Session of 2003

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## **HOUSE BILL No. 2296**

By Committee on Judiciary

2-11

AN ACT concerning civil procedure; relating to civil liability for serving alcoholic beverages.

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

Section 1. (a) An aggrieved party shall have a cause of action against a licensee for breach of the duties imposed by K.S.A. 21-3610 or 41-715, and amendments thereto, if a jury or court finds the following: (1) That the purchaser consumed the alcoholic beverages sold by the licensee on the premises of the licensee; (2) the consumption of such alcoholic liquor or cereal malt beverage was a proximate cause of the harm sustained by the aggrieved party; and (3) the harm was a foreseeable consequence of the negligent service of alcoholic liquor or cereal malt beverage by the licensee. In any action thereon, evidence of acts or conduct by the licensee in violation of these statutes may be admissible. Any claim under this section shall survive death for purposes of K.S.A. 60-1801, and amendments thereto, and may be maintained in a wrongful death action under K.S.A. 60-1901, and amendments thereto.

- (b) Any claim under subsection (a) shall be subject to and determined under K.S.A. 60-258a, and amendments thereto.
- (c) In any claim under subsection (a) for breach of the duties imposed by K.S.A. 21-3610, and amendments thereto, evidence of the defenses codified in subsection (d) of K.S.A. 21-3610, and amendments thereto, as applicable, may be admissible for the purpose of determining comparative negligence under K.S.A. 60-258a, and amendments thereto.
- (d) Except as expressly provided in subsections (a) and (c), there shall be no claim under K.S.A. 60-258a, and amendments thereto, for breach of the duties imposed by K.S.A. 21-3610 or 41-715, and amendments thereto, and alleged negligence or fault for furnishing or selling alcoholic liquor or cereal malt beverages shall not be admissible in an action under K.S.A. 60-258a, and amendments thereto.
  - As used in this section:
- "Aggrieved party" means a person who sustains harm as a consequence of the acts or conduct of a minor, but does not include: (A) Such minor or incapacitated person, absent clear and convincing evidence that the furnishing or sale of the alcoholic liquor or cereal malt beverage

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was knowing or intentional; or (B) any person who aided or abetted in the furnishing or sale of the alcoholic liquor or cereal malt beverage to the minor or incapacitated person.

- $(2)\,\,$  "Harm" has the meaning provided by subsection (d) of K.S.A. 60-3302, and amendments thereto.
- (3) "Licensee" means a licensee under the Kansas liquor control act, the club and drinking establishment act or the provisions of article 27 of chapter 41 of the Kansas Statutes Annotated, and amendments thereto.
- (4) Any other terms shall have the meanings as provided by K.S.A. 21-3610 and 41-715, and amendments thereto, as applicable.
  - Sec. 2. As used in sections 2 through 10, and amendments thereto:
  - (a) "Director" means the director of the division.
- (b) "Division" means the division of alcoholic beverage control of the department of revenue.
  - (c) "Licensed premises" means:
- (1) Premises licensed under the Kansas liquor control act, the club and drinking establishment act or the provisions of article 27 of chapter 41 of the Kansas Statutes Annotated, and amendments thereto; or
- (2) premises where a caterer licensed under the club and drinking establishment act offers for sale, sells or serves alcoholic liquor.
- (d) "Licensee" means a licensee under the Kansas liquor control act, the club and drinking establishment act or the provisions of article 27 of chapter 41 of the Kansas Statutes Annotated, and amendments thereto.
- (e) Other terms have the meanings provided by K.S.A. 41-102, and amendments thereto.
  - Sec. 3. Except as otherwise provided by law, on or after July 1, 2003:
- (a) Any person who is employed by a licensee and who participates in any manner in the sale of alcoholic liquor or cereal malt beverage for consumption and not resale or in the mixing or serving of alcoholic liquor or cereal malt beverage for consumption on licensed premises shall be required to have a valid, unexpired server permit issued by the director.
- (b) No licensee shall permit any person employed by the licensee to sell alcoholic liquor or cereal malt beverage for consumption and not resale or to mix or serve any alcoholic liquor or cereal malt beverage on the licensee's licensed premises unless such person has a valid, unexpired server permit issued under this act.
- (c) A permittee shall make the server permit available at any time while on duty for immediate inspection by any agent employed by the division or by any other law enforcement officer.
- Sec. 4. (a) A server permit shall be a purely personal privilege, valid only upon licensed premises, for the period of time stated in the permit.
- 42 A server permit may be suspended or revoked for any reason specified
- in section 7, and amendments thereto.

- (b) No server permit shall be used by any person other than the person to whom it is issued. A licensee shall verify the identification of the permittee and determine that the permittee has in the permittee's possession a valid, unexpired server permit before allowing the permittee to sell alcoholic liquor or cereal malt beverage for consumption and not resale or to mix or serve alcoholic liquor or cereal malt beverage for consumption on the licensee's licensed premises.
- Sec. 5. Unless suspended or revoked, a server permit issued on or after July 1, 2003, shall expire on the anniversary date of the permittee's birthday three years after the date of issuance of the permit or, if a temporary permit authorized by rules and regulations promulgated hereunder, on the expiration date stated in such temporary permit.
- Sec. 6. (a) An applicant for a server permit must: (1) Be 18 or more years of age; (2) not have had a permit denied or revoked or have a permit currently under suspension; and (3) have successfully completed the education program and examination required by section 9, and amendments thereto.
- (b) Server permits shall be issued, in accordance with rules and regulations of the secretary, by instructors of the education program required by section 9, and amendments thereto. Application for a permit shall be made on a form approved by the director. The applicant shall truthfully answer all questions, provide any further information required by rules and regulations adopted by the director and pay such fees as may be required.
- (c) An applicant for a server permit must: (1) Authorize a criminal records check to be conducted by the Kansas bureau of investigation; (2) tender the appropriate fee; and (3) authorize, on a form prescribed by the director, the release of the report of the criminal records check to the instructor, subject to applicable laws and rules and regulations regarding disclosure of such records.
- Sec. 7. (a) The director may suspend or revoke a server permit if the director has reasonable grounds to believe that:
- (1) The permittee has made any false statement to the instructor in the permit application;
- (2) the permittee is not eligible under law for employment by a licensee:
- (3) the permittee has not successfully completed the education program and examination required by section 9, and amendments thereto; or
- (4) the permittee has performed or permitted any act which would constitute a violation of the Kansas liquor control act, the club and drinking establishment act or the provisions of article 27 of chapter 41 of the Kansas Statutes Annotated, and amendments thereto, or any rule and

 regulation adopted thereunder.

- (b) In addition to or in lieu of suspending or revoking a server permit pursuant to subsection (a)(4), the director may suspend or revoke the license of the licensee upon whose licensed premises the violation occurred.
- (c) All proceedings for suspension or revocation of a permit or license pursuant to subsection (a) or (b) shall be in accordance with the provisions of the Kansas administrative procedure act.
- (d) (1) The director may impose a civil fine not to exceed \$1,000 in addition to or in lieu of suspension or revocation of a permit or license pursuant to this section.
- (2) No fine shall be imposed pursuant to this subsection except upon the written order of the director to the permittee or licensee. The order shall state the violation, the fine to be imposed and the right of the permittee or licensee to appeal the order. The order shall be subject to appeal and review in the manner provided by K.S.A. 41-321, 41-322 and 41-323, and amendments thereto.
- (3) Any fine imposed pursuant to this subsection shall be paid to the state treasurer, who shall deposit the entire amount in the state treasury and credit it to the state general fund.
- Sec. 8. (a) If a server permit issued under this act is lost, mutilated or destroyed, the permittee shall apply immediately for a duplicate permit on a form supplied by the director and shall forward to the director the application and a fee of \$25.
- (b) If a permittee changes name by marriage or otherwise, the permittee shall apply immediately for a new server permit on a form supplied by the director and shall forward to the director the application, the permit, evidence of the change of name and a fee of \$25.
- (c) The director may issue a duplicate permit or cause a duplicate to be issued by an instructor, in accordance with rules and regulations of the secretary.
- Sec. 9. (a) The director shall require each licensee and each holder of a server permit and each person applying to become a licensee or permit holder to complete an approved alcohol server education program and examination in order to qualify or requalify for a license or permit unless an extension is granted for hardship reasons. After satisfactory completion of the initial education program and examination, each licensee or permittee, in order to qualify for renewal of the license or permit, shall be required to complete an alcohol server education program and examination every three years thereafter unless an extension is granted for hardship reasons. The secretary by rule and regulation may exempt from the requirements of this subsection licensees who do not participate in the management of the business.

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- (b) The standards and curriculum of the alcohol server education program shall include, but not be limited to, the following:
- (1) Alcohol as a drug and its effects on the body and behavior, especially driving ability. Instruction shall include information regarding: (A) Physiological and behavioral effects of alcohol use; (B) absorption rate factors; (C) laws affecting servers and sellers of alcohol; (D) potential alcohol-related problems in professional or social settings; and (E) strategies for dealing with problem situations.
- (2) Effects of alcohol in combination with commonly used, legal prescription or nonprescription drugs and illegal drugs.
- (3) Recognition of the problem drinker and community treatment programs and agencies.
- (4) State alcoholic beverage laws such as prohibition of sale to minors and sale to intoxicated persons, sale for on-premises or off-premises consumption, hours of operation and penalties for violation of the laws.
- (5) Drunk driving laws and alcoholic liquor or cereal malt beverage liability statutes.
- (6) Intervention with a problem customer, including ways to cut off service, methods of dealing with a belligerent customer, alternative means of transportation to get a customer safely home and how to assess and evaluate situations and behavior with discussion of both effective and ineffective intervention techniques.
- (7) Advertising and marketing for safe and responsible drinking patterns and standard operating procedures for dealing with customers.
- (c) The secretary shall establish, by rules and regulations, a fee not to exceed \$10 a year for each permittee subject to the education requirement of this section, to be used for administrative costs in certification of instructors.
- (d) The director shall provide for the education program required by this section through independent contractors, private persons or private or public schools certified by the director.
- Sec. 10. The secretary of revenue shall adopt rules and regulations in accordance with K.S.A. 41-210 and amendments thereto for the administration of the education program required by this act, for the issuance of server permits and for the certification of instructors. The rules and regulations shall establish the length of training programs, the qualifications for instructor certification, maintenance of instructor certification, permittee and instructor certification examinations, program administration quality control and such other matters as required to implement and administer the provisions of this act.
- Sec. 11. Sections 2 through 10, and amendments thereto, shall be part of and supplemental to the Kansas liquor control act.

Sec. 12. This act shall take effect and be in force from and after its publication in the statute book.