

HOUSE BILL No. 2599

By Representative Trimmer

2-2

9 AN ACT concerning the liquor control act; amending K.S.A. 2009 Supp.
10 41-311 and repealing the existing section.

11

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

13 Section 1. K.S.A. 2009 Supp. 41-311 is hereby amended to read as
14 follows: 41-311. (a) *Except as provided in subsection (h)*, no license of
15 any kind shall be issued pursuant to the liquor control act to a person:

16 (1) Who has not been a citizen of the United States for at least 10
17 years, except that the spouse of a deceased retail licensee may receive
18 and renew a retail license notwithstanding the provisions of this subsec-
19 tion (a)(1) if such spouse is otherwise qualified to hold a retail license and
20 is a United States citizen or becomes a United States citizen within one
21 year after the deceased licensee's death;

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

24 (3) who has had a license revoked for cause under the provisions of
25 the liquor control act, the beer and cereal malt beverage keg registration
26 act or who has had any license issued under the cereal malt beverage laws
27 of any state revoked for cause except that a license may be issued to a
28 person whose license was revoked for the conviction of a misdemeanor
29 at any time after the lapse of 10 years following the date of the revocation;

30 (4) who 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 charges
32 of being a keeper of a house of prostitution;

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

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

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

41 (8) who intends to carry on the business authorized by the license as
42 agent of another;

43 (9) who at the time of application for renewal of any license issued

- 1 under this act would not be eligible for the license upon a first application,
2 except as provided by subsection (a)(12);
- 3 (10) who is the holder of a valid and existing license issued under
4 article 27 of chapter 41 of the Kansas Statutes Annotated unless the per-
5 son agrees to and does surrender the license to the officer issuing the
6 same upon the issuance to the person of a license under this act, except
7 that a retailer licensed pursuant to K.S.A. 41-2702, and amendments
8 thereto, shall be eligible to receive a retailer's license under the Kansas
9 liquor control act;
- 10 (11) who does not own the premises for which a license is sought, or
11 does not have a written lease thereon for at least $\frac{3}{4}$ of the period for
12 which the license is to be issued;
- 13 (12) whose spouse would be ineligible to receive a license under this
14 act for any reason other than citizenship, residence requirements or age,
15 except that this subsection (a)(12) shall not apply in determining eligibility
16 for a renewal license;
- 17 (13) whose spouse has been convicted of a felony or other crime
18 which would disqualify a person from licensure under this section and
19 such felony or other crime was committed during the time that the spouse
20 held a license under this act; or
- 21 (14) who does not provide any data or information required by K.S.A.
22 2009 Supp. 41-311b, and amendments thereto.
- 23 (b) No retailer's license shall be issued to:
- 24 (1) A person who is not a resident of this state;
- 25 (2) a person who has not been a resident of this state for at least four
26 years immediately preceding the date of application;
- 27 (3) a person who has a beneficial interest in a manufacturer, distrib-
28 utor, farm winery or microbrewery licensed under this act;
- 29 (4) a person who has a beneficial interest in any other retail estab-
30 lishment licensed under this act, except that the spouse of a licensee may
31 own and hold a retailer's license for another retail establishment;
- 32 (5) a copartnership, unless all of the copartners are qualified to obtain
33 a license;
- 34 (6) a corporation; or
- 35 (7) a trust, if any grantor, beneficiary or trustee would be ineligible
36 to receive a license under this act for any reason, except that the provi-
37 sions of subsection (a)(6) shall not apply in determining whether a ben-
38 eficiary would be eligible for a license.
- 39 (c) No manufacturer's license shall be issued to:
- 40 (1) A corporation, if any officer or director thereof, or any stockholder
41 owning in the aggregate more than 25% of the stock of the corporation
42 would be ineligible to receive a manufacturer's license for any reason
43 other than citizenship and residence requirements;

- 1 (2) a copartnership, unless all of the copartners shall have been res-
2 idents of this state for at least five years immediately preceding the date
3 of application and unless all the members of the copartnership would be
4 eligible to receive a manufacturer's license under this act;
- 5 (3) a trust, if any grantor, beneficiary or trustee would be ineligible
6 to receive a license under this act for any reason, except that the provi-
7 sions of subsection (a)(6) shall not apply in determining whether a ben-
8 eficiary would be eligible for a license;
- 9 (4) an individual who is not a resident of this state;
- 10 (5) an individual who has not been a resident of this state for at least
11 five years immediately preceding the date of application; or
- 12 (6) a person who has a beneficial interest in a distributor, retailer,
13 farm winery or microbrewery licensed under this act.
- 14 (d) No distributor's license shall be issued to:
- 15 (1) A corporation, if any officer, director or stockholder of the cor-
16 poration would be ineligible to receive a distributor's license for any rea-
17 son. It shall be unlawful for any stockholder of a corporation licensed as
18 a distributor to transfer any stock in the corporation to any person who
19 would be ineligible to receive a distributor's license for any reason, and
20 any such transfer shall be null and void, except that: (A) If any stockholder
21 owning stock in the corporation dies and an heir or devisee to whom stock
22 of the corporation descends by descent and distribution or by will is in-
23 eligible to receive a distributor's license, the legal representatives of the
24 deceased stockholder's estate and the ineligible heir or devisee shall have
25 14 months from the date of the death of the stockholder within which to
26 sell the stock to a person eligible to receive a distributor's license, any
27 such sale by a legal representative to be made in accordance with the
28 provisions of the probate code; or (B) if the stock in any such corporation
29 is the subject of any trust and any trustee or beneficiary of the trust who
30 is 21 years of age or older is ineligible to receive a distributor's license,
31 the trustee, within 14 months after the effective date of the trust, shall
32 sell the stock to a person eligible to receive a distributor's license and
33 hold and disburse the proceeds in accordance with the terms of the trust.
34 If any legal representatives, heirs, devisees or trustees fail, refuse or ne-
35 glect to sell any stock as required by this subsection, the stock shall revert
36 to and become the property of the corporation, and the corporation shall
37 pay to the legal representatives, heirs, devisees or trustees the book value
38 of the stock. During the period of 14 months prescribed by this subsec-
39 tion, the corporation shall not be denied a distributor's license or have its
40 distributor's license revoked if the corporation meets all of the other
41 requirements necessary to have a distributor's license;
- 42 (2) a copartnership, unless all of the copartners are eligible to receive
43 a distributor's license;

- 1 (3) a trust, if any grantor, beneficiary or trustee would be ineligible
2 to receive a license under this act for any reason, except that the provi-
3 sions of subsection (a)(6) shall not apply in determining whether a ben-
4 eficiary would be eligible for a license; or
- 5 (4) a person who has a beneficial interest in a manufacturer, retailer,
6 farm winery or microbrewery licensed under this act.
- 7 (e) No nonbeverage user's license shall be issued to a corporation, if
8 any officer, manager or director of the corporation or any stockholder
9 owning in the aggregate more than 25% of the stock of the corporation
10 would be ineligible to receive a nonbeverage user's license for any reason
11 other than citizenship and residence requirements.
- 12 (f) No microbrewery license or farm winery license shall be issued to
13 a:
- 14 (1) Person who is not a resident of this state;
- 15 (2) person who has not been a resident of this state for at least four
16 years immediately preceding the date of application;
- 17 (3) person who has a beneficial interest in a manufacturer or distrib-
18 utor licensed under this act or a person who currently has a beneficial
19 interest in a farm winery;
- 20 (4) person, copartnership or association which has a beneficial inter-
21 est in any retailer licensed under this act or under K.S.A. 41-2702, and
22 amendments thereto;
- 23 (5) copartnership, unless all of the copartners are qualified to obtain
24 a license;
- 25 (6) corporation, unless stockholders owning in the aggregate 50% or
26 more of the stock of the corporation would be eligible to receive such
27 license and all other stockholders would be eligible to receive such license
28 except for reason of citizenship or residency; or
- 29 (7) a trust, if any grantor, beneficiary or trustee would be ineligible
30 to receive a license under this act for any reason, except that the provi-
31 sions of subsection (a)(6) shall not apply in determining whether a ben-
32 eficiary would be eligible for a license.
- 33 (g) The provisions of subsections (b)(1), (b)(2), (c)(3), (c)(4), (d)(3),
34 (f)(1), (f)(2) and K.S.A. 2009 Supp. 41-311b, and amendments thereto,
35 shall not apply in determining eligibility for the 10th, or a subsequent,
36 consecutive renewal of a license if the applicant has appointed a citizen
37 of the United States who is a resident of Kansas as the applicant's agent
38 and filed with the director a duly authenticated copy of a duly executed
39 power of attorney, authorizing the agent to accept service of process from
40 the director and the courts of this state and to exercise full authority,
41 control and responsibility for the conduct of all business and transactions
42 within the state relative to alcoholic liquor and the business licensed. The
43 agent must be satisfactory to and approved by the director, except that

1 the director shall not approve as an agent any person who:

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

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

9 (3) has been convicted of being the keeper or is keeping a house of
10 prostitution or has forfeited bond to appear in court to answer charges of
11 being a keeper of a house of prostitution;

12 (4) has been convicted of being a proprietor of a gambling house,
13 pandering or any other crime opposed to decency and morality or has
14 forfeited bond to appear in court to answer charges for any of those
15 crimes; or

16 (5) is less than 21 years of age.

17 (h) *Nothing in this section shall prevent a law enforcement officer*
18 *from owning less than a 50% ownership interest in any retailer establish-*
19 *ment which sells alcoholic liquor at retail.*

20 Sec. 2. K.S.A. 2009 Supp. 41-311 is hereby repealed.

21 Sec. 3. This act shall take effect and be in force from and after its
22 publication in the statute book.