

*As Amended by Senate Committee*

Session of 2010

**SENATE BILL No. 454**

By Committee on Federal and State Affairs

1-26

10 AN ACT concerning alcoholic beverages; relating to license fees, term  
11 of license and eligibility; amending K.S.A. 41-326, **41-2601, 41-2605,**  
12 41-2607 and 41-2629 and K.S.A. 2009 Supp. 41-308a, 41-310, 41-311,  
13 41-317, 41-350, 41-2606, 41-2622 and 41-2623 and repealing the ex-  
14 isting sections.

15

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

17 ***New Section 1. (a) The director shall issue a drinking estab-***  
18 ***lishment license to any municipal corporation that qualifies under***  
19 ***K.S.A. 41-2601 et seq., and amendments thereto, for the premises***  
20 ***specified in the license application.***

21 ***(b) Municipal corporations applying for a drinking establish-***  
22 ***ment license shall not be subject to the provisions of subsection***  
23 ***(a)(1) or (a)(3) through (9) of K.S.A. 41-2623, and amendments***  
24 ***thereto.***

25 ~~Section 1.~~ **Sec. 2.** K.S.A. 2009 Supp. 41-308a is hereby amended to  
26 read as follows: 41-308a. (a) A farm winery license shall allow:

27 (1) The manufacture of domestic table wine and domestic fortified  
28 wine in a quantity not exceeding 100,000 gallons per year and the storage  
29 thereof;

30 (2) the sale of wine, manufactured by the licensee, to licensed wine  
31 distributors, retailers, clubs, drinking establishments, holders of tempo-  
32 rary permits as authorized by K.S.A. 41-2645, and amendments thereto,  
33 and caterers;

34 (3) the sale, on the licensed premises in the original unopened con-  
35 tainer to consumers for consumption off the licensed premises, of wine  
36 manufactured by the licensee;

37 (4) the serving free of charge on the licensed premises and at special  
38 events, monitored and regulated by the division of alcoholic beverage  
39 control, of samples of wine manufactured by the licensee or imported  
40 under subsection (f), if the premises are located in a county where the  
41 sale of alcoholic liquor is permitted by law in licensed drinking  
42 establishments;

43 (5) if the licensee is also licensed as a club or drinking establishment,

- 1 the sale of domestic wine, domestic fortified wine and other alcoholic  
2 liquor for consumption on the licensed premises as authorized by the  
3 club and drinking establishment act;
- 4 (6) if the licensee is also licensed as a caterer, the sale of domestic  
5 wine, domestic fortified wine and other alcoholic liquor for consumption  
6 on the unlicensed premises as authorized by the club and drinking estab-  
7 lishment act;
- 8 (7) the sale and shipping, in the original unopened container, to con-  
9 sumers outside this state of wine manufactured by the licensee, provided  
10 that the licensee complies with applicable laws and rules and regulations  
11 of the jurisdiction to which the wine is shipped; and
- 12 (8) the sale and shipping of wine within this state pursuant to a permit  
13 issued pursuant to K.S.A. 2009 Supp. ~~41-348~~ 41-350, and amendments  
14 thereto.
- 15 (b) Upon application and payment of the fee prescribed by K.S.A.  
16 41-310, and amendments thereto, by a farm winery licensee, the director  
17 may issue not to exceed three winery outlet licenses to the farm winery  
18 licensee. A winery outlet license shall allow:
- 19 (1) The sale, on the licensed premises in the original unopened con-  
20 tainer to consumers for consumption off the licensed premises, of wine  
21 manufactured by the licensee;
- 22 (2) the serving on the licensed premises of samples of wine manu-  
23 factured by the licensee or imported under subsection (f), if the premises  
24 are located in a county where the sale of alcoholic liquor is permitted by  
25 law in licensed drinking establishments; and
- 26 (3) the manufacture of domestic table wine and domestic fortified  
27 wine and the storage thereof; provided, that the aggregate quantity of  
28 wine produced by the farm winery licensee, including all winery outlets,  
29 shall not exceed 100,000 gallons per year.
- 30 (c) Not less than 60% of the products utilized in the manufacture of  
31 domestic table wine and domestic fortified wine by a farm winery shall  
32 be grown in Kansas except when a lesser proportion is authorized by the  
33 director based upon the director's findings and judgment. The label of  
34 domestic wine and domestic fortified wine shall indicate that a majority  
35 of the products utilized in the manufacture of the wine at such winery  
36 were grown in Kansas.
- 37 (d) A farm winery or winery outlet may sell domestic wine and do-  
38 mestic fortified wine in the original unopened container to consumers for  
39 consumption off the licensed premises at any time between 6 a.m. and  
40 12 midnight on any day except Sunday and between 12 noon and 6 p.m.  
41 on Sunday. If authorized by subsection (a), a farm winery may serve sam-  
42 ples of domestic wine, domestic fortified wine and wine imported under  
43 subsection (e) and serve and sell domestic wine, domestic fortified wine

1 and other alcoholic liquor for consumption on the licensed premises at  
2 any time when a club or drinking establishment is authorized to serve  
3 and sell alcoholic liquor. If authorized by subsection (b), a winery outlet  
4 may serve samples of domestic wine, domestic fortified wine and wine  
5 imported under subsection (e) at any time when the winery outlet is  
6 authorized to sell domestic wine and domestic fortified wine.

7 (e) The director may issue to the Kansas state fair or any bona fide  
8 group of grape growers or wine makers a permit to import into this state  
9 small quantities of wines. Such wine shall be used only for bona fide  
10 educational and scientific tasting programs and shall not be resold. Such  
11 wine shall not be subject to the tax imposed by K.S.A. 41-501, and amend-  
12 ments thereto. The permit shall identify specifically the brand and type  
13 of wine to be imported, the quantity to be imported, the tasting programs  
14 for which the wine is to be used and the times and locations of such  
15 programs. The secretary shall adopt rules and regulations governing the  
16 importation of wine pursuant to this subsection and the conduct of tasting  
17 programs for which such wine is imported.

18 (f) A farm winery license or winery outlet license shall apply only to  
19 the premises described in the application and in the license issued and  
20 only one location shall be described in the license.

21 (g) No farm winery or winery outlet shall:

22 (1) Employ any person under the age of 18 years in connection with  
23 the manufacture, sale or serving of any alcoholic liquor;

24 (2) permit any employee of the licensee who is under the age of 21  
25 years to work on the licensed premises at any time when not under the  
26 on-premise supervision of either the licensee or an employee of the li-  
27 censee who is 21 years of age or over;

28 (3) employ any person under 21 years of age in connection with mix-  
29 ing or dispensing alcoholic liquor; or

30 (4) employ any person in connection with the manufacture or sale of  
31 alcoholic liquor if the person has been convicted of a felony.

32 (h) Whenever a farm winery or winery outlet licensee is convicted of  
33 a violation of the Kansas liquor control act, the director may revoke the  
34 licensee's license and order forfeiture of all fees paid for the license, after  
35 a hearing before the director for that purpose in accordance with the  
36 provisions of the Kansas administrative procedure act.

37 (i) This section shall be part of and supplemental to the Kansas liquor  
38 control act.

39 Sec. ~~2~~ **3**. K.S.A. 2009 Supp. 41-310 is hereby amended to read as  
40 follows: 41-310. (a) At the time application is made to the director for a  
41 license of any class, the applicant shall pay the fee provided by this section.

42 (b) The ~~annual~~ fee for a manufacturer's license to manufacture al-  
43 cehol and spirits shall be ~~\$2,500~~ ~~\$6,000~~ **\$5,000**.

- 1 (c) The ~~annual~~ fee for a manufacturer's license to manufacture beer  
 2 and cereal malt beverage shall be:
- 3 (1) For 1 to 100 barrel daily capacity or any part thereof, ~~\$200 \$500~~  
 4 **\$400.**
- 5 (2) For 100 to 150 barrel daily capacity, ~~\$400 \$1,000~~ **\$800.**
- 6 (3) For 150 to 200 barrel daily capacity, ~~\$700 \$2,000~~ **\$1,400.**
- 7 (4) For 200 to 300 barrel daily capacity, ~~\$1,000 \$3,000~~ **\$2,000.**
- 8 (5) For 300 to 400 barrel daily capacity, ~~\$1,300 \$4,000~~ **\$2,600.**
- 9 (6) For 400 to 500 barrel daily capacity, ~~\$1,400 \$5,000~~ **\$2,800.**
- 10 (7) For 500 or more barrel daily capacity, ~~\$1,600 \$6,000~~ **\$3,200.**
- 11 As used in this subsection, "daily capacity" means the average daily  
 12 barrel production for the previous 12 months of manufacturing operation.  
 13 If no basis for comparison exists, the licensee shall pay in advance for  
 14 *operation during the first year's operation term of the license* a fee of  
 15 ~~\$1,000 \$3,000~~ **\$2,000.**
- 16 (d) The ~~annual~~ fee for a manufacturer's license to manufacture wine  
 17 shall be ~~\$500 \$1,500~~ **\$1,000.**
- 18 (e) (1) The ~~annual~~ fee for a microbrewery license or a farm winery  
 19 license shall be ~~\$250 \$600~~ **\$500.**
- 20 (2) The ~~annual~~ fee for a winery outlet license shall be ~~\$50 \$300~~ **\$100.**
- 21 (3) The ~~annual~~ fee for a microbrewery packaging and warehousing  
 22 facility license shall be ~~\$100 \$300~~ **\$200.**
- 23 (f) The ~~annual~~ fee for a spirits distributor's license for the first and  
 24 each additional distributing place of business operated in this state by the  
 25 licensee and wholesaling and jobbing spirits shall be ~~\$1,000 \$3,000~~  
 26 **\$2,000.**
- 27 (g) The ~~annual~~ fee for a wine distributor's license for the first and  
 28 each additional distributing place of business operated in this state by the  
 29 licensee and wholesaling and jobbing wine shall be ~~\$1,000 \$3,000~~ **\$2,000.**
- 30 (h) The ~~annual~~ fee for a beer distributor's license, for the first and  
 31 each additional wholesale distributing place of business operated in this  
 32 state by the licensee and wholesaling or jobbing beer and cereal malt  
 33 beverage shall be ~~\$1,000 \$3,000~~ **\$2,000.**
- 34 (i) The ~~annual~~ fee for a nonbeverage user's license shall be:
- 35 (1) For class 1, ~~\$10 \$50~~ **\$20.**
- 36 (2) For class 2, ~~\$50 \$150~~ **\$100.**
- 37 (3) For class 3, ~~\$100 \$300~~ **\$200.**
- 38 (4) For class 4, ~~\$200 \$500~~ **\$400.**
- 39 (5) For class 5, ~~\$500 \$1,500~~ **\$1,000.**
- 40 (j) In addition to the license fees prescribed by subsections (b), (c),  
 41 (d), (f), (g), (h) and (i):
- 42 (1) Any city in which the licensed premises are located may levy and  
 43 collect ~~an annual~~ **a biennial** occupation or license tax on the licensee in

1 an amount not exceeding the amount of the ~~annual~~ license fee required  
 2 to be paid under this act to obtain the license, but no city shall impose  
 3 an occupation or privilege tax on the licensee in excess of that amount;  
 4 and

5 (2) any township in which the licensed premises are located may levy  
 6 and collect ~~an annual~~ **a biennial** occupation or license tax on the licensee  
 7 in an amount not exceeding the amount of the ~~annual~~ license fee required  
 8 to be paid under this act to obtain the license, but no township shall  
 9 impose an occupation or privilege tax on the licensee in excess of that  
 10 amount; the township board of the township is authorized to fix and im-  
 11 pose the tax and the tax shall be paid by the licensee to the township  
 12 treasurer, who shall issue a receipt therefor to the licensee and shall cause  
 13 the tax paid to be placed in the general fund of the township.

14 (k) The ~~annual~~ fee for a retailer's license shall be ~~\$250 \$1,000~~ **\$500**.

15 (l) In addition to the license fee prescribed by subsection (k):

16 (1) Any city in which the licensed premises are located ~~shall may~~ levy  
 17 and collect ~~an annual~~ **a biennial** occupation or license tax on the licensee  
 18 in an amount not less than ~~\$100 nor more than \$300~~ **\$200 nor more**  
 19 **than \$600**, but no other occupation or excise tax or license fee shall be  
 20 levied by any city against or collected from the licensee; and

21 (2) any township in which the licensed premises are located ~~shall may~~  
 22 levy and collect ~~an annual~~ **a biennial** occupation or license tax on the  
 23 licensee in an amount not less than ~~\$100 nor more than \$300~~ **\$200 nor**  
 24 **more than \$600**; the township board of the township is authorized to fix  
 25 and impose the tax and the tax shall be paid by the licensee to the town-  
 26 ship treasurer, who shall issue a receipt therefor to the licensee and shall  
 27 cause the tax paid to be placed in the general fund of the township.

28 (m) The license ~~year term~~ for a license shall commence on the date  
 29 the license is issued by the director and shall end ~~one year~~ **two years** after  
 30 that date. *The director may, at the director's sole discretion and after*  
 31 *examination of the circumstances, extend the license term of any license*  
 32 *for not more than 30 days beyond the date such license would expire*  
 33 *pursuant to this section. **Any extension of the license term by the di-***  
 34 *rector pursuant to this section shall automatically extend the due*  
 35 *date for payment by the licensee of any occupation or license tax*  
 36 *levied by a city or township pursuant to this section by the same*  
 37 *number of days the director has extended the license term.*

38 Sec. ~~3~~ **4**. K.S.A. 2009 Supp. 41-311 is hereby amended to read as  
 39 follows: 41-311. (a) No license of any kind shall be issued pursuant to the  
 40 liquor control act to a person:

41 (1) Who has not been a citizen of the United States for at least 10  
 42 years, except that the spouse of a deceased retail licensee may receive  
 43 and renew a retail license notwithstanding the provisions of this subsec-

- 1 tion (a)(1) if such spouse is otherwise qualified to hold a retail license and  
2 is a United States citizen or becomes a United States citizen within one  
3 year after the deceased licensee's death;
- 4 (2) who has been convicted of a felony under the laws of this state,  
5 any other state or the United States;
- 6 (3) who has had a license revoked for cause under the provisions of  
7 the liquor control act, the beer and cereal malt beverage keg registration  
8 act or who has had any license issued under the cereal malt beverage laws  
9 of any state revoked for cause except that a license may be issued to a  
10 person whose license was revoked for the conviction of a misdemeanor  
11 at any time after the lapse of 10 years following the date of the revocation;
- 12 (4) who has been convicted of being the keeper or is keeping a house  
13 of prostitution or has forfeited bond to appear in court to answer charges  
14 of being a keeper of a house of prostitution;
- 15 (5) who has been convicted of being a proprietor of a gambling house,  
16 pandering or any other crime opposed to decency and morality or has  
17 forfeited bond to appear in court to answer charges for any of those  
18 crimes;
- 19 (6) who is not at least 21 years of age;
- 20 (7) who, other than as a member of the governing body of a city or  
21 county, appoints or supervises any law enforcement officer, who is a law  
22 enforcement official or who is an employee of the director;
- 23 (8) who intends to carry on the business authorized by the license as  
24 agent of another;
- 25 (9) who at the time of application for renewal of any license issued  
26 under this act would not be eligible for the license upon a first application,  
27 except as provided by subsection (a)(12);
- 28 (10) who is the holder of a valid and existing license issued under  
29 article 27 of chapter 41 of the Kansas Statutes Annotated unless the per-  
30 son agrees to and does surrender the license to the officer issuing the  
31 same upon the issuance to the person of a license under this act, except  
32 that a retailer licensed pursuant to K.S.A. 41-2702, and amendments  
33 thereto, shall be eligible to receive a retailer's license under the Kansas  
34 liquor control act;
- 35 (11) who does not own the premises for which a license is sought, or  
36 does not, *at the time of application*, have a written lease thereon ~~for at~~  
37 ~~least 3/4 of the period for which the license is to be issued;~~
- 38 (12) whose spouse would be ineligible to receive a license under this  
39 act for any reason other than citizenship, residence requirements or age,  
40 except that this subsection (a)(12) shall not apply in determining eligibility  
41 for a renewal license;
- 42 (13) whose spouse has been convicted of a felony or other crime  
43 which would disqualify a person from licensure under this section and

1 such felony or other crime was committed during the time that the spouse  
2 held a license under this act; or

3 (14) who does not provide any data or information required by K.S.A.  
4 2009 Supp. 41-311b, and amendments thereto.

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

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

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

9 (3) a person who has a beneficial interest in a manufacturer, distrib-  
10 uter, farm winery or microbrewery licensed under this act;

11 (4) a person who has a beneficial interest in any other retail estab-  
12 lishment licensed under this act, except that the spouse of a licensee may  
13 own and hold a retailer's license for another retail establishment;

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

16 (6) a corporation; or

17 (7) a trust, if any grantor, beneficiary or trustee would be ineligible  
18 to receive a license under this act for any reason, except that the provi-  
19 sions of subsection (a)(6) shall not apply in determining whether a ben-  
20 efiticiary would be eligible for a license.

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

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

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

30 (3) a trust, if any grantor, beneficiary or trustee would be ineligible  
31 to receive a license under this act for any reason, except that the provi-  
32 sions of subsection (a)(6) shall not apply in determining whether a ben-  
33 efiticiary would be eligible for a license;

34 (4) an individual who is not a resident of this state;

35 (5) an individual who has not been a resident of this state for at least  
36 five years immediately preceding the date of application; or

37 (6) a person who has a beneficial interest in a distributor, retailer,  
38 farm winery or microbrewery licensed under this act.

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

40 (1) A corporation, if any officer, director or stockholder of the cor-  
41 poration would be ineligible to receive a distributor's license for any rea-  
42 son. It shall be unlawful for any stockholder of a corporation licensed as  
43 a distributor to transfer any stock in the corporation to any person who

1 would be ineligible to receive a distributor's license for any reason, and  
2 any such transfer shall be null and void, except that: (A) If any stockholder  
3 owning stock in the corporation dies and an heir or devisee to whom stock  
4 of the corporation descends by descent and distribution or by will is in-  
5 eligible to receive a distributor's license, the legal representatives of the  
6 deceased stockholder's estate and the ineligible heir or devisee shall have  
7 14 months from the date of the death of the stockholder within which to  
8 sell the stock to a person eligible to receive a distributor's license, any  
9 such sale by a legal representative to be made in accordance with the  
10 provisions of the probate code; or (B) if the stock in any such corporation  
11 is the subject of any trust and any trustee or beneficiary of the trust who  
12 is 21 years of age or older is ineligible to receive a distributor's license,  
13 the trustee, within 14 months after the effective date of the trust, shall  
14 sell the stock to a person eligible to receive a distributor's license and  
15 hold and disburse the proceeds in accordance with the terms of the trust.  
16 If any legal representatives, heirs, devisees or trustees fail, refuse or ne-  
17 glect to sell any stock as required by this subsection, the stock shall revert  
18 to and become the property of the corporation, and the corporation shall  
19 pay to the legal representatives, heirs, devisees or trustees the book value  
20 of the stock. During the period of 14 months prescribed by this subsec-  
21 tion, the corporation shall not be denied a distributor's license or have its  
22 distributor's license revoked if the corporation meets all of the other  
23 requirements necessary to have a distributor's license;

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

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

30 (4) a person who has a beneficial interest in a manufacturer, retailer,  
31 farm winery or microbrewery licensed under this act.

32 (e) No nonbeverage user's license shall be issued to a corporation, if  
33 any officer, manager or director of the corporation or any stockholder  
34 owning in the aggregate more than 25% of the stock of the corporation  
35 would be ineligible to receive a nonbeverage user's license for any reason  
36 other than citizenship and residence requirements.

37 (f) No microbrewery license or farm winery license shall be issued to  
38 a:

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

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

42 (3) person who has a beneficial interest in a manufacturer or distrib-  
43 utor licensed under this act or a person who currently has a beneficial

1 interest in a farm winery;

2 (4) person, copartnership or association which has a beneficial inter-  
3 est in any retailer licensed under this act or under K.S.A. 41-2702, and  
4 amendments thereto;

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

7 (6) corporation, unless stockholders owning in the aggregate 50% or  
8 more of the stock of the corporation would be eligible to receive such  
9 license and all other stockholders would be eligible to receive such license  
10 except for reason of citizenship or residency; or

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

15 (g) The provisions of subsections (b)(1), (b)(2), (c)(3), (c)(4), (d)(3),  
16 (f)(1), (f)(2) and K.S.A. 2009 Supp. 41-311b, and amendments thereto,  
17 shall not apply in determining eligibility for the 10th, or a subsequent,  
18 consecutive renewal of a license if the applicant has appointed a citizen  
19 of the United States who is a resident of Kansas as the applicant's agent  
20 and filed with the director a duly authenticated copy of a duly executed  
21 power of attorney, authorizing the agent to accept service of process from  
22 the director and the courts of this state and to exercise full authority,  
23 control and responsibility for the conduct of all business and transactions  
24 within the state relative to alcoholic liquor and the business licensed. The  
25 agent must be satisfactory to and approved by the director, except that  
26 the director shall not approve as an agent any person who:

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

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

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

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

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

42 Sec. ~~4~~ **5**. K.S.A. 2009 Supp. 41-317 is hereby amended to read as  
43 follows: 41-317. (a) Applications for all licenses under this act shall be

1 upon forms prescribed and furnished by the director and shall be filed  
 2 with the director in duplicate completed and submitted to the director in  
 3 a manner prescribed by the director. Each application shall be accom-  
 4 panied by a state registration applicant shall submit an application fee of  
 5 ~~\$50~~ ~~\$100~~ **\$50** for each initial application and ~~\$10~~ ~~\$50~~ **\$10** for each re-  
 6 newal application to defray the cost of preparing and furnishing standard  
 7 forms incident to the administration of this act and the cost of processing  
 8 the application. Each application shall also be accompanied by a deposit  
 9 of a certified or cashier's check of a bank within this state, United States  
 10 post office money order or cash in the full amount of the license fee  
 11 required to be paid for the kind of license applied for, which license fee  
 12 shall be returned to the applicant if the application is denied. All regis-  
 13 tration fees shall be remitted by the director to the state treasurer in  
 14 accordance with the provisions of K.S.A. 75-4215, and amendments  
 15 thereto. Upon receipt of each such remittance, the state treasurer shall  
 16 deposit the entire amount in the state treasury to the credit of the state  
 17 general fund. All license fees received by the director, including fees  
 18 received for licenses to manufacture beer, regardless of its alcoholic con-  
 19 tent, shall be paid into the state treasury by the director and shall be  
 20 credited to the state general fund.

21 *(b) An application for renewal of a license shall be submitted to the*  
 22 *director not less than 30 days prior to the expiration of the current license.*  
 23 *Any applicant that fails to submit an application for renewal when due*  
 24 *may pay an additional fee for expedited service according to the following*  
 25 *schedule:*

26 ~~—(1) For applications submitted 20 to 29 days prior to expiration, \$100;~~  
 27 ~~—(2) for applications submitted 10 to 19 days prior to expiration, \$250;~~  
 28 ~~—(3) for applications submitted 3 to 9 days prior to expiration, \$500;~~  
 29 ~~and~~  
 30 ~~—(4) for applications submitted less than three days prior to expiration,~~  
 31 ~~\$1,000.~~

32 ~~—(c) Payment of the additional fee for expedited service pursuant to~~  
 33 ~~subsection (b) does not guarantee the issuance of applicant's license prior~~  
 34 ~~to the expiration of the current license.~~

35 ~~—(d) Each applicant shall submit to the division of alcoholic beverage~~  
 36 ~~control a certified or cashier's check, United States post office money order~~  
 37 ~~or cash, or shall authorize electronic payment in a manner prescribed by~~  
 38 ~~the director, in the full amount of the application fee, any additional fee~~  
 39 ~~provided for by this section and the license fee required to be paid for the~~  
 40 ~~kind of license applied for, which license fee shall be returned to the~~  
 41 ~~applicant if the application is denied.~~

42 **Each applicant shall submit to the division of alcoholic beverage**  
 43 **control the full amount of the application fee and:**

- 1     **(1) The full amount of the license fee required to be paid for the**  
 2 **kind of license specified in the application; or**
- 3     **(2) one-half of the full amount of the license fee required to be**  
 4 **paid for the kind of license specified in the application.**
- 5     **(c) If the applicant elects to pay only one-half of the license fee**  
 6 **pursuant to subsection (b)(2), the remaining one-half of the license**  
 7 **fee plus 10% of such remaining balance shall be due and payable**  
 8 **one year from the date of issuance of the license. Notwithstanding**  
 9 **any other provision of law, failure to pay the full amount due under**  
 10 **this paragraph on the date it is due shall result in the automatic**  
 11 **cancellation of such license for the remainder of the license term.**  
 12 **The director may, at the director's sole discretion and after exam-**  
 13 **ination of the circumstances, extend the date payment is due pur-**  
 14 **suant to this paragraph for not more than 30 days beyond the date**  
 15 **such payment is originally due.**
- 16     **(d) Any license fee paid by an applicant shall be returned to the**  
 17 **applicant if the application is denied.**
- 18     **(e) Payment of all fees required to be paid pursuant to this sec-**  
 19 **tion may be made by personal, certified or cashier's check, United**  
 20 **States post office money order, debit or credit card or cash, or by**  
 21 **electronic payment authorized by the applicant in a manner pre-**  
 22 **scribed by the director.**
- 23     ~~(e)~~ **(f) All fees received by the director pursuant to this section shall**  
 24 **be remitted by the director to the state treasurer in accordance with the**  
 25 **provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of**  
 26 **each such remittance, the state treasurer shall deposit the entire amount**  
 27 **in the state treasury to the credit of the state general fund.**
- 28     ~~(b)~~ ~~(f)~~ **(g) Every applicant for a manufacturer's, distributor's, non-**  
 29 **beverage user's, microbrewery, farm winery, retailer's or special order**  
 30 **shipping license shall file with the application a joint and several bond on**  
 31 **a form prescribed by the director and executed by good and sufficient**  
 32 **corporate sureties licensed to do business within the state of Kansas to**  
 33 **the director, in the following amounts:**
- 34         **(1) For a manufacturer, \$25,000;**
- 35         **(2) for a spirits distributor, \$15,000 or an amount equal to the highest**  
 36 **monthly liability of the distributor for taxes imposed by the Kansas liquor**  
 37 **control act for any of the 12 months immediately prior to renewal of the**  
 38 **distributor's license, whichever amount is greater;**
- 39         **(3) for a beer or wine distributor, \$5,000 or an amount equal to the**  
 40 **highest monthly liability of the distributor for taxes imposed by the Kansas**  
 41 **liquor control act for any of the 12 months immediately prior to renewal**  
 42 **of the distributor's license, whichever amount is greater;**
- 43         **(4) for a retailer, \$2,000;**

1 (5) for nonbeverage users, \$200 for class 1, \$500 for class 2, \$1,000  
2 for class 3, \$5,000 for class 4 and \$10,000 for class 5;

3 (6) for a microbrewery or a farm winery, \$2,000; and

4 (7) for a winery holding a special order shipping license, \$750, unless  
5 the winery has already complied with subsection ~~(b)(6)~~ (f)(6).

6 If a distributor holds or applies for more than one distributor's license,  
7 only one bond for all such licenses shall be required, which bond shall be  
8 in an amount equal to the highest applicable bond.

9 ~~(e)~~ ~~(g)~~ **(h)** All bonds required by this section shall be conditioned on  
10 the licensee's compliance with the provisions of this act and payment of  
11 all taxes, *fees*, fines and forfeitures which may be assessed against the  
12 licensee.

13 Sec. ~~5~~ **6**. K.S.A. 41-326 is hereby amended to read as follows: 41-  
14 326. A license shall be purely a personal privilege, valid for not to exceed  
15 ~~one year~~ *two years* after issuance, *except as otherwise provided by law*,  
16 unless sooner suspended or revoked, and shall not constitute property,  
17 nor shall it be subject to attachment, garnishment or execution, nor shall  
18 it be alienable or transferable, voluntarily or involuntarily, or subject to  
19 being encumbered or hypothecated. A license shall not descend by the  
20 laws of testate or intestate devolution but shall cease and expire upon the  
21 death of the licensee except that executors, administrators or represen-  
22 tatives of the estate of any deceased licensee and the trustee of any in-  
23 solvent or bankrupt licensee, when such estate consists in part of alcoholic  
24 liquor, may continue the business of the sale, distribution or manufacture  
25 of alcoholic liquor under order of the appropriate court and may exercise  
26 the privilege of the deceased, insolvent or bankrupt licensee after the  
27 death of such decedent, or after such insolvency or bankruptcy, until the  
28 expiration of such license but not longer than one year after the death,  
29 bankruptcy or insolvency of such licensee.

30 ~~A refund shall may be made of that portion of the license fee paid for~~  
31 ~~any period in which the licensee shall be prevented from operating under~~  
32 ~~such license in accordance with the provisions of this section. **When the**~~  
33 ~~**licensee pays the full amount of the license fee upon application and**~~  
34 ~~**is prevented from operating under such license in accordance with**~~  
35 ~~**the provisions of this act for the entire second year of the license**~~  
36 ~~**term, a refund shall be made of one-half of the license fee paid by**~~  
37 ~~**such licensee.**~~ The secretary of revenue may adopt rules and regulations  
38 pursuant to K.S.A. 41-210, and amendments thereto, which provide for  
39 the authorization of refunds of ~~that portion of the license fees paid for~~  
40 ~~any period in which~~ **one-half of the license fee paid when** the licensee  
41 does not use such license **for the entire second year of the license term**  
42 as a result of the cancellation of the license upon the request of the  
43 licensee for voluntary reasons.

- 1     Sec. ~~6~~ 7. K.S.A. 2009 Supp. 41-350 is hereby amended to read as  
2 follows: 41-350. (a) For the purposes of this act, the term “winery” means  
3 any maker or producer of wine whether in this state or in any other state,  
4 who holds a valid federal basic wine manufacturing permit. The terms  
5 “director” and “secretary” have the meaning ascribed to these terms in  
6 K.S.A. 2009 Supp. 41-102, and amendments thereto.
- 7     (b) Any winery may be authorized to make direct shipments of wine  
8 to consumers in this state upon obtaining a special order shipping license  
9 from the secretary pursuant to this act.
- 10     (1) A special order shipping license shall only be issued to a winery  
11 upon compliance with all applicable provisions of this act and the regu-  
12 lations promulgated pursuant to this act, and upon payment of a license  
13 fee in the amount of ~~\$50~~ \$100. *The license term for a special order ship-*  
14 *ping license shall commence on the date the license is issued by the di-*  
15 *rector and shall end two years after that date.*
- 16     (2) A special order shipping license shall entitle the winery to ship  
17 wine upon order directly to consumers for personal or household use in  
18 this state. The purchaser shall pay the purchase price and all shipping  
19 costs directly to the permit holder. Enforcement taxes collected herein  
20 shall be paid solely on the purchase price and not on the shipping costs.
- 21     (c) No holder of a special order shipping license shall be permitted  
22 to ship in excess of 12 standard cases of wine of one brand or a combi-  
23 nation of brands into this state to any one consumer or address per cal-  
24 endar year.
- 25     (d) (1) Before accepting an order from a consumer in this state, the  
26 holder of a special order shipping license shall require that the person  
27 placing the order to state affirmatively that he or she is 21 years of age  
28 or older and shall verify the age of such person placing the order either  
29 by the physical examination of an approved government issued form of  
30 identification or by utilizing an internet based age and identification serv-  
31 ice approved by the director of alcoholic beverage control, or the direc-  
32 tor’s designee.
- 33     (2) Every shipment of wine by the holder of a special order shipping  
34 license shall be clearly marked ‘Alcoholic Beverages, Adult Signature Re-  
35 quired’ and the carrier delivering such shipment shall be responsible for  
36 obtaining the signature of an adult who is at least 21 years of age as a  
37 condition of delivery.
- 38     (e) A special order shipping license shall not authorize the shipment  
39 of any wine to any premises licensed to sell alcoholic beverages pursuant  
40 to this act or the club and drinking establishment act.
- 41     (f) The failure to comply strictly with the requirements of this act and  
42 rules and regulations promulgated pursuant to this act shall be grounds  
43 for the revocation of a special order shipping license or other disciplinary

1 action by the director. After notice and an opportunity for hearing in  
2 accordance with the provisions of the Kansas administrative procedure  
3 act, the director may refuse to issue or renew or may revoke a shipping  
4 permit upon a finding that the permit holder has failed to comply with  
5 any provision of this section or K.S.A. 2009 Supp. 41-501 et seq., and  
6 amendments thereto, or any rules and regulations adopted pursuant to  
7 such statutes. Upon revocation of a special order shipping license for  
8 shipment of wine to a person not of legal age as required herein such  
9 winery shall not be issued any special order shipping license pursuant to  
10 this act for a period of one year from the date of revocation.

11 (g) The holder of a special order shipping license shall collect all  
12 gallonage taxes imposed by K.S.A. 2009 Supp. 41-501 et seq., and amend-  
13 ments thereto, shall remit such taxes annually in a manner prescribed by  
14 the secretary and shall accompany such remittance with such reports,  
15 documentation and other information as may be required by the secre-  
16 tary. In addition, an applicant for and a holder of a special order shipping  
17 license, as a condition of receiving and holding a valid license, shall:

18 (1) Collect and pay the applicable Kansas enforcement tax on each  
19 sale shipped to a consumer in Kansas imposed by K.S.A. 79-4101 et seq.,  
20 and amendments thereto;

21 (2) accompany each remittance with such sales tax reports, docu-  
22 mentation and other information as may be required by the director of  
23 taxation; and

24 (3) if the holder of the license is an out-of-state shipper, the licensee  
25 shall be deemed to have appointed the secretary of state as the resident  
26 agent and representative of the licensee to accept service of process from  
27 the secretary of revenue, the director and the courts of this state con-  
28 cerning enforcement of this section, K.S.A. 2009 Supp. 41-501 et seq.,  
29 and amendments thereto, and any related laws and rules and regulations  
30 and to accept service of any notice or order provided for in the liquor  
31 control act.

32 (h) The secretary of revenue may adopt rules and regulations to im-  
33 plement, administer and enforce the provisions of this section.

34 (i) This section shall be part of and supplemental to the Kansas liquor  
35 control act.

36 **Sec. 8. K.S.A. 41-2601 is hereby amended to read as follows:**  
37 **41-2601. As used in the club and drinking establishment act:**

38 (a) **The following terms shall have the meanings provided by**  
39 **K.S.A. 41-102 and amendments thereto: (1) “Alcoholic liquor”; (2)**  
40 **“director”; (3) “original package”; (4) “person”; (5) “sale”; and (6)**  
41 **“to sell.”**

42 (b) **“Beneficial interest” shall not include any interest a person**  
43 **may have as owner, operator, lessee or franchise holder of a licensed**

1 *hotel or motel on the premises of which a club or drinking estab-*  
2 *lishment is located.*

3 (c) *“Caterer” means an individual, partnership or corporation*  
4 *which sells alcoholic liquor by the individual drink, and provides*  
5 *services related to the serving thereof, on unlicensed premises which*  
6 *may be open to the public, but does not include a holder of a tem-*  
7 *porary permit, selling alcoholic liquor in accordance with the terms*  
8 *of such permit.*

9 (d) *“Cereal malt beverage” has the meaning provided by K.S.A.*  
10 *41-2701 and amendments thereto.*

11 (e) *“Class A club” means a premises which is owned or leased*  
12 *by a corporation, partnership, business trust or association and*  
13 *which is operated thereby as a bona fide nonprofit social, fraternal*  
14 *or war veterans’ club, as determined by the director, for the exclu-*  
15 *sive use of the corporate stockholders, partners, trust beneficiaries*  
16 *or associates (hereinafter referred to as members) and their families*  
17 *and guests accompanying them.*

18 (f) *“Class B club” means a premises operated for profit by a*  
19 *corporation, partnership or individual, to which members of such*  
20 *club may resort for the consumption of food or alcoholic beverages*  
21 *and for entertainment.*

22 (g) *“Club” means a class A or class B club.*

23 (h) *“Minibar” means a closed cabinet, whether nonrefrigerated*  
24 *or wholly or partially refrigerated, access to the interior of which*  
25 *is restricted by means of a locking device which requires the use of*  
26 *a key, magnetic card or similar device.*

27 (i) *“Drinking establishment” means premises which may be*  
28 *open to the general public, where alcoholic liquor by the individual*  
29 *drink is sold.*

30 (j) *“Food” means any raw, cooked or processed edible sub-*  
31 *stance or ingredient, other than alcoholic liquor or cereal malt bev-*  
32 *erage, used or intended for use or for sale, in whole or in part, for*  
33 *human consumption.*

34 (k) *“Food service establishment” has the meaning provided by*  
35 *K.S.A. 36-501 and amendments thereto.*

36 (l) *“Hotel” has the meaning provided by K.S.A. 36-501 and*  
37 *amendments thereto.*

38 (m) *“Minor” means a person under 21 years of age.*

39 (n) *“Morals charge” means a charge involving prostitution; pro-*  
40 *curring any person; soliciting of a child under 18 years of age for*  
41 *any immoral act involving sex; possession or sale of narcotics, ma-*  
42 *rijuana, amphetamines or barbiturates; rape; incest; gambling; il-*  
43 *legal cohabitation; adultery; bigamy; or a crime against nature.*

1 (o) “Municipal corporation” means the governing body of any county  
2 or city.

3 ~~(p)~~ (p) “Restaurant” means:

4 (1) **In the case of a club, a licensed food service establishment**  
5 **which, as determined by the director, derives from sales of food for**  
6 **consumption on the licensed club premises not less than 50% of its**  
7 **gross receipts from all sales of food and beverages on such premises**  
8 **in a 12-month period;**

9 (2) **in the case of a drinking establishment subject to a food sales**  
10 **requirement under K.S.A. 41-2642 and amendments thereto, a li-**  
11 **icensed food service establishment which, as determined by the di-**  
12 **rector, derives from sales of food for consumption on the licensed**  
13 **drinking establishment premises not less than 30% of its gross re-**  
14 **ceipts from all sales of food and beverages on such premises in a**  
15 **12-month period; and**

16 (3) **in the case of a drinking establishment subject to no food**  
17 **sales requirement under K.S.A. 41-2642 and amendments thereto,**  
18 **a licensed food service establishment.**

19 ~~(q)~~ (q) “RV resort” means premises where a place to park rec-  
20 reational vehicles, as defined in K.S.A. 75-1212 and amendments  
21 thereto, is offered for pay, primarily to transient guests, for over-  
22 night or longer use while such recreational vehicles are used as  
23 sleeping or living accommodations.

24 ~~(r)~~ (r) “Secretary” means the secretary of revenue.

25 ~~(s)~~ (s) “Temporary permit” means a temporary permit issued  
26 pursuant to K.S.A. 41-2645 and amendments thereto.

27 **Sec. 9. K.S.A. 41-2605 is hereby amended to read as follows:**  
28 **41-2605. The director shall issue an annual a license to each appli-**  
29 **cant for licensure which qualifies under this act. Such license shall**  
30 **be issued in the name of the corporation, municipal corporation, part-**  
31 **ners, trustees, association officers or individual applying.**

32 ~~Sec. 7. 10. K.S.A. 2009 Supp. 41-2606 is hereby amended to read as~~  
33 ~~follows: 41-2606. (a) Applications for all licenses under this act shall be~~  
34 ~~upon forms prescribed and furnished by the director and shall be filed~~  
35 ~~with the director in duplicate completed and submitted to the director in~~  
36 ~~a manner prescribed by the director. Each application shall be accom-~~  
37 ~~panied by applicant shall submit an application fee of \$50 \$100 \$50, for~~  
38 ~~each initial application, and \$10 \$50 \$10, for each renewal application,~~  
39 ~~to defray the cost of preparing and furnishing standard forms incident to~~  
40 ~~the administration of this act and the cost of processing such application.~~  
41 ~~Each application shall also be accompanied by a certified or cashier’s~~  
42 ~~check of a bank within this state, United States post office money order~~  
43 ~~or cash in the full amount of the license fee prescribed by K.S.A. 41-~~

1 ~~2622, and amendments thereto, which fee shall be returned to the ap-~~  
 2 ~~plicant if the application is denied.~~

3 (b) Each application for licensure as a club shall be accompanied by  
 4 a copy of the current bylaws and rules of the club and a current list of  
 5 the officers of the club.

6 (c) ~~An application for renewal of a license shall be submitted to the~~  
 7 ~~director not less than 30 days prior to the expiration of the current license.~~  
 8 ~~Any applicant that fails to submit an application for renewal when due~~  
 9 ~~may pay an additional fee for expedited service according to the following~~  
 10 ~~schedule:~~

11 ~~—(1) For applications submitted 20 to 29 days prior to expiration, \$100;~~

12 ~~—(2) for applications submitted 10 to 19 days prior to expiration, \$250;~~

13 ~~—(3) for applications submitted 3 to 9 days prior to expiration, \$500;~~

14 ~~and~~

15 ~~—(4) for applications submitted less than three days prior to expiration,~~  
 16 ~~\$1,000.~~

17 ~~—(d) Payment of the additional fee for expedited service pursuant to~~  
 18 ~~subsection (c) does not guarantee the issuance of applicant's license prior~~  
 19 ~~to the expiration of the current license.~~

20 ~~—(e) Each applicant shall submit to the division of alcoholic beverage~~  
 21 ~~control a certified or cashier's check, United States post office money order~~  
 22 ~~or cash, or shall authorize electronic payment in a manner prescribed by~~  
 23 ~~the director, in the full amount of the application fee, any additional fee~~  
 24 ~~provided for by this section and the license fee required to be paid for the~~  
 25 ~~kind of license applied for, which license fee shall be returned to the~~  
 26 ~~applicant if the application is denied.~~

27 **Each applicant shall submit to the division of alcoholic beverage**  
 28 **control the full amount of the application fee and:**

29 (1) **The full amount of the license fee required to be paid for the**  
 30 **kind of license specified in the application; or**

31 (2) **one-half of the full amount of the license fee required to be**  
 32 **paid for the kind of license specified in the application.**

33 (d) **If the applicant elects to pay only one-half of the license fee**  
 34 **pursuant to subsection (c)(2), the remaining one-half of the license**  
 35 **fee plus 10% of such remaining balance shall be due and payable**  
 36 **one year from the date of issuance of the license. Notwithstanding**  
 37 **any other provision of law, failure to pay the full amount due under**  
 38 **this paragraph on the date it is due shall result in the automatic**  
 39 **cancellation of such license for the remainder of the license term.**  
 40 **The director may, at the director's sole discretion and after exam-**  
 41 **ination of the circumstances, extend the date payment is due pur-**  
 42 **suant to this paragraph for not more than 30 days beyond the date**  
 43 **such payment is originally due.**

1     (e) *Any license fee paid by an applicant shall be returned to the*  
 2 *applicant if the application is denied.*

3     (f) *Payment of all fees required to be paid pursuant to this sec-*  
 4 *tion may be made by personal, certified or cashier's check, United*  
 5 *States post office money order, debit or credit card or cash, or by*  
 6 *electronic payment authorized by the applicant in a manner pre-*  
 7 *scribed by the director.*

8     ~~(e)~~ (g) All ~~application~~ fees collected by the director pursuant to  
 9 *this section shall be remitted to the state treasurer in accordance with the*  
 10 *provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of*  
 11 *each such remittance, the state treasurer shall deposit the entire amount*  
 12 *in the state treasury to the credit of the state general fund.*

13     Sec. ~~8~~ **11.** K.S.A. 41-2607 is hereby amended to read as follows: 41-  
 14 2607. (a) The license provided herein shall be issued for a term of ~~one~~  
 15 *year two years*, renewable on expiration. ~~The secretary of revenue shall~~  
 16 ~~adopt, in accordance with K.S.A. 41-210 and amendments thereto, rules~~  
 17 ~~and regulations providing for the authorization of refunds of the license~~  
 18 ~~fees paid for any period in which the licensee shall not use such license~~  
 19 ~~as the result of the license being canceled at the request of the licensee~~  
 20 ~~and for voluntary reasons. A refund may be made of that portion of the~~  
 21 ~~license fee paid for any period in which the licensee shall be prevented~~  
 22 ~~from operating under such license in accordance with the provisions of~~  
 23 ~~this act, other than that caused by suspension or revocation. When the~~  
 24 **licensee pays the full amount of the license fee upon application and**  
 25 **is prevented from operating under such license in accordance with**  
 26 **the provisions of this act for the entire second year of the license**  
 27 **term, a refund shall be made of one-half of the license fee paid by**  
 28 **such licensee.** *The secretary shall adopt, in accordance with K.S.A. 41-*  
 29 *210, and amendments thereto, rules and regulations providing for the*  
 30 *authorization of refunds of the license fees paid for any period in which*  
 31 **one-half of the license fee paid when the licensee does not use such**  
 32 **license for the entire second year of the license term as a result of the**  
 33 *cancellation of the license upon the request of the licensee for voluntary*  
 34 *reasons.*

35     (b) *The director, may, at the director's sole discretion and after ex-*  
 36 *amination of the circumstances, extend the license term of any license for*  
 37 *not more than 30 days beyond such date the license would expire pursuant*  
 38 *to this section. Any extension of the license term by the director pur-*  
 39 *suant to this section shall automatically extend the due date for*  
 40 *payment by the licensee of any occupation or license tax levied by*  
 41 *a city or township pursuant to K.S.A. 41-2622, and amendments*  
 42 *thereto, by the same number of days the director has extended the*  
 43 *license term.*

1     Sec. ~~9~~ **12**. K.S.A. 2009 Supp. 41-2622 is hereby amended to read as  
 2 follows: 41-2622. (a) At the time application is made to the director for a  
 3 license pursuant to the club and drinking establishment act, the applicant  
 4 shall pay the following ~~annual~~ license fee in the manner provided by  
 5 K.S.A. 41-2606, and amendments thereto:

6     (1) For a class A club which is a bona fide nonprofit fraternal or war  
 7 veterans' club, as defined by rules and regulations of the secretary, ~~\$250~~  
 8 ~~\$600~~ **\$500**;

9     (2) for a class A club which is a bona fide nonprofit social club, as  
 10 defined by rules and regulations of the secretary, and which has not more  
 11 than 500 members, ~~\$500~~ ~~\$1,500~~ **\$1,000**;

12     (3) for a class A club which is a bona fide nonprofit social club, as  
 13 defined by rules and regulations of the secretary, and which has more  
 14 than 500 members, ~~\$1,000~~ ~~\$3,000~~ **\$2,000**;

15     (4) for a class B club, ~~\$1,000~~ ~~\$3,000~~ **\$2,000**;

16     (5) for a drinking establishment, ~~\$1,000~~ ~~\$1,500~~ **\$1,000**;

17     (6) for a hotel of which the entire premises are licensed as a drinking  
 18 establishment, ~~\$3,000~~ ~~\$4,000~~ **\$3,000**;

19     (7) for a caterer, ~~\$500~~ ~~\$1,500~~ **\$1,000**;

20     (8) for a drinking establishment/caterer, ~~\$1,500~~ ~~\$2,000~~ **\$1,500**; and

21     (9) for a drinking establishment/caterer, if the drinking establishment  
 22 is a hotel of which the entire premises are licensed as a drinking estab-  
 23 lishment, ~~\$3,500~~ ~~\$5,000~~ **\$3,500**.

24     ~~If a licensee is described by more than one of the above, the highest~~  
 25 ~~fee shall apply.~~

26     (b) *On and after July 1, 2011, at the time an application is submitted*  
 27 *to the director for a drinking establishment license pursuant to the club*  
 28 *and drinking establishment act, the applicant shall pay the following li-*  
 29 *cence fee in the manner provided by K.S.A. 41-2606, and amendments*  
 30 *thereto:*

31     (1) *For a drinking establishment, ~~\$3,000~~ **\$2,000**;*

32     (2) *for a hotel of which the entire premises are licensed as a drinking*  
 33 *establishment, ~~\$8,000~~ **\$6,000**;*

34     (3) *for a drinking establishment/caterer, ~~\$4,000~~ **\$3,000**; and*

35     (4) *for a drinking establishment/caterer, if the drinking establishment*  
 36 *is a hotel of which the entire premises are licensed as a drinking estab-*  
 37 *lishment, ~~\$10,000~~ **\$7,000**.*

38     ~~(b)~~ (c) In addition to the fee provided by ~~subsection (a)~~ subsections  
 39 (a) and (b), any city where the licensed premises of a club or drinking  
 40 establishment are located or, if such licensed premises are not located in  
 41 a city, the board of county commissioners of the county where the li-  
 42 censed premises are located may levy and collect ~~an annual~~ **a biennial**  
 43 occupation or license tax from the licensee in an amount equal to not less

1 than ~~\$100 nor more than \$250~~ **\$200 nor more than \$500.**

2 ~~(c)~~ (d) No occupational or excise tax or license fee other than that  
3 authorized by subsection ~~(b)~~ (c) shall be levied by any city or county  
4 against or collected from a licensed club or drinking establishment.

5 ~~(d)~~ (e) The director shall remit all moneys received under this section  
6 to the state treasurer in accordance with the provisions of K.S.A. 75-4215,  
7 and amendments thereto. Upon receipt of each such remittance, the state  
8 treasurer shall deposit the entire amount in the state treasury. Of each  
9 such deposit, 50% shall be credited to the state general fund, and the  
10 remaining 50% shall be credited to the other state fees fund of the de-  
11 partment of social and rehabilitation services. In addition to other pur-  
12 poses for which expenditures may be made from the other state fees fund  
13 of the department of social and rehabilitation services, expenditures may  
14 be made by the secretary of social and rehabilitation services for the  
15 purpose of implementing the powers and duties of the secretary under  
16 the provisions of K.S.A. 65-4006 and 65-4007, and amendments thereto.

17 ~~Sec. 10.~~ **13.** K.S.A. 2009 Supp. 41-2623 is hereby amended to read  
18 as follows: 41-2623. (a) No license shall be issued under the provisions of  
19 this act to:

20 (1) Any person described in subsection (a)(1), (2), (4), (5), (6), (7),  
21 (8), (9), (12) or (13) of K.S.A. 41-311, and amendments thereto, except  
22 that the provisions of subsection (a)(7) of such section shall not apply to  
23 nor prohibit the issuance of a license for a class A club to an officer of a  
24 post home of a congressionally chartered service or fraternal organization,  
25 or a benevolent association or society thereof.

26 (2) A person who has had the person's license revoked for cause un-  
27 der the provisions of this act.

28 (3) A person who has not been a resident of this state for a period of  
29 at least one year immediately preceding the date of application.

30 (4) A person who has a beneficial interest in the manufacture, prep-  
31 aration or wholesaling or the retail sale of alcoholic liquors or a beneficial  
32 interest in any other club, drinking establishment or caterer licensed here-  
33 under, except that:

34 (A) A license for premises located in a hotel may be granted to a  
35 person who has a beneficial interest in one or more other clubs or drinking  
36 establishments licensed hereunder if such other clubs or establishments  
37 are located in hotels.

38 (B) A license for a club or drinking establishment which is a restau-  
39 rant may be issued to a person who has a beneficial interest in other clubs  
40 or drinking establishments which are restaurants.

41 (C) A caterer's license may be issued to a person who has a beneficial  
42 interest in a club or drinking establishment and a license for a club or  
43 drinking establishment may be issued to a person who has a beneficial

1 interest in a caterer.

2 (D) A license for a class A club may be granted to an organization of  
3 which an officer, director or board member is a distributor or retailer  
4 licensed under the liquor control act if such distributor or retailer sells  
5 no alcoholic liquor to such club.

6 (E) Any person who has a beneficial interest in a microbrewery or  
7 farm winery licensed pursuant to the Kansas liquor control act may be  
8 issued any or all of the following: (1) Class B club license; (2) drinking  
9 establishment license; and (3) caterer's license.

10 (5) A copartnership, unless all of the copartners are qualified to ob-  
11 tain a license.

12 (6) A corporation, if any officer, manager or director thereof, or any  
13 stockholder owning in the aggregate more than 5% of the common or  
14 preferred stock of such corporation would be ineligible to receive a li-  
15 cense hereunder for any reason other than citizenship and residence  
16 requirements.

17 (7) A corporation, if any officer, manager or director thereof, or any  
18 stockholder owning in the aggregate more than 5% of the common or  
19 preferred stock of such corporation, has been an officer, manager or di-  
20 rector, or a stockholder owning in the aggregate more than 5% of the  
21 common or preferred stock, of a corporation which:

22 (A) Has had a license revoked under the provisions of the club and  
23 drinking establishment act; or

24 (B) has been convicted of a violation of the club and drinking estab-  
25 lishment act or the cereal malt beverage laws of this state.

26 (8) A corporation organized under the laws of any state other than  
27 this state.

28 (9) A trust, if any grantor, beneficiary or trustee would be ineligible  
29 to receive a license under this act for any reason, except that the provi-  
30 sions of subsection (a)(6) of K.S.A. 41-311, and amendments thereto shall  
31 not apply in determining whether a beneficiary would be eligible for a  
32 license.

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

35 (1) A person ~~described in subsection (a)(11) of K.S.A. 41-311, and~~  
36 ~~amendments thereto~~ *who does not own the premises for which a license*  
37 *is sought, or does not, at the time the application is submitted, have a*  
38 *written lease thereon, except that an applicant seeking a license for a*  
39 *premises which is owned by a city or county, or is a stadium, arena,*  
40 *convention center, theater, museum, amphitheater or other similar prem-*  
41 *ises may submit an executed agreement to provide alcoholic beverage serv-*  
42 *ices at the premises listed in the application in lieu of a lease.*

43 (2) A person who is not a resident of the county in which the premises

1 sought to be licensed are located.

2 Sec. ~~14~~ **14**. K.S.A. 41-2629 is hereby amended to read as follows:  
 3 41-2629. (a) A class B club license, ~~drinking establishment license~~ or  
 4 caterer's license shall be ~~purely a personal privilege, good for~~ issued for  
 5 a term not to exceed ~~one year~~ *two years* after issuance, *except as otherwise*  
 6 *provided by law*, unless sooner suspended or revoked as provided in this  
 7 act.

8 (b) *Prior to July 1, 2011, a drinking establishment license shall be*  
 9 *issued for a term not to exceed one year after issuance, except as otherwise*  
 10 *provided by law, unless sooner suspended or revoked as provided by this*  
 11 *act. On and after July 1, 2011, a drinking establishment license shall be*  
 12 *issued for a term not to exceed two years after issuance, except as other-*  
 13 *wise provided by law, unless sooner suspended or revoked as provided*  
 14 *by this act.*

15 (c) *The director, may, at the director's sole discretion and after ex-*  
 16 *amination of the circumstances, extend the license term of any license for*  
 17 *not more than 30 days beyond such date the license would expire pursuant*  
 18 *to this section. **Any extension of the license term by the director pur-***  
 19 *suant to this section shall automatically extend the due date for*  
 20 *payment by the licensee of any occupation or license tax levied by*  
 21 *a city or township pursuant to K.S.A. 41-2622, and amendments*  
 22 *thereto, by the same number of days the director has extended the*  
 23 *license term.*

24 (d) *A class B license, drinking establishment license or caterer's li-*  
 25 *cence shall be purely a personal privilege and shall not constitute property,*  
 26 *nor shall it be subject to attachment, garnishment or execution, nor shall*  
 27 *it be alienable or transferable, voluntarily or involuntarily, or subject to*  
 28 *being encumbered or hypothecated. A class B club license, drinking es-*  
 29 *tablishment license or caterer's license shall not descend by the laws of*  
 30 *testate or intestate devolution but shall cease or expire upon the death of*  
 31 *the licensee subject to the following provision.*

32 (e) *An executor, administrator or representative of the estate of any*  
 33 *deceased holder of a class B club, drinking establishment or caterer's*  
 34 *license or the trustee of any insolvent or bankrupt class B club, drinking*  
 35 *establishment or caterer's license may continue the licensee's business*  
 36 *under order of the appropriate court and may exercise the privilege of*  
 37 *the deceased, insolvent or bankrupt licensee after the death of such li-*  
 38 *cencee or after such insolvency or bankruptcy until the expiration of such*  
 39 *license, but in no case longer than one year after the death, insolvency*  
 40 *or bankruptcy of such licensee.*

41 (f) ~~A refund shall may be made of that portion of the license fee paid~~  
 42 ~~for any period in which the licensee shall be prevented from operating~~  
 43 ~~under such license in accordance with the provisions of this act, other~~

1 ~~than that caused by suspension or revocation.~~ **When the licensee pays**  
2 **the full amount of the license fee upon application and is prevented**  
3 **from operating under such license in accordance with the provisions**  
4 **of this act for the entire second year of the license term, a refund**  
5 **shall be made of one-half of the license fee paid by such licensee.**  
6 The secretary shall adopt, in accordance with K.S.A. 41-210, and amend-  
7 ments thereto, rules and regulations providing for the authorization of  
8 refunds of the license fees paid for any period in which **one-half of the**  
9 **license fee paid when** the licensee does not use such license being can-  
10 ~~celed upon the request of the licensee and for voluntary reasons~~ **for the**  
11 **entire second year of the license term as a result of the cancellation of**  
12 **the license upon the request of the licensee for voluntary reasons.**  
13 Sec. ~~12~~ **15.** K.S.A. 41-326, **41-2601, 41-2605**, 41-2607 and 41-2629  
14 and K.S.A. 2009 Supp. 41-308a, 41-310, 41-311, 41-317, 41-350, 41-2606,  
15 41-2622 and 41-2623 are hereby repealed.  
16 Sec. ~~13~~ **16.** This act shall take effect and be in force from and after  
17 its publication in the statute book.