the other requirements necessary to have a distributor's*
17 *license;*

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

20 *(3) a trust, if any grantor, beneficiary or trustee would be in-*
21 *eligible to receive a license under this act for any reason, except*
22 *that the provisions of subsection (a)(6) shall not apply in determin-*
23 *ing whether a beneficiary would be eligible for a license.*

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

30 *(f) No microbrewery license or farm winery license shall be is-*
31 *sued to a:*

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

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

35 *(3) person who has beneficial interest in the manufacture, prep-*
36 *aration or wholesaling of alcoholic beverages other than that pro-*
37 *duced by such brewery or winery;*

38 *(4) person, copartnership or association which has beneficial*
39 *interest in any retailer licensed under this act or under K.S.A. 41-*
40 *2702, and amendments thereto;*

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

43 *(6) corporation, unless stockholders owning in the aggregate*

1 **50% or more of the stock of the corporation would be eligible to**
2 **receive such license and all other stockholders would be eligible to**
3 **receive such license except for reason of citizenship or residency;**
4 **or**

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

9 **(g) The provisions of subsections (b)(1), (b)(2), (c)(3), (c)(4),**
10 **(d)(3), ~~(d)(4)~~, (f)(1) and ~~(f)(2)~~ [(f)(2) and section 2 of 2001 Senate**
11 **Bill No. 178, and amendments thereto,] shall not apply in deter-**
12 **mining eligibility for the 10th, or a subsequent, consecutive renewal**
13 **of a license if the applicant has appointed a citizen of the United**
14 **States who is a resident of Kansas as the applicant's agent and filed**
15 **with the director a duly authenticated copy of a duly executed**
16 **power of attorney, authorizing the agent to accept service of process**
17 **from the director and the courts of this state and to exercise full**
18 **authority, control and responsibility for the conduct of all business**
19 **and transactions within the state relative to alcoholic liquor and the**
20 **business licensed. The agent must be satisfactory to and approved**
21 **by the director, except that the director shall not approve as an**
22 **agent any person who:**

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

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

30 **(3) has been convicted of being the keeper or is keeping a house**
31 **of prostitution or has forfeited bond to appear in court to answer**
32 **charges of being a keeper of a house of prostitution;**

33 **(4) has been convicted of being a proprietor of a gambling**
34 **house, pandering or any other crime opposed to decency and mo-**
35 **rality or has forfeited bond to appear in court to answer charges**
36 **for any of those crimes; or**

37 **(5) is less than 21 years of age.**

38 **Sec. 4. K.S.A. 41-2623 is hereby amended to read as follows:**
39 **41-2623. (a) No license shall be issued under the provisions of this**
40 **act to:**

41 **(1) Any person described in subsection (a)(1), (2), (4), (5), (6),**
42 **(7), ~~(8)~~, ~~(9)~~ or ~~(12)~~ or (9) of K.S.A. 41-311, and amendments thereto,**
43 **except that the provisions of subsection (a)(7) of such section shall**

1 *not apply to nor prohibit the issuance of a license for a class A club*
2 *to an officer of a post home of a congressionally chartered service*
3 *or fraternal organization, or a benevolent association or society*
4 *thereof.*

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

7 *(3) A person who has not been a resident of this state for a pe-*
8 *riod of at least one year immediately preceding the date of*
9 *application.*

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

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

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

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

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

29 *(E) On and after January 1, 1988, a license for a class B club*
30 *or drinking establishment may be granted to a person who has a*
31 *beneficial interest in a microbrewery or farm winery licensed pur-*
32 *suant to the Kansas liquor control act.*

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

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

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

1 **than 5% of the common or preferred stock, of a corporation which:**

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

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

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

8 **(9) A trust, if any grantor, beneficiary or trustee would be in-**
9 **eligible to receive a license under this act for any reason, except**
10 **that the provisions of subsection (a)(6) of K.S.A. 41-311, and amend-**
11 **ments thereto shall not apply in determining whether a beneficiary**
12 **would be eligible for a license.**

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

15 **(1) A person described in subsection (a)(11) of K.S.A. 41-311,**
16 **and amendments thereto.**

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

19 Sec. 4. K.S.A. 41-2703 is hereby amended to read as follows: 41-
20 2703. (a) After examination of an application for a retailer's license, the
21 board of county commissioners or the director shall, if they approve the
22 same, issue a license to the applicant. The governing body of the city
23 shall, if the applicant is qualified as provided by law, issue a license to
24 such applicant.

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

26 (1) A person who is not a resident of the county in which the place
27 of business covered by the license is located, has not been a resident of
28 such county for at least six months or has not been a resident in good
29 faith of the state of Kansas.

30 (2) A person who has not been a resident of this state for at least one
31 year immediately preceding application for a retailer's license.

32 (3) A person who is not of good character and reputation in the com-
33 munity in which the person resides.

34 (4) A person who is not a citizen of the United States.

35 (5) A person who, within two years immediately preceding the date
36 of application, has been convicted of a felony or any crime involving moral
37 turpitude, drunkenness, driving a motor vehicle while under the influence
38 of intoxicating liquor or violation of any other intoxicating liquor law of
39 any state or of the United States.

40 (6) A partnership, unless all the members of the partnership are oth-
41 erwise qualified to obtain a license.

42 (7) A corporation, if any manager, officer or director thereof, or any
43 stockholder owning in the aggregate more than 25% of the stock of such

1 corporation, would be ineligible to receive a license hereunder for any
2 reason other than the citizenship and residency requirements.

3 (8) A corporation, if any manager, officer or director thereof, or any
4 stockholder owning in the aggregate more than 25% of the stock of such
5 corporation, has been an officer, manager or director, or a stockholder
6 owning in the aggregate more than 25% of the stock, of a corporation
7 which: (A) Has had a retailer's license revoked under K.S.A. 41-2708, and
8 amendments thereto; or (B) has been convicted of a violation of the drink-
9 ing establishment act or the cereal malt beverage laws of this state.

10 (9) A person whose place of business is conducted by a manager or
11 agent unless the manager or agent possesses all the qualifications of a
12 licensee.

13 ~~(10) A person whose spouse would be ineligible to receive a retailer's~~
14 ~~license for any reason other than citizenship, residence requirements or~~
15 ~~age, except that this subsection (b)(10) shall not apply in determining~~
16 ~~eligibility for a renewal license.~~

17 (c) Retailers' licenses shall be issued either on an annual basis or for
18 the calendar year. If such licenses are issued on an annual basis, the board
19 of county commissioners or the governing body of the city shall notify the
20 distributors supplying the county or city on or before April 1 of the year
21 if a retailer's license is not renewed.

22 Sec. 5. K.S.A. 21-3610, 21-3610a, 41-204, 41-311, **as amended by**
23 **section 1 of 2001 Senate Bill No. 178, 41-2623** and 41-2703 are hereby
24 repealed.

25 Sec. 6. This act shall take effect and be in force from and after its
26 publication in the Kansas register.

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