## [As Amended by House Committee of the Whole]

Session of 2003

## **HOUSE Substitute for SENATE BILL No. 2**

By Committee on Federal and State Affairs

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AN ACT concerning the Kansas liquor control act [alcoholic beverages]; [providing for certain purchases and shipping of wine;] amending K.S.A. 41-301, 41-302, 41-303 and 41-710[, 41-710, 41-712 and 41-2704] and K.S.A. 2002 Supp. 41-719 and repealing the existing sections.

## .6 Be it enacted by the Legislature of the State of Kansas:

Section 1. K.S.A. 41-301 is hereby amended to read as follows: 41-18301. (a) The director shall issue to qualified applicants, who have filed 19 the bond and paid the registration and license fees required by this act, 20licenses to sell alcoholic liquor liquors at retail in the original package 21within the corporate limits of cities and outside the corporate limits of 22 cities in certain townships as provided in this act: Provided, That no such 23retailer's license shall be issued for any premises within any eity of the 24first or second class wherein a majority of the qualified electors of such 25eity who voted on the proposition to amend section 10 of article 15 of 26 the constitution of the state of Kansas at the general election held in 27November, 1948, shall have voted against the adoption of such proposi-28tion or in cities of the third class located in a township, or townships, 29 wherein a majority of the qualified electors of such township, or town-30 ships, who voted on said proposition to amend the constitution at said 31 election shall have voted against its adoption, until a majority of the qual-32 ified electors of such city voting at an election held as provided by K.S.A. 33 41-302, and amendments thereto, shall have deelared by their votes to 34 be in favor of the licensing of the sale of alcoholie liquor by the package 35 in such city. Except as provided by subsections (b) and (c), the director 36 may issue such licenses for premises within the corporate limits of any 37 city. (b) No retailer's license shall be issued for premises within a city if 38

39 the governing body of such city, within 60 days after the effective date of 40 this act, adopts an ordinance prohibiting the sale of alcoholic liquor at 41 retail in the original package within such city. Upon adoption of such

42 ordinance by the governing body, the city clerk promptly shall transmit

43 a copy of such ordinance to the director and the director shall refuse to

issue licenses to sell alcoholic liquor at retail in the original package in 1 such city. If the city governing body adopts such an ordinance, the holder 2 3 of any valid existing retailer's license for premises in such city shall have 4 the right to continue to operate under such license for a period of 90 days after the effective date of the ordinance or until the expiration of such 56 license, whichever period of time is shorter. If such period of time expires 7 before the expiration of the term for which the retailer's license was issued, the licensee shall be entitled to a refund of the license fee for the unexpired 8 9 portion of the license period which remains, in accordance with rules and 10 regulations adopted by the secretary.

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11 (c) No retailer's license shall be issued for premises within a city if, 12 after the effective date of this act, a majority of the qualified voters of 13 such city voting at an election held as provided by K.S.A. 41-302, and 14 amendments thereto, votes against the licensing of the sale of alcoholic 15liquor at retail in the original package within such city unless a majority 16 of the qualified voters of such city voting at a subsequent such election 17has voted in favor of the licensing of the sale of alcoholic liquor at retail 18 in the original package within such city.

19 Sec. 2. K.S.A. 41-302 is hereby amended to read as follows: 41-302. 20 (a) The question of licensing the retail sale of alcoholic liquors by the *in* 21the original package shall be submitted by the governing body of any a 22 city at any regular general city election occurring in such city whenever 23 a petition requesting such submission has been filed with the city clerk 24of any such city as hereinafter provided in this section. In cities of the 25first and second elass, any Such petition shall be signed by such number 26 of electors qualified voters of such city which equals equal in number to 27 not less than 30% or more of the total vote cast in such city at the last 28general election for the office of secretary of state. In eities of the third 29 elass, any such petition shall be signed by such number of electors of such 30 eity which equals 40% or more of the total vote east at the last general 31 eity election held in such eity of the third elass for candidates for the eity 32 office for which the greatest number of total votes were east. Each sheet 33 of each petition shall comply with the provisions of K.S.A. 25-3601 34 through 25-3607, and amendments thereto. No signature on such petition 35 shall be valid unless appended to the petition within the last 90 days prior 36 to the date of filing the petition with the city clerk. Such petition shall be 37 filed not less than 40 nor more than 60 days prior to the date of the 38 election. After any such petition has been filed, no signature shall be 39 withdrawn and no signature shall be added. The governing body of the 40city shall have the power to determine the sufficiency of any such petition. 41 Any person who signs a proposal or petition authorized by this section 42 and who knowingly is not a qualified elector in the place where such proposal or petition is made voter of the city where submission of the 43

question is sought, or who aids or abets any other persons in doing any of the acts mentioned in so doing, or any person who bribes, gives or pays any money or thing of value to any person directly or indirectly to induce such person to sign such proposal or petition shall be guilty of a misdemeanor and. Upon conviction thereof such person shall be punished by a fine of not more than \$300 or by imprisonment of not more than 90 days, or by both such fine and imprisonment in the discretion of the court.

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 (b) Upon the ballot the proposition shall be stated as follows:

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 "Shall the sale of alcoholic liquors by the package be licensed in
 YES □

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 (here insert the name of the city)?"
 NO □

Voters desiring to vote in favor of the sale of alcoholic liquors by the package shall place a cross or check mark in the square opposite the word "Yes" and those desiring to vote against the sale of alcoholic liquor by the package shall place a cross or check mark in the square opposite the word "No."

16 (c) Upon the filing of a sufficient petition, the governing body shall 17call any election required by this section and notice of such election shall be given in the manner provided by the general bond law. The provisions 1819 of the laws of this state relating to election officers, voting places, election 20 places and blanks, preparation and form of ballots, information to voters, 21 delivery of ballots, ealling of elections, conduct of elections, manner of 22 voting, counting of votes, records and certificates of election, and recounts of votes, so far as applicable, shall apply to voting on the proposition under 2324the provisions of this act. Such election shall be called and held in the 25manner provided by law for question submitted elections.

26 (d) The majority of those voting on the proposition shall be manda-27 tory upon the director insofar as licensing the sale of such liquors therein 28by the package is concerned. In the absence of any vote on the question 29 of licensing the sale of such liquors in citics of the first and second class 30 wherein a majority of the qualified electors of such eity who voted on the 31 proposition to amend section 10 of article 15 of the constitution of the 32 state of Kansas at the general election held in November, 1948, shall have 33 voted in favor of the adoption of such proposition and in citics of the 34 third class located in townships wherein a majority of the qualified elee-35 tors voted in favor of such constitutional amendment and in the absence 36 of any further vote in cities of the first, second or third class in which a majority of the qualified electors of such eity shall have voted at any 37 special or general city election in favor of the licensing of the sale of 38 alcoholic liquor by the package, the director shall continue to issue li-39 40censes to sell the same by the package therein for periods of one year, subject to all the terms and conditions of this act The county election 4142 officer shall transmit to the director a copy of the results of any election 43 held pursuant to this section and the director shall issue or refuse to issue

licenses to sell alcoholic liquors at retail in the original package in such 1 city in accordance with the results of such election.

3 (e) If a majority of the electors qualified voters voting at any such election shall vote pursuant to this section votes against licensing the sale 4 of alcoholic liquors by the in the original package, the holder of any valid 56 existing retailer's license for premises in such city shall have the right to 7 continue to operate under such license for a period not to exceed of 90 8 days after the result of such election is canvassed or until the expiration 9 of such license, whichever period of time is the shorter. If such period of 10 time expires before the expiration of the term for which the retailer's 11 license was issued, such the licensee shall be entitled to a refund of that 12 the license fee for the unexpired portion of the license period which is 13 unavailable to such licensee remains, in accordance with rules and reg-14ulations established *adopted* by the secretary of revenue.

15(f) For the purpose of determining as provided in K.S.A. 41-301, and amendments thereto, and in this section whether a majority of the qual-16 ified electors of a township in which a city of the third elass is located 1718 voted against the adoption of the liquor amendment at the general eleetion held in November, 1948, if any city of the third class is located in 19 20 two or more townships, the total vote for and against the amendment in 21 all the townships in which such city is located shall be used to determine 22 whether such city is located in a township in which a majority of the qualified electors voted against the amendment. 23

24Sec. 3. K.S.A. 41-303 is hereby amended to read as follows: 41-303. 25The director may license the sale of alcoholic liquor at retail in the original 26 package on premises not located in an incorporated city for use or con-27 sumption off the premises, if such premises are located in any township 28having a population of more than 5,000. No such license shall be granted 29 to any applicant unless the applicant possesses all the qualifications re-30 quired of other applicants for retailers' licenses except the qualification 31 of residence within a city. In the event that any license has been issued 32 under the provisions of this section in a township having a population of 33 more than 5,000, and thereafter such township population decreases or has decreased to 5,000 or less, such licenses shall continue to be valid 34 35 and the licensees shall be eligible for renewal of such licenses at the 36 appropriate time if they are otherwise qualified.

37 No such license shall be granted to any applicant under this section unless the board of county commissioners of the county in which such 38 39 township is located adopts a resolution approving the issuance of such 40license. A certified copy of such resolution shall accompany the applica-41 tion for a license authorized by this section.

42 In the event that any license has been issued under the provisions of 43 this section in a township having a population of more than 5,000, and

thereafter the premises so licensed are annexed to a city wherein retail liquor licenses may be issued, such licenses shall continue to be valid and the licensees, *if qualified*, shall be eligible for renewal of such licenses at the appropriate time even though the licensees shall not reside in the cities to which the areas are annexed if the licensees are otherwise qualified and if they reside in the township in which the premises were originally located or in the city to which the premises have been annexed.

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8 Sec. 4. K.S.A. 41-710 is hereby amended to read as follows: 41-710. 9 (a) No retailer's license shall be issued for premises which are located in 10 areas not zoned for general commercial or business purposes, if the city 11 or township in which the premises are located is zoned or are not ap-12 proved by the director, if the premises sought to be licensed are located 13 outside an incorporated city in a township which is not zoned unless local 14 zoning regulations allow a retailer's premises at that location.

(b) No microbrewery license or farm winery license shall be issued
for premises which are zoned for any purpose except agricultural, commercial or business purposes.

(c) No retailer's, microbrewery or farm winery license shall be issuedfor premises which:

(1) Are located within 200 feet of any public or parochial school or
college or church, except that if any such school, college or church is
established within 200 feet of any licensed premises after the premises
have been licensed, the premises shall be an eligible location for retail
licensing; and

(2) do not conform to the building ordinances or laws of the state or
 city or, in the absence of such ordinances or laws, are not structurally in
 good condition or are in a dilapidated condition all applicable state or
 local laws regulating buildings.

29 [Sec. 5. K.S.A. 41-712 is hereby amended to read as follows: 30 **41-712.** (a) Except as provided by subsection (b), no person shall sell at retail any alcoholic liquor: (1) On Sunday; (2) on Memorial Day, 31 32 Independence Day, Labor Day, Thanksgiving Day or Christmas 33 Day; or (3) before 9 a.m. or after 11 p.m. on any day when the sale is permitted, except that the governing body of any city by ordi-34 35 nance may require closing prior to 11 p.m., but such ordinance 36 shall not require closing prior to 8 p.m.

[(b) In counties where the sale of alcoholic liquor at retail on Sunday
has been approved as provided by section 6, and amendments thereto, a
licensed retailer may sell alcoholic liquor at retail on Sunday between the

40 hours of 12 noon and 8 p.m.

[New Sec. 6. (a) The board of county commissioners of any
county, upon a petition filed in accordance with subsection (c),
shall submit to the qualified voters of the county at any state gen-

eral election a proposition to permit the sale of alcoholic liquor
 and cereal malt beverage at retail within the county between the
 hours of 12 noon and 8 p.m. on Sunday.

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[(b) The board of county commissioners of any county may 4 adopt a resolution permitting the sale of alcoholic liquor and ce-5real malt beverage at retail on Sundays between the hours of 12 6 7 noon and 8 p.m. Such resolution shall be published at least once each week for two consecutive weeks in the official county news-8 9 paper. Such resolution shall not become effective until at least 30 10 days following the date of the last publication thereof. If within 30 11 days following the last publication of the resolution a petition is filed in accordance with subsection (c), such resolution shall not 12 become effective until a proposition to permit the sale of alcoholic 13 14liquor and cereal malt beverage at retail is submitted to and ap-15proved at an election as provided by this section.

16 [(c) A petition to submit a proposition to the qualified voters 17 of a county pursuant to this section shall be filed with the county 18 election officer. The petition shall be signed by qualified voters of 19 the county equal in number to not less than 10% of the voters of 20 the county who voted for the office of secretary of state at the last 21 preceding general election of such office. The following shall ap-22 pear on the petition:

["We request an election to determine whether the retail sale of
alcoholic liquor and cereal malt beverage on Sundays between the
hours of 12 noon and 8 p.m. shall be allowed in \_\_\_\_\_\_ county."
[(d) Upon the adoption of a resolution or the submission of a

valid petition pursuant to this section, the county election officer shall cause the proposition to be placed on the ballot at the next succeeding state general election which occurs more than 90 days after the resolution is adopted or the petition is filed with the county election officer. The following shall appear on the ballot:

["Shall the retail sale of alcoholic liquor and cereal malt beverage be allowed on Sundays between the hours of 12 noon and 8
p.m. in \_\_\_\_\_\_ county?"

[(e) If a majority of the votes cast and counted is in favor of the
 proposition, the county election officer shall transmit a copy of the
 results to the director and the board of county commissioners.

38 [(f) The election provided for by this section shall be con-39 ducted, and the votes counted and canvassed, in the manner pro-40 vided by law for question submitted elections.]

41 Sec. <u>5.</u> [7.] K.S.A. 2002 Supp. 41-719 is hereby amended to read as 42 follows: 41-719. (a) No person shall drink or consume alcoholic liquor on 43 the public streets, alleys, roads or highways or inside vehicles while on

the public streets, alleys, roads or highways. 1

2 (b) No person shall drink or consume alcoholic liquor on private 3 property except:

(1) On premises where the sale of liquor by the individual drink is 4 authorized by the club and drinking establishment act; 5

6 upon private property by a person occupying such property as an (2)7 owner or lessee of an owner and by the guests of such person, if no charge is made for the serving or mixing of any drink or drinks of alcoholic liquor 8 or for any substance mixed with any alcoholic liquor and if no sale of 10 alcoholic liquor in violation of K.S.A. 41-803, and amendments thereto, 11 takes place;

12 (3) in a lodging room of any hotel, motel or boarding house by the 13 person occupying such room and by the guests of such person, if no 14 charge is made for the serving or mixing of any drink or drinks of alcoholic 15liquor or for any substance mixed with any alcoholic liquor and if no sale 16 of alcoholic liquor in violation of K.S.A. 41-803, and amendments thereto, 17takes place;

(4) in a private dining room of a hotel, motel or restaurant, if the 18 19 dining room is rented or made available on a special occasion to an in-20 dividual or organization for a private party and if no sale of alcoholic liquor 21in violation of K.S.A. 41-803, and amendments thereto, takes place; or

22 (5) on the premises of a microbrewery or farm winery, if authorized 23 by K.S.A. 41-308a or 41-308b, and amendments thereto.

24(c) No person shall drink or consume alcoholic liquor on public prop-25erty except:

(1) On real property leased by a city to others under the provisions 26 27of K.S.A. 12-1740 through 12-1749, and amendments thereto, if such real 28property is actually being used for hotel or motel purposes or purposes 29 incidental thereto.

30 In any state-owned or operated building or structure, and on the (2)31 surrounding premises, which is furnished to and occupied by any state 32 officer or employee as a residence.

33 On premises licensed as a club or drinking establishment and (3)34 located on property owned or operated by an airport authority created 35 pursuant to chapter 27 of the Kansas Statutes Annotated or established 36 by a city having a population of more than 200,000.

(4) On the state fair grounds on the day of any race held thereon 37 38 pursuant to the Kansas parimutuel racing act.

39 (5)On the state fairgrounds, if such liquor is domestic beer or wine 40or wine imported under subsection (e) of K.S.A. 41-308a, and amendments thereto, and is consumed only for purposes of judging competi-4142 tions. The state fair board, in its discretion, may authorize the consump-

43 tion of such alcoholic liquor on nonfair days in conjunction with bona fide

scheduled events involving not less than 75 invited guests and subject to 1 any conditions or restrictions as the board may require.

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3 (6) In the state historical museum provided for by K.S.A. 76-2036, and amendments thereto, on the surrounding premises and in any other 4 building on such premises, as authorized by rules and regulations of the 56 state historical society.

7 (7) On the premises of any state-owned historic site under the jurisdiction and supervision of the state historical society, on the surrounding 8 9 premises and in any other building on such premises, as authorized by 10 rules and regulations of the state historical society.

11 In a lake resort within the meaning of K.S.A. 32-867, and amend-(8)12 ments thereto, on state-owned or leased property.

13 In the Hiram Price Dillon house or on its surrounding premises, (9)14 subject to limitations established in policies adopted by the legislative 15coordinating council, as provided by K.S.A. 75-3682, and amendments 16 thereto.

(10) On the premises of the Kansas national guard regional training 17center located in Saline county, and any building on such premises, as 1819 authorized by rules and regulations of the adjutant general and upon 20approval of the Kansas military board.

21 (11) On the premises of any national guard armory, as authorized by 22 rules and regulations of the adjutant general and upon approval of the 23Kansas military board.

24(12) On property exempted from this subsection (c) pursuant to sub-25section (d), (e), (f), (g), (h) or (i) or (h).

26 (d) Any city may exempt, by ordinance, from the provisions of sub-27 section (c) specified property the title of which is vested in such city.

28(e) The board of county commissioners of any county may exempt, 29 by resolution, from the provisions of subsection (c) specified property the 30 title of which is vested in such county.

31 (f) The state board of regents may exempt from the provisions of 32 subsection (c) the Sternberg museum on the campus of Fort Hays state 33 university, or other specified property which is under the control of such board and which is not used for classroom instruction, where alcoholic 34 35 liquor may be consumed in accordance with policies adopted by such 36 board.

The board of regents of Washburn university may exempt from 37 (g) 38 the provisions of subsection (c) the Mulvane art center and the Bradbury 39 Thompson alumni center on the campus of Washburn university, and other specified property the title of which is vested in such board and 40which is not used for classroom instruction, where alcoholic liquor may 4142 be consumed in accordance with policies adopted by such board.

(h) Any eity may exempt, by ordinance, from the provisions of sub-43

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section (e) any national guard armory in which such city has a leasehold
 interest, if the Kansas military board consents to the exemption.

-(i)—The board of trustees of a community college may exempt from
the provisions of subsection (c) specified property which is under the
control of such board and which is not used for classroom instruction,
where alcoholic liquor may be consumed in accordance with policies
adopted by such board.

8 (j)(i) Violation of any provision of this section is a misdemeanor pun-9 ishable by a fine of not less than \$50 or more than \$200 or by impris-10 onment for not more than six months, or both.

11 [Sec. 8. K.S.A. 41-2704 is hereby amended to read as follows: 12 41-2704. (a) In addition to and consistent with the requirements of this act, the board of county commissioners of any county or the 13 14governing body of any city may prescribe hours of closing, stan-15dards of conduct and rules and regulations concerning the moral, sanitary and health conditions of places licensed pursuant to this 16 17act and may establish zones within which no such place may be located. 18

19 **[(b)** Except as provided by subsection (g) subsections (g) and (h), 20 no cereal malt beverages may be sold:

[(1) Between the hours of 12 midnight and 6 a.m.; or

22 on Sunday, except in a place of business which is licensed  $\left[ (2) \right]$ 23to sell cereal malt beverage for consumption on the premises, 24which derives not less than 30% of its gross receipts from the sale 25of food for consumption on the licensed premises and which is located in a county where such sales on Sunday have been author-26 27ized by resolution of the board of county commissioners of the 28county or in a city where such sales on Sunday have been author-29 ized by ordinance of the governing body of the city.

[(c) No private rooms or closed booths shall be operated in a
 place of business, but this provision shall not apply if the licensed
 premises are also currently licensed as a club pursuant to the club
 and drinking establishment act.

[(d) Each place of business shall be open to the public and to law enforcement officers at all times during business hours, except that a premises licensed as a club pursuant to the club and drinking establishment act shall be open to law enforcement officers and not to the public.

(e) No licensee shall permit a person under the legal age for consumption of cereal malt beverage to consume or purchase any cereal malt beverage in or about a place of business, and no licensee shall permit a person under the legal age for consumption of cereal malt beverage to possess cereal malt beverage in or about

a place of business, except that a licensee's employee who is not 1 2 less than 18 years of age may dispense or sell cereal malt beverage, 3 if:

[(1) The licensee's place of business is licensed only to sell ce-4 real malt beverage at retail in original and unopened containers 6 and not for consumption on the premises; or

[(2) the licensee's place of business is a licensed food service 7 establishment, as defined by K.S.A. 36-501 and amendments 8 9 thereto, and not less than 50% of the gross receipts from the li-10 censee's place of business is derived from the sale of food for con-11 sumption on the premises of the licensed place of business.

12 [(f) No person shall have any alcoholic liquor in such person's 13 possession while in a place of business, unless the premises are 14 currently licensed as a club or drinking establishment pursuant to 15the club and drinking establishment act.

16 [(g) Cereal malt beverages may be sold on premises which are 17licensed pursuant to both the acts contained in article 27 of chap-18 ter 41 of the Kansas Statutes Annotated and the club and drinking 19establishment act at any time when alcoholic liquor is allowed by 20 law to be served on the premises.

21[(h) In counties where the voters have approved the sale of cereal 22 malt beverage on Sunday as provided by section 6, and amendments 23thereto, a licensed retailer may sell cereal malt beverages between the 24hours of 12 noon and 8 p.m.]

25[New Sec. 9. (a) A resident of this state who is 21 or more years 26 of age may purchase wine [not otherwise available] for the person's 27personal use and not for resale from a person licensed by another 28state to sell wine. The purchase may be made in person, by tele-29 phone, by mail or on the internet.

30 [(b) Wine purchased as authorized by this section shall be 31 shipped to the purchaser in care of a retailer licensed in this state 32 and shall be delivered to the purchaser at the retailer's licensed 33 premises during hours that the retailer is authorized to sell alco-34 holic liquor. The retailer may charge the purchaser a handling fee 35 not to exceed \$5 for each case or partial case of wine received on 36 behalf of the purchaser. The purchaser shall be required to pay 37 any amount due for the cost of the wine, shipping costs, taxes and 38 the handling fee before the retailer releases the wine to the pur-39 chaser.

[(c) A retailer receiving shipment of wine on behalf of a pur-40 chaser as authorized by this section shall: 41

42 [(1) Ensure that the purchaser of the wine is 21 or more years 43 of age.

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1 [(2) Collect all taxes, including gallonage tax, on such wine in 2 accordance with rules and regulations of the secretary.

[(3) At the time of delivery to the purchaser, make a record of the delivery on a form approved by the director. The record shall  $\mathbf{5}$ be retained by the retailer for at least two years and shall include the following information: (A) The business name, address and li-cense number of the retailer; (B) the date and time of delivery to the purchaser; (C) the type, brand and amount of wine delivered to the purchaser; and (D) the age, printed name and signature of the purchaser.

11 [(d) The secretary may adopt rules and regulations to imple-12 ment and enforce the provisions of this section.

13 [(e) This section shall be part of and supplemental to the Kan-14 sas liquor control act.]

15 Sec. <u>6.</u> [10.] K.S.A. 41-301, 41-302, 41-303 and 41-710[, 41-710, 41-

**712 and 41-2704**] and K.S.A. 2002 Supp. 41-719 are hereby repealed.

17 Sec.  $\underline{7}$  [11.] This act shall take effect and be in force from and after 18 its publication in the Kansas register.