

Substitute for HOUSE BILL No. 2689

By Committee on Federal and State Affairs

3-7

1 AN ACT concerning alcoholic beverages; amending K.S.A. 41-2612, 79-
2 41a01 and 79-41a04 and K.S.A. 2011 Supp. 41-260141-304, 41-306,
3 41-306a, 41-307, 41-308, 41-316, 41-320, 41-701, 41-2608, 41-2610,
4 41-2612, 41-2613, 41-2614, 41-2640, 41-2722, 79-4101, 79-4102, 79-
5 4103, 79-41a01, 79-41a02 79-41a04, 79-41a06, 79-41a07 and 79-
6 41a08 and K.S.A. 2011 Supp. 41-102, 41-305, 41-308a, 41-310, **{41-
7 311,}** 41-317, 41-319, 41-719, 41-2601, 41-2622, 41-2629, 41-2645
8 and 79-41a03 and repealing the existing sections; also repealing K.S.A.
9 41-333, 41-334, 41-335, 41-336, 41-337, 41-338, 41-339, 41-340 and
10 41-341.
11

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

13 *New Section. 1. (a) A license for a public venue shall allow the*
14 *licensee to:*

15 *(1) Offer for sale, sell and serve alcoholic liquor by the individual*
16 *drink for consumption on the licensed premises;*

17 *(2) offer for sale, sell and serve unlimited drinks for a fixed price in*
18 *designated areas of the licensed premises;*

19 *(3) offer for sale and sell all inclusive packages which include*
20 *unlimited drinks in designated areas of the licensed premises;*

21 *(4) offer for sale, sell and serve alcoholic liquor in the original*
22 *container for consumption on the licensed premises in private suites,*
23 *which are enclosed or semi-enclosed seating areas, having controlled*
24 *access and separated from the general admission areas by a permanent*
25 *barrier;*

26 *(5) store, in each private suite, which are enclosed or semi-enclosed*
27 *seating areas, having controlled access and separated from the general*
28 *admission areas by a permanent barrier, alcoholic liquor sold in the*
29 *original container to a customer in that private suite; and*

30 *(6) with the approval of the retailer or distributor, return for a full*
31 *refund of the original purchase price unopened containers of alcoholic*
32 *liquor to the retailer or distributor from whom such items were*
33 *purchased upon the conclusion of an event if the next scheduled event*
34 *for that premises is more than 90 days from the date of the concluded*

1 *event.*

2 *(b) An applicant or public venue licensee shall specify in the*
3 *application for a license, or renewal of a license, the premises to be*
4 *licensed, which may include all premises which are in close proximity*
5 *and are under the control of the applicant or licensee. No public venue*
6 *licensee may offer for sale, sell or serve any alcoholic liquor in any area*
7 *not included in the licensed premises.*

8 *New Sec. 2. (a) A microdistillery license shall allow:*

9 *(1) The manufacture of not more than 50,000 gallons of spirits per*
10 *year and the storage thereof;*

11 *(2) the sale to spirit distributors of spirits, manufactured by the*
12 *licensee;*

13 *(3) the sale, on the licensed premises in the original unopened*
14 *container to consumers for consumption off the licensed premises, of*
15 *spirits manufactured by the licensee;*

16 *(4) the serving free of charge on the licensed premises and at*
17 *special events, monitored and regulated by the division of alcoholic*
18 *beverage control, of samples of spirits manufactured by the licensee, if*
19 *the premises are located in a county where the sale of alcoholic liquor is*
20 *permitted by law in licensed drinking establishments;*

21 *(5) if the licensee is also licensed as a club or drinking*
22 *establishment, the sale of spirits and other alcoholic liquor for*
23 *consumption on the licensed premises as authorized by the club and*
24 *drinking establishment act; and*

25 *(6) if the licensee is also licensed as a caterer, the sale of spirits and*
26 *other alcoholic liquor for consumption on unlicensed premises as*
27 *authorized by the club and drinking establishment act.*

28 *(b) Upon application and payment of the fee prescribed by K.S.A.*
29 *41-310, and amendments thereto, by a microdistillery licensee, the*
30 *director may issue not to exceed one microdistillery packaging and*
31 *warehousing facility license to the microdistillery licensee. A*
32 *microdistillery packaging and warehousing facility license shall allow:*

33 *(1) The transfer, from the licensed premises of the microdistillery to*
34 *the licensed premises of the microdistillery packaging and warehousing*
35 *facility, of spirits manufactured by the licensee, for the purpose of*
36 *packaging or storage, or both;*

37 *(2) the transfer, from the licensed premises of the microdistillery*
38 *packaging and warehousing facility to the licensed premises of the*
39 *microdistillery, of spirits manufactured by the licensee; or*

40 *(3) the removal from the licensed premises of the microdistillery*
41 *packaging and warehousing facility of spirits manufactured by the*
42 *licensee for the purpose of delivery to a licensed spirits wholesaler.*

43 *(c) A microdistillery may sell spirits in the original unopened*

1 *container to consumers for consumption off the licensed premises at any*
2 *time between 6 a.m. and 12 midnight on any day except Sunday and*
3 *between 11 a.m. and 7 p.m. on Sunday. If authorized by subsection (a), a*
4 *microdistillery may serve samples of spirits and serve and sell spirits and*
5 *other alcoholic liquor for consumption on the licensed premises at any*
6 *time when a club or drinking establishment is authorized to serve and*
7 *sell alcoholic liquor.*

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

19 *(e) A microdistillery license or microdistillery packaging and*
20 *warehousing facility license shall apply only to the premises described in*
21 *the application and in the license issued and only one location shall be*
22 *described in the license.*

23 *(f) No microdistillery shall:*

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

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

30 *(3) employ any person under 21 years of age in connection with*
31 *mixing or dispensing alcoholic liquor; or*

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

34 *(g) Whenever a microdistillery licensee is convicted of a violation of*
35 *the Kansas liquor control act, the director may revoke the licensee's*
36 *license and all fees paid for the license in accordance with the Kansas*
37 *administrative procedure act.*

38 *New Sec. 3. (a) Notwithstanding any other provisions of the Kansas*
39 *liquor control act to the contrary, any person or entity who is licensed to*
40 *sell alcoholic liquor in the original package at retail may conduct wine,*
41 *beer and distilled spirit tastings on the licensed premises, or adjacent*
42 *premises, monitored and regulated by the division of alcoholic beverage*
43 *control, as follows:*

1 (1) *Wine, beer and spirits for the tastings shall come from the*
2 *inventory of the licensee. Except as provided by paragraph (2), a person*
3 *other than the licensee or the licensee's agent or employee may not*
4 *dispense or participate in the dispensing of alcoholic beverages under*
5 *this section.*

6 (2) *The holder of a supplier's permit or such permit holder's agent*
7 *or employee may participate in and conduct product tastings of alcoholic*
8 *beverages at a retail licensee's premises, or adjacent premises,*
9 *monitored and regulated by the division of alcoholic beverage control,*
10 *and may open, touch, or pour alcoholic beverages, make a presentation,*
11 *or answer questions at the tasting. Any alcoholic beverage tasted under*
12 *this subsection must be purchased from the retailer on whose premises*
13 *the tasting is held. The retailer may not require the purchase of more*
14 *alcoholic beverages than are necessary for the tasting. This section does*
15 *not authorize the supplier or its agent to withdraw or purchase an*
16 *alcoholic beverage from the holder of a distributor's permit or provide*
17 *an alcoholic beverage for tasting on a retailer's premises that is not*
18 *purchased from the retailer.*

19 (3) *Sample portions at a product tasting shall be limited to no more*
20 *than:*

21 (A) *One-half ounce for distilled spirits;*

22 (B) *one ounce for wine; and*

23 (C) *two ounces for beer and malt beverages.*

24 (4) *No charge of any sort may be made for a sample serving.*

25 (5) *A person may be served more than one sample. Samples may*
26 *not be served to a minor. No samples may be removed from the licensed*
27 *premises.*

28 (6) *The act of providing samples to consumers shall be exempt from*
29 *the requirement of holding a Kansas food service dealer license from the*
30 *department of agriculture under the provisions of chapter 65 of the*
31 *Kansas Statutes Annotated, and amendments thereto.*

32 (b) *Nothing in this section shall be construed to permit the licensee*
33 *to sell wine, malt beverages or distilled spirits for on-premises*
34 *consumption.*

35 *Sec. 4. K.S.A. 2011 Supp. 41-102 is hereby amended to read as*
36 *follows: 41-102. As used in this act, unless the context clearly requires*
37 *otherwise:*

38 (a) *"Alcohol" means the product of distillation of any fermented*
39 *liquid, whether rectified or diluted, whatever its origin, and includes*
40 *synthetic ethyl alcohol but does not include denatured alcohol or wood*
41 *alcohol.*

42 (b) *"Alcoholic liquor" means alcohol, spirits, wine, beer and every*
43 *liquid or solid, patented or not, containing alcohol, spirits, wine or beer*

1 *and capable of being consumed as a beverage by a human being, but*
2 *shall not include any cereal malt beverage.*

3 (c) *"Beer" means a beverage, containing more than 3.2% alcohol*
4 *by weight, obtained by alcoholic fermentation of an infusion or*
5 *concoction of barley, or other grain, malt and hops in water and*
6 *includes beer, ale, stout, lager beer, porter and similar beverages having*
7 *such alcoholic content.*

8 (d) *"Caterer" has the meaning provided by K.S.A. 41-2601, and*
9 *amendments thereto.*

10 (e) *"Cereal malt beverage" has the meaning provided by K.S.A. 41-*
11 *2701, and amendments thereto.*

12 (f) *"Club" has the meaning provided by K.S.A. 41-2601, and*
13 *amendments thereto.*

14 (g) *"Director" means the director of alcoholic beverage control of*
15 *the department of revenue.*

16 (h) *"Distributor" means the person importing or causing to be*
17 *imported into the state, or purchasing or causing to be purchased within*
18 *the state, alcoholic liquor for sale or resale to retailers licensed under*
19 *this act or cereal malt beverage for sale or resale to retailers licensed*
20 *under K.S.A. 41-2702, and amendments thereto.*

21 (i) *"Domestic beer" means beer which contains not more than 10%*
22 *alcohol by weight and which is manufactured in this state.*

23 (j) *"Domestic fortified wine" means wine which contains more*
24 *than 14%, but not more than 20% alcohol by volume and which is*
25 *manufactured in this state.*

26 (k) *"Domestic table wine" means wine which contains not more*
27 *than 14% alcohol by volume and which is manufactured without*
28 *rectification or fortification in this state.*

29 (l) *"Drinking establishment" has the meaning provided by K.S.A.*
30 *41-2601, and amendments thereto.*

31 (m) *"Farm winery" means a winery licensed by the director to*
32 *manufacture, store and sell domestic table wine and domestic fortified*
33 *wine.*

34 (n) *"Manufacture" means to distill, rectify, ferment, brew, make,*
35 *mix, concoct, process, blend, bottle or fill an original package with any*
36 *alcoholic liquor, beer or cereal malt beverage.*

37 (o) (1) *"Manufacturer" means every brewer, fermenter, distiller,*
38 *rectifier, wine maker, blender, processor, bottler or person who fills or*
39 *refills an original package and others engaged in brewing, fermenting,*
40 *distilling, rectifying or bottling alcoholic liquor, beer or cereal malt*
41 *beverage.*

42 (2) *"Manufacturer" does not include a microbrewery,*
43 *microdistillery or a farm winery.*

1 (p) *"Microbrewery" means a brewery licensed by the director to*
2 *manufacture, store and sell domestic beer.*

3 (q) *"Microdistillery" means a facility which produces spirits from any*
4 *source or substance that is licensed by the director to manufacture, store*
5 *and sell spirits.*

6 ~~(q)~~(r) *"Minor" means any person under 21 years of age.*

7 ~~(r)~~(s) *"Nonbeverage user" means any manufacturer of any of the*
8 *products set forth and described in K.S.A. 41-501, and amendments*
9 *thereto, when the products contain alcohol or wine, and all laboratories*
10 *using alcohol for nonbeverage purposes.*

11 ~~(s)~~(t) *"Original package" means any bottle, flask, jug, can, cask,*
12 *barrel, keg, hogshead or other receptacle or container whatsoever, used,*
13 *corked or capped, sealed and labeled by the manufacturer of alcoholic*
14 *liquor, to contain and to convey any alcoholic liquor. Original container*
15 *does not include a sleeve.*

16 ~~(t)~~(u) *"Person" means any natural person, corporation,*
17 *partnership, trust or association.*

18 ~~(u)~~(v) *"Primary American source of supply" means the*
19 *manufacturer, the owner of alcoholic liquor at the time it becomes a*
20 *marketable product or the manufacturer's or owner's exclusive agent*
21 *who, if the alcoholic liquor cannot be secured directly from such*
22 *manufacturer or owner by American wholesalers, is the source closest to*
23 *such manufacturer or owner in the channel of commerce from which*
24 *the product can be secured by American wholesalers.*

25 ~~(v)~~(w) (1) *"Retailer" means a person who sells at retail, or offers*
26 *for sale at retail, alcoholic liquors.*

27 (2) *"Retailer" does not include a microbrewery, microdistillery or a*
28 *farm winery.*

29 ~~(w)~~(x) *"Sale" means any transfer, exchange or barter in any*
30 *manner or by any means whatsoever for a consideration and includes all*
31 *sales made by any person, whether principal, proprietor, agent, servant*
32 *or employee.*

33 ~~(x)~~(y) *"Salesperson" means any natural person who:*

34 (1) *Procures or seeks to procure an order, bargain, contract or*
35 *agreement for the sale of alcoholic liquor or cereal malt beverage; or*

36 (2) *is engaged in promoting the sale of alcoholic liquor or cereal*
37 *malt beverage, or in promoting the business of any person, firm or*
38 *corporation engaged in the manufacturing and selling of alcoholic*
39 *liquor or cereal malt beverage, whether the seller resides within the state*
40 *of Kansas and sells to licensed buyers within the state of Kansas, or*
41 *whether the seller resides without the state of Kansas and sells to*
42 *licensed buyers within the state of Kansas.*

43 ~~(y)~~(z) *"Secretary" means the secretary of revenue.*

1 ~~(z)~~(aa) (1) "Sell at retail" and "sale at retail" refer to and mean
2 sales for use or consumption and not for resale in any form and sales to
3 clubs, licensed drinking establishments, licensed caterers or holders of
4 temporary permits.

5 (2) "Sell at retail" and "sale at retail" do not refer to or mean sales
6 by a distributor, a microbrewery, a farm winery, a licensed club, a
7 licensed drinking establishment, a licensed caterer or a holder of a
8 temporary permit.

9 ~~(aa)~~(bb) "To sell" includes to solicit or receive an order for, to keep
10 or expose for sale and to keep with intent to sell.

11 ~~(bb)~~(cc) "Sleeve" means a package of two or more 50-milliliter
12 (3.2-fluid-ounce) containers of spirits.

13 ~~(cc)~~(dd) "Spirits" means any beverage which contains alcohol
14 obtained by distillation, mixed with water or other substance in solution,
15 and includes brandy, rum, whiskey, gin or other spirituous liquors, and
16 such liquors when rectified, blended or otherwise mixed with alcohol or
17 other substances.

18 ~~(dd)~~(ee) "Supplier" means a manufacturer of alcoholic liquor or
19 cereal malt beverage or an agent of such manufacturer, other than a
20 salesperson.

21 ~~(ee)~~(ff) "Temporary permit" has the meaning provided by K.S.A.
22 41-2601, and amendments thereto.

23 ~~(ff)~~(gg) "Wine" means any alcoholic beverage obtained by the
24 normal alcoholic fermentation of the juice of sound, ripe grapes, fruits,
25 berries or other agricultural products, including such beverages
26 containing added alcohol or spirits or containing sugar added for the
27 purpose of correcting natural deficiencies.

28 Sec. 5. K.S.A. 41-304 is hereby amended to read as follows: 41-304.
29 Licenses issued by the director shall be of the following classes: (a)
30 Manufacturer's license; (b) spirits distributor's license; (c) wine
31 distributor's license; (d) beer distributor's license; (e) retailer's license;
32 (f) microbrewery license; (g) microdistillery license; (h) farm winery
33 license; and ~~(h)~~(i) nonbeverage user's license.

34 Sec. 6. K.S.A. 2011 Supp. 41-305 is hereby amended to read as
35 follows: 41-305. (a) A manufacturer's license shall allow the
36 manufacture and storage of alcoholic liquor and cereal malt beverage
37 and the sale of alcoholic liquor and cereal malt beverage to distributors
38 and nonbeverage users licensed in this state and to such persons outside
39 this state as permitted by law.

40 (b) A manufacturer's license also shall allow the serving free of
41 charge on the licensed premises of samples of alcoholic liquor
42 manufactured by the licensee, provided the premises are located in a
43 county where the sale of alcoholic liquor is permitted by law in licensed

1 *drinking establishments. Samples shall be served by the licensee, or an*
2 *employee or agent thereof. No sample shall be served to an individual who*
3 *is a minor. No individual shall remove all or any portion of a sample from*
4 *the licensed premises. Nothing in this subsection shall be construed to*
5 *permit the licensee to sell any alcoholic liquor for consumption on the*
6 *premises.*

7 *(c) A person holding a farm winery license issued pursuant to*
8 *K.S.A. 41-308a, and amendments thereto, may also be issued a*
9 *manufacturer's license; provided, that no alcoholic liquor or cereal malt*
10 *beverage manufactured by such licensee shall be sold by such licensee at*
11 *its licensed premises or at any of such licensee's winery outlets.*

12 *Sec. 7. K.S.A. 41-306 is hereby amended to read as follows: 41-306.*
13 *A spirits distributor's license, shall allow:*

14 *(a) The wholesale purchase, importation and storage of spirits, but*
15 *all such spirits so purchased or imported which are manufactured in the*
16 *United States shall be purchased from the primary American source of*
17 *supply or from another licensed spirits distributor, except that a licensed*
18 *spirits distributor may purchase confiscated spirits at a sheriff's sale.*

19 *(b) The sale of spirits to:*

20 *(1) Spirits distributors licensed in this state;*

21 *(2) retailers licensed in this state, except that such distributor shall*
22 *sell a brand of spirits only to those retailers whose licensed premises are*
23 *located in the geographic territory within which such distributor is*
24 *authorized to sell such brand, as designated in the notice or notices filed*
25 *with the director pursuant to K.S.A. 41-410, and amendments thereto;*
26 *and*

27 *(3) such persons located outside such territory or outside this state*
28 *as permitted by law.*

29 *(c) The purchase of spirits in barrels, casks or other bulk*
30 *containers and the bottling thereof before resale, but all bottles or*
31 *containers filled with such spirits shall be sealed, labeled and otherwise*
32 *made to comply with all laws and rules and regulations governing the*
33 *preparation and bottling of spirits by manufacturers and with all federal*
34 *rules, regulations and laws.*

35 *(d) The storage and delivery to a retailer licensed under the Kansas*
36 *liquor control act or a retailer licensed under K.S.A. 41-2702, and*
37 *amendments thereto, on the distributor's licensed premises, of alcoholic*
38 *liquor or cereal malt beverage of another licensed distributor authorized*
39 *by law to sell such alcoholic liquor or cereal malt beverage to such*
40 *retailer, in accordance with an agreement entered into with such other*
41 *distributor and approved by the director.*

42 *(e) The storage and delivery to a public venue licensed under the*
43 *club and drinking establishment act of alcoholic liquor purchased by the*

1 *public venue licensee from a retailer authorized by law to sell such*
2 *alcoholic liquor to such public venue licensee.*

3 **Sec. 8. K.S.A. 41-306a is hereby amended to read as follows: 41-**
4 **306a. A wine distributor's license shall allow:**

5 *(a) The wholesale purchase, importation and storage of wine, but*
6 *all wine so purchased or imported which is manufactured in the United*
7 *States shall be purchased from the primary American source of supply*
8 *or from another licensed wine distributor, except that a licensed wine*
9 *distributor may purchase confiscated wine at a sheriff's sale.*

10 *(b) The sale of wine to:*

11 *(1) Wine distributors licensed in this state;*

12 *(2) retailers licensed in this state, except that such distributor shall*
13 *sell a brand of wine only to those retailers whose licensed premises are*
14 *located in the geographic territory within which such distributor is*
15 *authorized to sell such brand, as designated in the notice or notices filed*
16 *with the director pursuant to K.S.A. 41-410, and amendments thereto;*
17 *and*

18 *(3) such persons located outside such territory or outside this state*
19 *as permitted by law.*

20 *(c) The sale of wine, but only in barrels, casks and other bulk*
21 *containers, to:*

22 *(1) Licensed caterers; and*

23 *(2) public venues, clubs and drinking establishments licensed in this*
24 *state, except that such distributor shall sell a brand of wine only to such*
25 *public venues, clubs and drinking establishments the licensed premises*
26 *of which are located in the geographic territory within which such*
27 *distributor is authorized to sell such brand, as designated in the notice or*
28 *notices filed with the director pursuant to K.S.A. 41-410, and*
29 *amendments thereto.*

30 *(d) The purchase of wine in barrels, casks or other bulk containers*
31 *and the bottling thereof before resale, but all bottles or containers filled*
32 *with such wine shall be sealed, labeled and otherwise made to comply*
33 *with all laws and rules and regulations governing the preparation and*
34 *bottling of wine by manufacturers and with all federal rules, regulations*
35 *and laws.*

36 *(e) The storage and delivery to a retailer licensed under the Kansas*
37 *liquor control act or a retailer licensed under K.S.A. 41-2702, and*
38 *amendments thereto, on the distributor's licensed premises, of alcoholic*
39 *liquor or cereal malt beverage of another licensed distributor authorized*
40 *by law to sell such alcoholic liquor or cereal malt beverage to such*
41 *retailer, in accordance with an agreement entered into with such other*
42 *distributor and approved by the director.*

43 *(f) This section shall be part of and supplemental to the Kansas*

1 *liquor control act.*

2 *Sec. 9. K.S.A. 41-307 is hereby amended to read as follows: 41-307.*
3 *A beer distributor's license shall allow:*

4 (a) *The wholesale purchase, importation and storage of beer.*

5 (b) *The sale of beer to:*

6 (1) *Licensed caterers;*

7 (2) *beer distributors licensed in this state;*

8 (3) *retailers, public venues, clubs and drinking establishments,*
9 *licensed in this state, except that such distributor shall sell a brand of*
10 *beer only to those retailers, public venues, clubs and drinking*
11 *establishments of which the licensed premises are located in the*
12 *geographic territory within which such distributor is authorized to sell*
13 *such brand, as designated in the notice or notices filed with the director*
14 *pursuant to K.S.A. 41-410, and amendments thereto; and*

15 (4) *such persons located outside such territory or outside this state*
16 *as permitted by law.*

17 (c) *The sale of cereal malt beverage to:*

18 (1) *Beer distributors licensed in this state;*

19 (2) *clubs and drinking establishments, licensed in this state, and*
20 *retailers licensed under K.S.A. 41-2702, and amendments thereto, except*
21 *that such distributor shall sell a brand of cereal malt beverage only to*
22 *those such clubs, drinking establishments and retailers of which the*
23 *licensed premises are located in the geographic territory within which*
24 *such distributor is authorized to sell such brand, as designated in the*
25 *notice or notices filed with the director pursuant to K.S.A. 41-410, and*
26 *amendments thereto; and*

27 (3) *such persons located outside such territory or outside this state*
28 *as permitted by law.*

29 (d) *The purchase of cereal malt beverage in kegs or other bulk*
30 *containers and the bottling or canning thereof in accordance with law.*

31 (e) *The storage and delivery to a retailer licensed under the Kansas*
32 *liquor control act or a retailer licensed under K.S.A. 41-2702, and*
33 *amendments thereto, on the distributor's licensed premises, of alcoholic*
34 *liquor or cereal malt beverage of another licensed distributor authorized*
35 *by law to sell such alcoholic liquor or cereal malt beverage to such*
36 *retailer, in accordance with an agreement entered into with such other*
37 *distributor and approved by the director.*

38 (f) *The storage and delivery, with proper invoicing in accordance*
39 *with rules and regulations adopted by the secretary, on the premises of a*
40 *public venue licensee, of beer sold to or available for purchase by the*
41 *public venue during an event.*

42 *Sec. 10. K.S.A. 41-308 is hereby amended to read as follows: 41-*
43 *308. (a) Except as provided in section 3, and amendments thereto, a*

1 *retailer's license shall allow the licensee to sell and offer for sale at*
2 *retail and deliver in the original package, as therein prescribed,*
3 *alcoholic liquor for use or consumption off ~~of~~ and away from the*
4 *premises specified in such license. A retailer's license shall permit sale*
5 *and delivery of alcoholic liquor only on the licensed premises and shall*
6 *not permit sale of alcoholic liquor for resale in any form, except that a*
7 *licensed retailer may:*

8 *(1) Sell alcoholic liquor to a temporary permit holder for resale by*
9 *such permit holder; and*

10 *(2) sell and deliver alcoholic liquor to a caterer or to the licensed*
11 *premises of a public venue, club or drinking establishment, if such*
12 *premises are in the county where the retailer's premises are located or in*
13 *an adjacent county, for resale by such public venue, club, establishment*
14 *or caterer.*

15 *(b) The holder of a retailer's license shall not sell, offer for sale,*
16 *give away or permit to be sold, offered for sale or given away in or from*
17 *the premises specified in such license any service or thing of value*
18 *whatsoever except alcoholic liquor in the original package, except that a*
19 *licensed retailer may:*

20 *(1) Charge a delivery fee for delivery to a public venue, club,*
21 *drinking establishment or caterer pursuant to subsection (a);*

22 *(2) sell lottery tickets and shares to the public in accordance with*
23 *the Kansas lottery act, if the retailer is selected as a lottery retailer;*

24 *(3) include in the sale of alcoholic liquor any goods included by the*
25 *manufacturer in packaging with the alcoholic liquor, subject to the*
26 *approval of the director; and*

27 *(4) distribute to the public, without charge, consumer advertising*
28 *specialties bearing advertising matter, subject to rules and regulations of*
29 *the secretary limiting the form and distribution of such specialties so*
30 *that they are not conditioned on or an inducement to the purchase of*
31 *alcoholic liquor.*

32 *(c) No licensed retailer shall furnish any entertainment in such*
33 *premises or permit any pinball machine or game of skill or chance to be*
34 *located in or on such premises.*

35 *(d) A retailer's license shall allow the licensee to store alcoholic*
36 *liquor in refrigerators, cold storage units, ice boxes or other cooling*
37 *devices, and the licensee may sell such alcoholic liquor to consumers in*
38 *a chilled condition.*

39 *Sec. 11. K.S.A. 2011 Supp. 41-308a is hereby amended to read as*
40 *follows: 41-308a. (a) A farm winery license shall allow:*

41 *(1) The manufacture of domestic table wine and domestic fortified*
42 *wine in a quantity not exceeding 100,000 gallons per year and the*
43 *storage thereof;*

1 (2) *the sale of wine, manufactured by the licensee, to licensed wine*
2 *distributors, retailers, public venues, clubs, drinking establishments,*
3 *holders of temporary permits as authorized by K.S.A. 41-2645, and*
4 *amendments thereto, and caterers;*

5 (3) *the sale, on the licensed premises {and at special events*
6 *monitored and regulated by the division of alcoholic beverage control}*
7 *in the original unopened container to consumers for consumption off*
8 *the licensed premises, of wine manufactured by the licensee;*

9 (4) *the serving free of charge on the licensed premises and at*
10 *special events, monitored and regulated by the division of alcoholic*
11 *beverage control, of samples of wine manufactured by the licensee or*
12 *imported under subsection ~~(d)~~(e), if the {licensed} premises are located in*
13 *a county where the sale of alcoholic liquor is permitted by law in*
14 *licensed drinking establishments;*

15 {5} *the sale of wine manufactured by the licensee for consumption*
16 *on the licensed premises, provided, the licensed premises are located in a*
17 *county where the sale of alcoholic liquor is permitted by law in licensed*
18 *drinking establishments. Wine sold pursuant to this paragraph shall not*
19 *be subject to the provisions of the club and drinking establishment act,*
20 *K.S.A. 41-2601 et seq., and amendments thereto, and no drinking*
21 *establishment license shall be required to make such sales;}*

22 ~~(5)~~{6} *if the licensee is also licensed as a club or drinking*
23 *establishment, the sale of domestic wine, domestic fortified wine and*
24 *other alcoholic liquor for consumption on the licensed premises as*
25 *authorized by the club and drinking establishment act;*

26 ~~(6)~~{7} *if the licensee is also licensed as a caterer, the sale of*
27 *domestic wine, domestic fortified wine and other alcoholic liquor for*
28 *consumption on the unlicensed premises as authorized by the club and*
29 *drinking establishment act;*

30 ~~(7)~~{8} *the sale and shipping, in the original unopened container,*
31 *to consumers outside this state of wine manufactured by the licensee,*
32 *provided that the licensee complies with applicable laws and rules and*
33 *regulations of the jurisdiction to which the wine is shipped; and*

34 ~~(8)~~{9} *the sale and shipping of wine within this state pursuant to a*
35 *permit issued pursuant to K.S.A. 2011 Supp. 41-350, and amendments*
36 *thereto.*

37 (b) *Upon application and payment of the fee prescribed by K.S.A.*
38 *41-310, and amendments thereto, by a farm winery licensee, the director*
39 *may issue not to exceed three winery outlet licenses to the farm winery*
40 *licensee. A winery outlet license shall allow:*

41 (1) *The sale, on the licensed premises {and at special events*
42 *monitored and regulated by the division of alcoholic beverage control}*
43 *in the original unopened container to consumers for consumption off*

1 *the licensed premises, of wine manufactured by the licensee;*

2 *(2) the serving on the licensed premises of samples of wine*
3 *manufactured by the licensee or imported under subsection (f), if the*
4 *premises are located in a county where the sale of alcoholic liquor is*
5 *permitted by law in licensed drinking establishments; and*

6 *(3) the manufacture of domestic table wine and domestic fortified*
7 *wine and the storage thereof; provided, that the aggregate quantity of*
8 *wine produced by the farm winery licensee, including all winery outlets,*
9 *shall not exceed 100,000 gallons per year.*

10 *(c) ~~Not less than 60% of the products utilized in the manufacture of~~*
11 *~~domestic table wine and domestic fortified wine by a farm winery shall~~*
12 *~~be grown in Kansas except when a lesser proportion is authorized by the~~*
13 *~~director based upon the director's findings and judgment. The label of~~*
14 *~~domestic wine and domestic fortified wine shall indicate that a majority~~*
15 *~~of the products utilized in the manufacture of the wine at such winery~~*
16 *~~were grown in Kansas.~~ {Not less than 20% of the products utilized in the*
17 *manufacture of domestic table wine and domestic fortified wine by a*
18 *farm winery shall be grown in Kansas, except when a lesser proportion*
19 *is authorized by the director based upon the director's findings and*
20 *judgment. The production requirement of this subsection shall be*
21 *determined based on the annual production of domestic table wine and*
22 *domestic fortified wine by the farm winery.}*

23 *(d) A farm winery or winery outlet may sell domestic wine and*
24 *domestic fortified wine in the original unopened container to consumers*
25 *for consumption off the licensed premises at any time between 6 a.m.*
26 *and 12 midnight on any day except Sunday and between 12 noon and 6*
27 *p.m. on Sunday. If authorized by subsection (a), a farm winery may*
28 *serve samples of ~~domestic wine, domestic fortified wine and~~ wine*
29 *{manufactured by the licensee and wine} imported under subsection (e)*
30 *and serve and sell domestic wine, domestic fortified wine and other*
31 *alcoholic liquor for consumption on the licensed premises at any time*
32 *when a club or drinking establishment is authorized to serve and sell*
33 *alcoholic liquor. If authorized by subsection (b), a winery outlet may*
34 *serve samples of domestic wine, domestic fortified wine and wine*
35 *imported under subsection (e) at any time when the winery outlet is*
36 *authorized to sell domestic wine and domestic fortified wine.*

37 *(e) The director may issue to the Kansas state fair or any bona fide*
38 *group of grape growers or wine makers a permit to import into this state*
39 *small quantities of wines. Such wine shall be used only for bona fide*
40 *educational and scientific tasting programs and shall not be resold.*
41 *Such wine shall not be subject to the tax imposed by K.S.A. 41-501, and*
42 *amendments thereto. The permit shall identify specifically the brand and*
43 *type of wine to be imported, the quantity to be imported, the tasting*

1 *programs for which the wine is to be used and the times and locations of*
2 *such programs. The secretary shall adopt rules and regulations*
3 *governing the importation of wine pursuant to this subsection and the*
4 *conduct of tasting programs for which such wine is imported.*

5 *(f) A farm winery license or winery outlet license shall apply only to*
6 *the premises described in the application and in the license issued and*
7 *only one location shall be described in the license.*

8 *(g) No farm winery or winery outlet shall:*

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

11 *(2) permit any employee of the licensee who is under the age of 21*
12 *years to work on the licensed premises at any time when not under the*
13 *on-premise supervision of either the licensee or an employee of the*
14 *licensee who is 21 years of age or over;*

15 *(3) employ any person under 21 years of age in connection with*
16 *mixing or dispensing alcoholic liquor; or*

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

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

24 *(i) This section shall be part of and supplemental to the Kansas*
25 *liquor control act.*

26 *Sec. 12. K.S.A. 2011 Supp. 41-310 is hereby amended to read as*
27 *follows: 41-310. (a) At the time application is made to the director for a*
28 *license of any class, the applicant shall pay the fee provided by this*
29 *section.*

30 *(b) The fee for a manufacturer's license to manufacture alcohol*
31 *and spirits shall be \$5,000.*

32 *(c) The fee for a manufacturer's license to manufacture beer and*
33 *cereal malt beverage shall be:*

34 *(1) For 1 to 100 barrel daily capacity or any part thereof, \$400.*

35 *(2) For 100 to 150 barrel daily capacity, \$800.*

36 *(3) For 150 to 200 barrel daily capacity, \$1,400.*

37 *(4) For 200 to 300 barrel daily capacity, \$2,000.*

38 *(5) For 300 to 400 barrel daily capacity, \$2,600.*

39 *(6) For 400 to 500 barrel daily capacity, \$2,800.*

40 *(7) For 500 or more barrel daily capacity, \$3,200.*

41 *As used in this subsection, "daily capacity" means the average daily*
42 *barrel production for the previous 12 months of manufacturing*
43 *operation. If no basis for comparison exists, the licensee shall pay in*

1 *advance for operation during the first term of the license a fee of \$2,000.*

2 *(d) The fee for a manufacturer's license to manufacture wine shall*
3 *be \$1,000.*

4 *(e) (1) The fee for a microbrewery license, a microdistillery license*
5 *or a farm winery license shall be \$500.*

6 *(2) The fee for a winery outlet license shall be \$100.*

7 *(3) The fee for a microbrewery packaging and warehousing facility*
8 *license shall be \$200.*

9 *(4) The fee for a microdistillery packaging and warehousing facility*
10 *license shall be \$200.*

11 *(f) The fee for a spirits distributor's license for the first and each*
12 *additional distributing place of business operated in this state by the*
13 *licensee and wholesaling and jobbing spirits shall be \$2,000.*

14 *(g) The fee for a wine distributor's license for the first and each*
15 *additional distributing place of business operated in this state by the*
16 *licensee and wholesaling and jobbing wine shall be \$2,000.*

17 *(h) The fee for a beer distributor's license, for the first and each*
18 *additional wholesale distributing place of business operated in this state*
19 *by the licensee and wholesaling or jobbing beer and cereal malt*
20 *beverage shall be \$2,000.*

21 *(i) The fee for a nonbeverage user's license shall be:*

22 *(1) For class 1, \$20.*

23 *(2) For class 2, \$100.*

24 *(3) For class 3, \$200.*

25 *(4) For class 4, \$400.*

26 *(5) For class 5, \$1,000.*

27 *(j) In addition to the license fees prescribed by subsections (b), (c),*
28 *(d), (f), (g), (h) and (i):*

29 *(1) Any city in which the licensed premises are located may levy*
30 *and collect a biennial occupation or license tax on the licensee in an*
31 *amount not exceeding the amount of the license fee required to be paid*
32 *under this act to obtain the license, but no city shall impose an*
33 *occupation or privilege tax on the licensee in excess of that amount; and*

34 *(2) any township in which the licensed premises are located may*
35 *levy and collect a biennial occupation or license tax on the licensee in*
36 *an amount not exceeding the amount of the license fee required to be*
37 *paid under this act to obtain the license, but no township shall impose an*
38 *occupation or privilege tax on the licensee in excess of that amount; the*
39 *township board of the township is authorized to fix and impose the tax*
40 *and the tax shall be paid by the licensee to the township treasurer, who*
41 *shall issue a receipt therefor to the licensee and shall cause the tax paid*
42 *to be placed in the general fund of the township.*

43 *(k) The fee for a retailer's license shall be \$500.*

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

2 *(1) Any city in which the licensed premises are located may levy*
3 *and collect a biennial occupation or license tax on the licensee in an*
4 *amount not less than \$200 nor more than \$600, but no other occupation*
5 *or excise tax or license fee shall be levied by any city against or collected*
6 *from the licensee; and*

7 *(2) any township in which the licensed premises are located may*
8 *levy and collect a biennial occupation or license tax on the licensee in*
9 *an amount not less than \$200 nor more than \$600; the township board*
10 *of the township is authorized to fix and impose the tax and the tax shall*
11 *be paid by the licensee to the township treasurer, who shall issue a*
12 *receipt therefor to the licensee and shall cause the tax paid to be placed*
13 *in the general fund of the township.*

14 *(m) The license term for a license shall commence on the date the*
15 *license is issued by the director and shall end two years after that date.*
16 *The director may, at the director's sole discretion and after examination*
17 *of the circumstances, extend the license term of any license for not more*
18 *than 30 days beyond the date such license would expire pursuant to this*
19 *section. Any extension of the license term by the director pursuant to this*
20 *section shall automatically extend the due date for payment by the*
21 *licensee of any occupation or license tax levied by a city or township*
22 *pursuant to this section by the same number of days the director has*
23 *extended the license term.*

24 *{Sec. 13. K.S.A. 2011 Supp. 41-311 is hereby amended to read as*
25 *follows: 41-311. (a) No license of any kind shall be issued pursuant to*
26 *the liquor control act to a person:*

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

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

35 *(3) who has had a license revoked for cause under the provisions of*
36 *the liquor control act, the beer and cereal malt beverage keg registration*
37 *act or who has had any license issued under the cereal malt beverage*
38 *laws of any state revoked for cause except that a license may be issued to*
39 *a person whose license was revoked for the conviction of a misdemeanor*
40 *at any time after the lapse of 10 years following the date of the*
41 *revocation;*

42 *(4) who has been convicted of being the keeper or is keeping a*
43 *house of prostitution or has forfeited bond to appear in court to answer*

- 1 *charges of being a keeper of a house of prostitution;*
2 *(5) who has been convicted of being a proprietor of a gambling*
3 *house, pandering or any other crime opposed to decency and morality or*
4 *has forfeited bond to appear in court to answer charges for any of those*
5 *crimes;*
6 *(6) who is not at least 21 years of age;*
7 *(7) who, other than as a member of the governing body of a city or*
8 *county, appoints or supervises any law enforcement officer, who is a law*
9 *enforcement official or who is an employee of the director;*
10 *(8) who intends to carry on the business authorized by the license*
11 *as agent of another;*
12 *(9) who at the time of application for renewal of any license issued*
13 *under this act would not be eligible for the license upon a first*
14 *application, except as provided by subsection (a)(12);*
15 *(10) who is the holder of a valid and existing license issued under*
16 *article 27 of chapter 41 of the Kansas Statutes Annotated unless the*
17 *person agrees to and does surrender the license to the officer issuing the*
18 *same upon the issuance to the person of a license under this act, except*
19 *that a retailer licensed pursuant to K.S.A. 41-2702, and amendments*
20 *thereto, shall be eligible to receive a retailer's license under the Kansas*
21 *liquor control act;*
22 *(11) who does not own the premises for which a license is sought,*
23 *or does not, at the time of application, have a written lease thereon;*
24 *(12) whose spouse would be ineligible to receive a license under*
25 *this act for any reason other than citizenship, residence requirements or*
26 *age, except that this subsection (a)(12) shall not apply in determining*
27 *eligibility for a renewal license;*
28 *(13) whose spouse has been convicted of a felony or other crime*
29 *which would disqualify a person from licensure under this section and*
30 *such felony or other crime was committed during the time that the*
31 *spouse held a license under this act; or*
32 *(14) who does not provide any data or information required by*
33 *K.S.A. 2011 Supp. 41-311b, and amendments thereto.*
34 *(b) No retailer's license shall be issued to:*
35 *(1) A person who is not a resident of this state;*
36 *(2) a person who has not been a resident of this state for at least*
37 *four years immediately preceding the date of application;*
38 *(3) a person who has a beneficial interest in a manufacturer,*
39 *distributor, farm winery or microbrewery licensed under this act, except*
40 *that the spouse of an applicant for a retailer's license may own and hold*
41 *a farm winery license, microbrewery license, or both, if the spouse does*
42 *not hold a retailer's license issued under this act;*
43 *(4) a person who has a beneficial interest in any other retail*

1 *establishment licensed under this act, except that the spouse of a*
2 *licensee may own and hold a retailer's license for another retail*
3 *establishment;*

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

6 (6) *a corporation; or*

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

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

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

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

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

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

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

27 (6) *a person who has a beneficial interest in a distributor, retailer,*
28 *farm winery or microbrewery licensed under this act, except as provided*
29 *in K.S.A. 41-305, and amendments thereto.*

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

31 (1) *A corporation, if any officer, director or stockholder of the*
32 *corporation would be ineligible to receive a distributor's license for any*
33 *reason other than citizenship and residence requirements, provided, that*
34 *at least one officer and one director of the corporation meets the*
35 *citizenship and residence requirements. It shall be unlawful for any*
36 *stockholder of a corporation licensed as a distributor to transfer any*
37 *stock in the corporation to any person who would be ineligible to receive*
38 *a distributor's license for any reason, and any such transfer shall be null*
39 *and void, except that: (A) If any stockholder owning stock in the*
40 *corporation dies and an heir or devisee to whom stock of the corporation*
41 *descends by descent and distribution or by will is ineligible to receive a*
42 *distributor's license, the legal representatives of the deceased*
43 *stockholder's estate and the ineligible heir or devisee shall have 14*

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

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

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

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

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

32 *(f) No microbrewery license or farm winery license shall be issued*
33 *to a:*

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

35 *(2) person who has not been a resident of this state for at least one*
36 *year immediately preceding the date of application;*

37 *(3) person who has a beneficial interest in a manufacturer or*
38 *distributor licensed under this act, except as provided in K.S.A. 41-305,*
39 *and amendments thereto;*

40 *(4) person, copartnership or association which has a beneficial*
41 *interest in any retailer licensed under this act or under K.S.A. 41-2702,*
42 *and amendments thereto, except that the spouse of an applicant for a*
43 *microbrewery or farm winery license may own and hold a retailer's*

1 *license if the spouse does not hold a microbrewery or farm winery*
2 *license issued under this act;*

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

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

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

13 *(g) The provisions of subsections (b)(1), (b)(2), (c)(3), (c)(4), (d)(3),*
14 *(f)(1), (f)(2) and K.S.A. 2011 Supp. 41-311b, and amendments thereto,*
15 *shall not apply in determining eligibility for the 10th, or a subsequent,*
16 *consecutive renewal of a license if the applicant has appointed a citizen*
17 *of the United States who is a resident of Kansas as the applicant's agent*
18 *and filed with the director a duly authenticated copy of a duly executed*
19 *power of attorney, authorizing the agent to accept service of process*
20 *from the director and the courts of this state and to exercise full*
21 *authority, control and responsibility for the conduct of all business and*
22 *transactions within the state relative to alcoholic liquor and the business*
23 *licensed. The agent must be satisfactory to and approved by the director,*
24 *except that the director shall not approve as an agent any person who:*

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

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

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

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

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

40 *Sec. ~~13~~ {14.} K.S.A. 41-316 is hereby amended to read as follows:*
41 *41-316. Licenses to manufacturers, distributors, microbreweries,*
42 *microdistilleries, farm wineries and nonbeverage users of alcoholic*
43 *liquors shall be issued and renewed by the director to qualified*

1 *applicants upon written application, receipt of bond properly executed*
2 *and payment in advance of the state registration fee and the license fee.*

3 *Sec. ~~14~~ {15.} K.S.A. 2011 Supp. 41-317 is hereby amended to read*
4 *as follows: 41-317. (a) Applications for all licenses under this act shall*
5 *be completed and submitted to the director in a manner prescribed by the*
6 *director. Each applicant shall submit an application fee of \$50 for each*
7 *initial application and \$10 for each renewal application to defray the*
8 *cost of processing the application.*

9 *(b) Each applicant shall submit to the division of alcoholic*
10 *beverage control the full amount of the application fee and:*

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

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

15 *(c) If the applicant elects to pay only one-half of the license fee*
16 *pursuant to subsection (b)(2), the remaining one-half of the license fee*
17 *plus 10% of such remaining balance shall be due and payable one year*
18 *from the date of issuance of the license. Notwithstanding any other*
19 *provision of law, failure to pay the full amount due under this paragraph*
20 *on the date it is due shall result in the automatic cancellation of such*
21 *license for the remainder of the license term. The director may, at the*
22 *director's sole discretion and after examination of the circumstances,*
23 *extend the date payment is due pursuant to this paragraph for not more*
24 *than 30 days beyond the date such payment is originally due.*

25 *(d) Any license fee paid by an applicant shall be returned to the*
26 *applicant if the application is denied.*

27 *(e) Payment of all fees required to be paid pursuant to this section*
28 *may be made by personal, certified or cashier's check, United States post*
29 *office money order, debit or credit card or cash, or by electronic payment*
30 *authorized by the applicant in a manner prescribed by the director.*

31 *(f) All fees received by the director pursuant to this section shall be*
32 *remitted by the director to the state treasurer in accordance with the*
33 *provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of*
34 *each such remittance, the state treasurer shall deposit the entire amount*
35 *in the state treasury to the credit of the state general fund.*

36 *(g) Every applicant for a manufacturer's, distributor's,*
37 *nonbeverage user's, microbrewery, microdistillery, farm winery,*
38 *retailer's or special order shipping license shall file with the application*
39 *a joint and several bond on a form prescribed by the director and*
40 *executed by good and sufficient corporate sureties licensed to do*
41 *business within the state of Kansas to the director, in the following*
42 *amounts:*

43 *(1) For a manufacturer, \$25,000;*

1 (2) *for a spirits distributor, \$15,000 or an amount equal to the*
2 *highest monthly liability of the distributor for taxes imposed by the*
3 *Kansas liquor control act for any of the 12 months immediately prior to*
4 *renewal of the distributor's license, whichever amount is greater;*

5 (3) *for a beer or wine distributor, \$5,000 or an amount equal to the*
6 *highest monthly liability of the distributor for taxes imposed by the*
7 *Kansas liquor control act for any of the 12 months immediately prior to*
8 *renewal of the distributor's license, whichever amount is greater;*

9 (4) *for a retailer, \$2,000;*

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

12 (6) *for a microbrewery, microdistillery or a farm winery, \$2,000;*
13 *and*

14 (7) *for a winery holding a special order shipping license, \$750,*
15 *unless the winery has already complied with subsection (g)(6).*

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

19 (h) *All bonds required by this section shall be conditioned on the*
20 *licensee's compliance with the provisions of this act and payment of all*
21 *taxes, fees, fines and forfeitures which may be assessed against the*
22 *licensee.*

23 ~~Sec. 15.~~ {16.} *K.S.A. 2011 Supp. 41-319 is hereby amended to read*
24 *as follows: 41-319. (a) Except as provided by subsection (b), within 30*
25 *days after an application is filed for a retailer's, microbrewery,*
26 *microdistillery or farm winery license and within 20 days after an*
27 *application is filed for a manufacturer's, distributor's or nonbeverage*
28 *user's license, the director shall enter an order either refusing or*
29 *granting the license. If the director does not enter an order within the*
30 *time prescribed, the license applied for shall be deemed to have been*
31 *refused. The director, with the written consent of the applicant for a*
32 *license, may delay entering an order on an application for an additional*
33 *period of not to exceed 30 days.*

34 (b) *In order to complete any national criminal history record check*
35 *of an applicant who submitted any application after January 31, 2001,*
36 *and if the applicant is not a resident of the state of Kansas on the date of*
37 *submission of such application or has not been a resident for at least*
38 *one year immediately preceding the date of submission of such*
39 *application the director shall enter an order either refusing or granting*
40 *the license within 90 days after such application is filed. If the director*
41 *does not enter an order within the time prescribed, the license applied*
42 *for shall be deemed to have been refused. The director, with the written*
43 *consent of the applicant for a license, may delay entering an order on an*

1 *application for an additional period of not to exceed 30 days.*

2 *Sec. ~~16~~ {17.} K.S.A. 41-320 is hereby amended to read as follows:*

3 *41-320. (a) All proceedings for the suspension and revocation of licenses*
4 *of manufacturers, distributors, retailers, microbreweries,*
5 *microdistilleries, farm wineries and nonbeverage users shall be before*
6 *the director, and the proceedings shall be in accordance with the*
7 *provisions of the Kansas administrative procedure act. Except as*
8 *provided in subsection (b), no license shall be suspended or revoked*
9 *except after a hearing by the director.*

10 *(b) When proceedings for the suspension or revocation of a*
11 *distributor's license are filed and the distributor has been issued more*
12 *than one license for distributing places of business in this state, any*
13 *order of the director suspending or revoking the license at any one place*
14 *of business shall suspend or revoke all licenses issued to the distributor.*
15 *When one person is the holder of stock in two or more corporations*
16 *licensed as distributors under the provisions of this act, any order of the*
17 *director suspending or revoking the license of any such corporation*
18 *shall operate as a suspension or revocation of the license of all*
19 *corporations licensed as distributors in which the person is a*
20 *stockholder.*

21 *Sec. ~~17~~ {18.} K.S.A. 41-701 is hereby amended to read as follows:*

22 *41-701. (a) Except as provided in subsection (d), no spirits distributor*
23 *shall sell or attempt to sell any spirits within this state except to:*

24 *(1) A licensed manufacturer, licensed nonbeverage user or licensed*
25 *spirits distributor; or*

26 *(2) a licensed retailer, as authorized by K.S.A. 41-306, and*
27 *amendments thereto.*

28 *(b) Except as provided in subsection (d), no wine distributor shall*
29 *sell or attempt to sell any wine within this state except to:*

30 *(1) A licensed manufacturer, licensed nonbeverage user or licensed*
31 *wine distributor;*

32 *(2) a licensed caterer; or*

33 *(3) a retailer, public venue, club or drinking establishment, licensed*
34 *in this state, as authorized by K.S.A. 41-306a, and amendments thereto.*

35 *(c) Except as provided by subsection (d), no beer distributor shall*
36 *sell or attempt to sell any beer or cereal malt beverage within this state*
37 *except to:*

38 *(1) A licensed manufacturer, licensed nonbeverage user or licensed*
39 *beer distributor;*

40 *(2) a licensed caterer; or*

41 *(3) a retailer licensed under the Kansas liquor control act or under*
42 *K.S.A. 41-2702, and amendments thereto, or a club or drinking*
43 *establishment, licensed in this state, as authorized by K.S.A. 41-307, and*

1 *amendments thereto.*

2 *(d) (1) If any spirits distributor refuses to sell spirits which such*
3 *distributor is authorized to sell or refuses to provide any service in*
4 *connection therewith to any licensed retailer as authorized by K.S.A. 41-*
5 *306, and amendments thereto, it shall be lawful for any other licensed*
6 *spirits distributor to sell such spirits to such retailer.*

7 *(2) If any wine distributor refuses to sell wine which such*
8 *distributor is authorized to sell or refuses to furnish service in*
9 *connection therewith to any licensed retailer, as authorized by K.S.A. 41-*
10 *306a, and amendments thereto, it shall be lawful for any other licensed*
11 *wine distributor to sell such wine to such retailer.*

12 *(3) If any beer distributor refuses to sell beer or cereal malt*
13 *beverage which such distributor is authorized to sell or provide service*
14 *in connection therewith to any retailer licensed under this act or under*
15 *K.S.A. 41-2702, and amendments thereto, as authorized by K.S.A. 41-*
16 *307, and amendments thereto, it shall be lawful for any other licensed*
17 *beer distributor to sell such beer or cereal malt beverage to such retailer.*

18 *(e) No manufacturer of alcoholic liquor or cereal malt beverage*
19 *shall sell or attempt to sell any alcoholic liquor or cereal malt beverage*
20 *within this state except to a licensed manufacturer, licensed distributor*
21 *or licensed nonbeverage user.*

22 *(f) No supplier, wholesaler, distributor, manufacturer or importer*
23 *shall by oral or written contract or agreement, expressly or impliedly fix,*
24 *maintain, coerce or control the resale price of alcoholic liquor, beer or*
25 *cereal malt beverage to be resold by such wholesaler, distributor,*
26 *manufacturer or importer.*

27 *(g) Any supplier, wholesaler, distributor or manufacturer violating*
28 *the provisions of this section shall be guilty of a misdemeanor and upon*
29 *conviction thereof shall be punished by a fine of not less than \$500 and*
30 *not more than \$1,000, to which may be added not to exceed six months'*
31 *imprisonment. In addition, any supplier, wholesaler, distributor,*
32 *manufacturer or importer violating the provisions of this section relating*
33 *to fixing, maintaining or controlling the resale price of alcoholic liquor,*
34 *beer or cereal malt beverage shall be liable in a civil action to treble the*
35 *amount of any damages awarded plus reasonable attorney fees for the*
36 *damaged party.*

37 *Sec. ~~18~~ {19} From and after January 1, 2013, K.S.A. 2011 Supp.*
38 *41-719 is hereby amended to read as follows: 41-719. (a) (1) Except as*
39 *otherwise provided herein and in K.S.A. 8-1599, and amendments*
40 *thereto, no person shall drink or consume alcoholic liquor on the public*
41 *streets, alleys, roads or highways or inside vehicles while on the public*
42 *streets, alleys, roads or highways.*

43 *(2) Alcoholic liquor may be consumed at a special event held on*

1 *public streets, alleys, roads, sidewalks or highways when a temporary*
2 *permit has been issued pursuant to K.S.A 41-2645, and amendments*
3 *thereto, for such special event. Such special event must be approved, by*
4 *ordinance or resolution, by the local governing body of any city, county*
5 *or township where such special event is being held. No alcoholic liquor*
6 *may be consumed inside vehicles while on public streets, alleys, roads or*
7 *highways at any such special event.*

8 (3) *No person shall remove any alcoholic liquor from inside the*
9 *boundaries of a special event as designated by the governing body of any*
10 *city, county or township. The boundaries of such special event shall be*
11 *clearly marked by signs, a posted map or other means which reasonably*
12 *identify the area in which alcoholic liquor may be possessed or*
13 *consumed at such special event.*

14 (4) *No person shall possess or consume alcoholic liquor inside the*
15 *premises licensed as a special event that was not sold or provided by the*
16 *licensee holding the temporary permit for such special event.*

17 (b) *No person shall drink or consume alcoholic liquor on private*
18 *property except:*

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

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

27 (3) *in a lodging room of any hotel, motel or boarding house by the*
28 *person occupying such room and by the guests of such person, if no*
29 *charge is made for the serving or mixing of any drink or drinks of*
30 *alcoholic liquor or for any substance mixed with any alcoholic liquor*
31 *and if no sale of alcoholic liquor in violation of K.S.A. 41-803, and*
32 *amendments thereto, takes place;*

33 (4) *in a private dining room of a hotel, motel or restaurant, if the*
34 *dining room is rented or made available on a special occasion to an*
35 *individual or organization for a private party and if no sale of alcoholic*
36 *liquor in violation of K.S.A. 41-803, and amendments thereto, takes*
37 *place; or*

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

40 (c) *No person shall drink or consume alcoholic liquor on public*
41 *property except:*

42 (1) *On real property leased by a city to others under the provisions*
43 *of K.S.A. 12-1740 through 12-1749, and amendments thereto, if such*

1 *real property is actually being used for hotel or motel purposes or*
2 *purposes incidental thereto.*

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

6 (3) *On premises licensed as a club or drinking establishment and*
7 *located on property owned or operated by an airport authority created*
8 *pursuant to chapter 27 of the Kansas Statutes Annotated, and*
9 *amendments thereto, or established by a city.*

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

12 (5) *On the state fairgrounds, if: (A) The alcoholic liquor is domestic*
13 *beer or wine or wine imported under subsection (e) of K.S.A. 41-308a,*
14 *and amendments thereto, and is consumed only for purposes of judging*
15 *competitions; (B) the alcoholic liquor is wine or beer and is sold and*
16 *consumed during the days of the Kansas state fair on premises leased by*
17 *the state fair board to a person who holds a temporary permit issued*
18 *pursuant to K.S.A. 41-2645, and amendments thereto, authorizing the*
19 *sale and serving of such wine or beer, or both; or (C) the alcoholic*
20 *liquor is consumed on nonfair days in conjunction with bona fide*
21 *scheduled events involving not less than 75 invited guests and the state*
22 *fair board, in its discretion, authorizes the consumption of the alcoholic*
23 *liquor, subject to any conditions or restrictions the board may require.*

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

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

32 (8) *In a lake resort within the meaning of K.S.A. 32-867, and*
33 *amendments thereto, on state-owned or leased property.*

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

38 (10) *On the premises of any Kansas national guard regional*
39 *training center or armory, and any building on such premises, as*
40 *authorized by rules and regulations of the adjutant general and upon*
41 *approval of the Kansas military board.*

42 (11) *On the premises of any land or waters owned or managed by the*
43 *department of wildlife, parks and tourism, except as otherwise prohibited*

1 by rules and regulations of the department adopted by the secretary
2 pursuant to K.S.A. 32-805, and amendments thereto.

3 (12) *On property exempted from this subsection (c) pursuant to*
4 *subsection (d), (e), (f), (g) or (h).*

5 (d) *Any city may exempt, by ordinance, from the provisions of*
6 *subsection (c) specified property the title of which is vested in such city.*

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

10 (f) *The state board of regents may exempt from the provisions of*
11 *subsection (c) the Sternberg museum on the campus of Fort Hays state*
12 *university, or other specified property which is under the control of such*
13 *board and which is not used for classroom instruction, where alcoholic*
14 *liquor may be consumed in accordance with policies adopted by such*
15 *board.*

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

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

27 (i) *Violation of any provision of this section is a misdemeanor*
28 *punishable by a fine of not less than \$50 or more than \$200 or by*
29 *imprisonment for not more than six months, or both.*

30 (j) *For the purposes of this section, "special event" means a picnic,*
31 *bazaar, festival or other similar community gathering, which has been*
32 *approved by the local governing body of any city, county or township.*

33 Section 19. ~~Sec. 19.~~ {20.} K.S.A. 2011 Supp. 41-2601 is hereby
34 amended to read as follows: 41-2601. As used in the club and drinking
35 establishment act:

36 (a) The following terms shall have the meanings provided by K.S.A.
37 41-102, and amendments thereto: (1) "Alcoholic liquor"; (2) "director"; (3)
38 "original package"; (4) "person"; (5) "sale"; and (6) "to sell."

39 (b) "Beneficial interest" shall not include any interest a person may
40 have as owner, operator, lessee or franchise holder of a licensed hotel or
41 motel on the premises of which a club or drinking establishment is located.

42 (c) "Caterer" means an individual, partnership or corporation which
43 sells alcoholic liquor by the individual drink, and provides services related

1 to the serving thereof, on unlicensed premises which may be open to the
2 public, but does not include a holder of a temporary permit, selling
3 alcoholic liquor in accordance with the terms of such permit.

4 (d) "Cereal malt beverage" has the meaning provided by K.S.A. 41-
5 2701, and amendments thereto.

6 (e) "Class A club" means a premises which is owned or leased by a
7 corporation, partnership, business trust or association and which is
8 operated thereby as a bona fide nonprofit social, fraternal or war veterans'
9 club, as determined by the director, for the exclusive use of the corporate
10 stockholders, partners, trust beneficiaries or associates (hereinafter referred
11 to as members) and their families and guests accompanying them.

12 (f) "Class B club" means a premises operated for profit by a
13 corporation, partnership or individual, to which members of such club may
14 resort for the consumption of food or alcoholic beverages and for
15 entertainment.

16 (g) "Club" means a class A or class B club.

17 ~~(h) "Minibar" means a closed cabinet, whether nonrefrigerated or~~
18 ~~wholly or partially refrigerated, access to the interior of which is restricted~~
19 ~~by means of a locking device which requires the use of a key, magnetic~~
20 ~~card or similar device.~~

21 ~~(i)~~ **(h)** "Drinking establishment" means premises which may be open
22 to the general public, where alcoholic liquor by the individual drink is
23 sold. *Drinking establishment includes a railway car.*

24 ~~(i)~~ **(i)** "Food" means any raw, cooked or processed edible substance or
25 ingredient, other than alcoholic liquor or cereal malt beverage, used or
26 intended for use or for sale, in whole or in part, for human consumption.

27 ~~(j)~~ **(j)** "Food service establishment" has the meaning provided by
28 K.S.A. 36-501, and amendments thereto.

29 ~~(k)~~ **(k)** "Hotel" has the meaning provided by K.S.A. 36-501, and
30 amendments thereto.

31 **(l)** *"Individual drink" means a beverage containing alcoholic*
32 *liquor or cereal malt beverage served to an individual for consumption*
33 *by such individual or another individual, but which is not intended to be*
34 *consumed by two or more individuals. The term "individual drink"*
35 *includes beverages containing not more than: (1) Eight ounces of wine;*
36 *(2) thirty-two ounces of beer or cereal malt beverage; or (3) four ounces*
37 *of a single spirit or a combination of spirits.*

38 ~~(m)~~ **(m)** *"Minibar" means a closed cabinet, whether nonrefrigerated or*
39 *wholly or partially refrigerated, access to the interior of which is*
40 *restricted by means of a locking device which requires the use of a key,*
41 *magnetic card or similar device.*

42 ~~(n)~~ **(n)** "Minor" means a person under 21 years of age.

43 ~~(o)~~ **(o)** "Morals charge" means a charge involving prostitution;

1 procuring any person; soliciting of a child under 18 years of age for any
 2 immoral act involving sex; possession or sale of narcotics, marijuana,
 3 amphetamines or barbiturates; rape; incest; gambling; illegal cohabitation;
 4 adultery; bigamy; or a crime against nature.

5 ~~(p)~~ **(p)** "Municipal corporation" means the governing body of any
 6 county or city.

7 **(q)** *"Public venue" means an arena, stadium, hall or theater, used*
 8 *primarily for athletic or sporting events, live concerts, live theatrical*
 9 *productions or similar seasonal entertainment events, not operated on a*
 10 *daily basis, and containing:*

11 *(1) Not less than 4,000 permanent seats; and*

12 *(2) not less than two private suites, which are enclosed or semi-*
 13 *enclosed seating areas, having controlled access and separated from the*
 14 *general admission areas by a permanent barrier.*

15 ~~(r)~~ **(r)** *"Railway car" means a locomotive drawn conveyance used for*
 16 *the transportation and accommodation of human passengers that is*
 17 *confined to a fixed rail route and which derives from sales of food for*
 18 *consumption on the railway car not less than 30% of its gross receipts*
 19 *from all sales of food and beverages in a 12-month period.*

20 ~~(s)~~ ~~(t)~~ **(s)** "Restaurant" means:

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

25 (2) in the case of a drinking establishment subject to a food sales
 26 requirement under K.S.A. 41-2642. and amendments thereto, a licensed
 27 food service establishment which, as determined by the director, derives
 28 from sales of food for consumption on the licensed drinking establishment
 29 premises not less than 30% of its gross receipts from all sales of food and
 30 beverages on such premises in a 12-month period; and

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

34 ~~(t)~~ ~~(u)~~ **(t)** "RV resort" means premises where a place to park
 35 recreational vehicles, as defined in K.S.A. 75-1212, and amendments
 36 thereto, is offered for pay, primarily to transient guests, for overnight or
 37 longer use while such recreational vehicles are used as sleeping or living
 38 accommodations.

39 ~~(u)~~ ~~(v)~~ **(u)** "Secretary" means the secretary of revenue.

40 ~~(v)~~ ~~(w)~~ **(v)** "Temporary permit" means a temporary permit issued
 41 pursuant to K.S.A. 41-2645, and amendments thereto.

42 ~~Sec. 20.~~ ~~{21.}~~ **K.S.A. 41-2608 is hereby amended to read as follows:**
 43 **41-2608. (a) Any public venue, club or drinking establishment license**

1 *issued pursuant to this act shall be for one particular premises which*
2 *shall be stated in the application and in the license. Not more than one*
3 *premises licensed under the club and drinking establishment act shall exist*
4 *at a single legal address.*

5 *(b) No license shall be issued for a public venue, club or drinking*
6 *establishment unless the city, township or county zoning code allows a*
7 *club or drinking establishment at that location.*

8 *Sec. ~~21~~ {22.} K.S.A. 41-2610 is hereby amended to read as follows:*
9 *41-2610. It shall be unlawful for any licensee or holder of a temporary*
10 *permit under this act to:*

11 *(a) Employ any person under the age of 18 years in connection with*
12 *the serving of alcoholic liquor.*

13 ~~*(b) Employ knowingly or continue in employment any person in*~~
14 ~~*connection with the dispensing or serving of alcoholic liquor or the mixing*~~
15 ~~*of drinks containing alcoholic liquor who has been adjudged guilty of a*~~
16 ~~*felony or of any crime involving a morals charge in this or any other state,*~~
17 ~~*or of the United States.*~~

18 ~~*(c) Employ knowingly or to continue in employment any person in*~~
19 ~~*connection with the dispensing or serving of alcoholic liquor or mixing of*~~
20 ~~*drinks containing alcoholic liquor who has been adjudged guilty of a*~~
21 ~~*violation of any intoxicating liquor law of this or any other state, or of the*~~
22 ~~*United States, during the two-year period immediately following such*~~
23 ~~*adjudging.*~~

24 ~~*(d)*~~*(b) In the case of a club, fail to maintain at the licensed premises*
25 *a current list of all members and their residence addresses or refuse to*
26 *allow the director, any of the director's authorized agents or any law*
27 *enforcement officer to inspect such list.*

28 ~~*(e)*~~*(c) Purchase alcoholic liquor from any person except from a*
29 *person authorized by law to sell such alcoholic liquor to such licensee or*
30 *permit holder.*

31 ~~*(d)*~~*(d) Permit any employee of the licensee or permit holder who is*
32 *under the age of 21 years to work on premises where alcoholic liquor is*
33 *sold by such licensee or permit holder at any time when not under the*
34 *on-premises supervision of either the licensee or permit holder, or an*
35 *employee who is 21 years of age or over.*

36 ~~*(e)*~~*(e) Employ any person under 21 years of age in connection with*
37 *the mixing or dispensing of drinks containing alcoholic liquor.*

38 *Sec. ~~22~~ {23.} K.S.A. 41-2612 is hereby amended to read as*
39 *follows: 41-2612. Every holder of a license for a club or drinking*
40 *establishment shall cause such license to be framed and hung in plain view*
41 *in a conspicuous place on the licensed premises. In the case of a railway*
42 *car, the license shall be posted at its main office which shall be stated in*
43 *the application.*

1 *Sec. ~~23.~~ {24.}* K.S.A. 41-2613 is hereby amended to read as follows:
2 *41-2613. The right of immediate entry to and inspection of any premises*
3 *licensed as a public venue, club or drinking establishment or any*
4 *premises where alcoholic liquor is sold by a holder of a temporary*
5 *permit, or any premises subject to the control of any licensee or*
6 *temporary permit holder, by any duly authorized officer or agent of the*
7 *director, or by any law enforcement officer, shall be a condition on*
8 *which every license or temporary permit is issued, and the application*
9 *for, and acceptance of, any license or temporary permit shall*
10 *conclusively be deemed to be the consent of the applicant and licensee or*
11 *permit holder to such immediate entry and inspection. Such right of*
12 *immediate entry and inspection shall be at any time when the premises*
13 *are occupied and is not limited to hours when the club or drinking*
14 *establishment is open for business. Such consent shall not be revocable*
15 *during the term of the license or temporary permit. Refusal of such entry*
16 *shall be grounds for revocation of the license or temporary permit.*

17 *Sec. ~~24.~~ {25.}* K.S.A. 41-2614 is hereby amended to read as follows:
18 *41-2614. (a) Except as provided by subsection (c), no public venue, club*
19 *or drinking establishment shall allow the serving, mixing or*
20 *consumption of alcoholic liquor on its premises between the hours of*
21 *2:00 a.m. and 9:00 a.m. on any day.*

22 *(b) No caterer shall allow the serving, mixing or consumption of*
23 *alcoholic liquor between the hours of 2:00 a.m. and 6:00 a.m. on any*
24 *day at an event catered by such caterer.*

25 *(c) A hotel of which the entire premises are licensed as a drinking*
26 *establishment or as a drinking establishment/caterer may allow at any*
27 *time the serving, mixing and consumption of alcoholic liquor and cereal*
28 *malt beverage from a minibar in a guest room by guests registered to*
29 *stay in such room, and guests of guests registered to stay in such room.*

30 *Sec. ~~25.~~ {26.}* K.S.A. 2011 Supp. 41-2622 is hereby amended to read
31 *as follows: 41-2622. (a) At the time application is made to the director*
32 *for a license pursuant to the club and drinking establishment act, the*
33 *applicant shall pay the following license fee in the manner provided by*
34 *K.S.A. 41-2606, and amendments thereto:*

35 *(1) For a class A club which is a bona fide nonprofit fraternal or*
36 *war veterans' club, as defined by rules and regulations of the secretary,*
37 *\$500;*

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

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

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

2 ~~(5) for a drinking establishment, \$1,000;~~

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

5 ~~(7)~~(5) *for a caterer, \$1,000;*

6 ~~(8) for a drinking establishment/caterer, \$1,500; and~~

7 ~~(9) for a drinking establishment/caterer, if the drinking establishment~~
8 ~~is a hotel of which the entire premises are licensed as a drinking-~~
9 ~~establishment, \$3,500.~~

10 (b) ~~On and after July 1, 2011, at the time an application is submitted~~
11 ~~to the director for a drinking establishment license pursuant to the club and~~
12 ~~drinking establishment act, the applicant shall pay the following license~~
13 ~~fee in the manner provided by K.S.A. 41-2606, and amendments thereto:~~

14 ~~(1)~~(6) *for a drinking establishment, \$2,000;*

15 ~~(2)~~(7) *for a hotel of which the entire premises are licensed as a*
16 *drinking establishment, \$6,000;*

17 ~~(3)~~(8) *for a drinking establishment/caterer, \$3,000; and*

18 ~~(4)~~(9) *for a drinking establishment/caterer, if the drinking*
19 *establishment is a hotel of which the entire premises are licensed as a*
20 *drinking establishment, \$7,000;*

21 (10) *for a public venue with a maximum capacity of not more than*
22 *10,000 persons, \$5,000;*

23 (11) *for a public venue with a maximum capacity of not more than*
24 *25,000 persons, \$7,500; and*

25 (12) *for a public venue with a maximum capacity exceeding 25,000*
26 *persons, \$10,000.*

27 ~~(e)~~(b) *In addition to the fee provided by subsections (a) and (b)-*
28 *subsection (a), any city where the licensed premises of a club or drinking*
29 *establishment are located or, if such licensed premises are not located in*
30 *a city, the board of county commissioners of the county where the*
31 *licensed premises are located may levy and collect a biennial occupation*
32 *or license tax from the licensee in an amount equal to not less than \$200*
33 *nor more than \$500.*

34 (c) *In addition to the fee provided by subsection (a), any city where*
35 *the licensed premises of a public venue is located or, if such licensed*
36 *premises is not located in a city, the board of county commissioners of the*
37 *county where the licensed premises is located may levy and collect a*
38 *biennial occupation or license tax from the licensee in an amount not less*
39 *than \$200.*

40 (d) *No occupational or excise tax or license fee other than that*
41 *authorized by subsection (b) or (c) shall be levied by any city or county*
42 *against or collected from a licensed public venue, club or drinking*
43 *establishment.*

1 (e) *The director shall remit all moneys received under this section*
2 *to the state treasurer in accordance with the provisions of K.S.A. 75-*
3 *4215, and amendments thereto. Upon receipt of each such remittance,*
4 *the state treasurer shall deposit the entire amount in the state treasury.*
5 *Of each such deposit, 50% shall be credited to the state general fund,*
6 *and the remaining 50% shall be credited to the other state fees fund of*
7 *the department of social and rehabilitation services. In addition to other*
8 *purposes for which expenditures may be made from the other state fees*
9 *fund of the department of social and rehabilitation services,*
10 *expenditures may be made by the secretary of social and rehabilitation*
11 *services for the purpose of implementing the powers and duties of the*
12 *secretary under the provisions of K.S.A. 65-4006 and 65-4007, and*
13 *amendments thereto.*

14 ~~Sec. 26. {27.}~~ *K.S.A. 2011 Supp. 41-2629 is hereby amended to read*
15 *as follows: 41-2629. (a) A class B club*~~license~~*, drinking establishment,*
16 *public venue or caterer's license shall be issued for a term not to exceed*
17 *two years after issuance, except as otherwise provided by law, unless*
18 *sooner suspended or revoked as provided in this act.*

19 ~~(b) Prior to July 1, 2011, a drinking establishment license shall be~~
20 ~~issued for a term not to exceed one year after issuance, except as otherwise~~
21 ~~provided by law, unless sooner suspended or revoked as provided by this~~
22 ~~act. On and after July 1, 2011, a drinking establishment license shall be~~
23 ~~issued for a term not to exceed two years after issuance, except as~~
24 ~~otherwise provided by law, unless sooner suspended or revoked as~~
25 ~~provided by this act.~~

26 ~~(e)(b)~~ *The director may, at the director's sole discretion and after*
27 *examination of the circumstances, extend the license term of any license*
28 *for not more than 30 days beyond such date the license would expire*
29 *pursuant to this section. Any extension of the license term by the director*
30 *pursuant to this section shall automatically extend the due date for*
31 *payment by the licensee of any occupation or license tax levied by a city*
32 *or township pursuant to K.S.A. 41-2622, and amendments thereto, by the*
33 *same number of days the director has extended the license term.*

34 ~~(d)(c)~~ *A class B*~~license~~ *club, drinking establishment*~~license~~*, public*
35 *venue or caterer's license shall be purely a personal privilege and shall*
36 *not constitute property, nor shall it be subject to attachment,*
37 *garnishment or execution, nor shall it be alienable or transferable,*
38 *voluntarily or involuntarily, or subject to being encumbered or*
39 *hypothecated. A class B club*~~license~~*, drinking establishment*~~license~~*,*
40 *public venue or caterer's license shall not descend by the laws of testate*
41 *or intestate devolution, but shall cease or expire upon the death of the*
42 *licensee subject to*~~the following provision~~ *subsection (d).*

43 ~~(e)(d)~~ *An executor, administrator or representative of the estate of*

1 *any deceased holder of a class B club, drinking establishment, public*
 2 *venue or caterer's license, or the trustee of any insolvent or bankrupt*
 3 *class B club, drinking establishment, public venue or caterer's license*
 4 *may continue the licensee's business under order of the appropriate*
 5 *court and may exercise the privilege of the deceased, insolvent or*
 6 *bankrupt licensee after the death of such licensee or after such*
 7 *insolvency or bankruptcy until the expiration of such license, but in no*
 8 *case longer than one year after the death, insolvency or bankruptcy of*
 9 *such licensee.*

10 ~~(f)~~(e) *When the licensee pays the full amount of the license fee*
 11 *upon application and is prevented from operating under such license in*
 12 *accordance with the provisions of this act for the entire second year of*
 13 *the license term, a refund shall be made of one-half of the license fee*
 14 *paid by such licensee. The secretary shall adopt, in accordance with*
 15 *K.S.A. 41-210, and amendments thereto, rules and regulations providing*
 16 *for the authorization of refunds of one-half of the license fee paid when*
 17 *the licensee does not use such license for the entire second year of the*
 18 *license term as a result of the cancellation of the license upon the*
 19 *request of the licensee for voluntary reasons.*

20 *Sec. ~~27~~ {28.} K.S.A. 41-2640 is hereby amended to read as follows:*
 21 *41-2640. (a) No club, drinking establishment, caterer or holder of a*
 22 *temporary permit, nor any person acting as an employee or agent*
 23 *thereof, shall:*

24 *(1) Offer or serve any free cereal malt beverage or alcoholic liquor*
 25 *in any form to any person;*

26 *(2) offer or serve to any person ~~a~~ an individual drink at a price that*
 27 *is less than the acquisition cost of the individual drink to the licensee or*
 28 *permit holder;*

29 *(3) sell, offer to sell or serve to any person an unlimited number of*
 30 *individual drinks during any set period of time for a fixed price, except*
 31 *at private functions not open to the general public or to the general*
 32 *membership of a club;*

33 ~~(4) sell, offer to sell or serve any drink to any person at any time at a~~
 34 ~~price less than that charged all other purchasers of drinks on that day;~~

35 ~~(5) increase the volume of alcoholic liquor contained in a drink or the~~
 36 ~~size of a drink of cereal malt beverage without increasing proportionately~~
 37 ~~the price regularly charged for the drink on that day;~~

38 ~~(6)~~ (4) *encourage or permit, on the licensed premises, any game or*
 39 *contest which involves drinking alcoholic liquor or cereal malt beverage*
 40 *or the awarding of individual drinks as prizes; or*

41 ~~(7)~~ (5) *advertise or promote in any way, whether on or off the*
 42 *licensed premises, any of the practices prohibited under subsections (a)*
 43 *(1) through ~~(6)~~ (4).*

1 ***(b) No public venue, nor any person acting as an employee or agent***
 2 ***thereof, shall:***

3 ***(1) Offer or serve any free cereal malt beverage or alcoholic liquor***
 4 ***in any form to any person;***

5 ***(2) offer or serve to any person a drink or original container of***
 6 ***alcoholic liquor or cereal malt beverage at a price that is less than the***
 7 ***acquisition cost of the drink or original container of alcoholic liquor or***
 8 ***cereal malt beverage to the licensee;***

9 ***(3) sell or serve alcoholic liquor in glass containers to customers in***
 10 ***the general admission area;***

11 ***(4) sell or serve more than two drinks per customer at any one time***
 12 ***in the general admission area;***

13 ***(5) encourage or permit, on the licensed premises, any game or***
 14 ***contest which involves drinking alcoholic liquor or cereal malt beverage***
 15 ***or the awarding of drinks as prizes; or***

16 ***(6) advertise or promote in any way, whether on or off the licensed***
 17 ***premises, any of the practices prohibited under subsections (b)(1)***
 18 ***through (5).***

19 ~~***(b)(c) Nothing in subsection (a) shall be construed to prohibit A***~~
 20 ~~***public venue club, drinking establishment, caterer or holder of a***~~
 21 ~~***temporary permit from may:***~~

22 ~~***(1) Offering Offer free food or entertainment at any time; or***~~

23 ~~***(2) selling or delivering sell or deliver wine by the bottle or carafe;***~~

24 ~~***(3) sell, offer to sell and serve individual drinks at different prices***~~
 25 ~~***throughout any day; or***~~

26 ~~***(4) sell or serve beer or cereal malt beverage in a pitcher capable of***~~
 27 ~~***containing not more than 64 fluid ounces.***~~

28 ~~***(d) Violation of any provision of this section is a misdemeanor***~~
 29 ~~***punishable as provided by K.S.A. 41-2633, and amendments thereto.***~~

30 ~~***(e) Violation of any provision of this section shall be grounds for***~~
 31 ~~***suspension or revocation of the licensee's license as provided by K.S.A.***~~
 32 ~~***41-2609, and amendments thereto, and for imposition of a civil fine on***~~
 33 ~~***the licensee or temporary permit holder as provided by K.S.A. 41-2633a,***~~
 34 ~~***and amendments thereto.***~~

35 ~~***(f) Every licensed club and drinking establishment shall make***~~
 36 ~~***available at any time upon request a price list showing the club's or***~~
 37 ~~***drinking establishment's current prices per individual drink for all***~~
 38 ~~***individual drinks.***~~

39 ~~***(f) As used in this section, "drink" means an individual serving of any***~~
 40 ~~***beverage containing alcoholic liquor or an individual serving of cereal***~~
 41 ~~***malt beverage.***~~

42 ~~***Sec. 28. {29.} K.S.A. 2011 Supp. 41-2645 is hereby amended to read***~~
 43 ~~***as follows: 41-2645. (a) A temporary permit shall allow the permit holder***~~

1 *to offer for sale, sell and serve alcoholic liquor for consumption on*
2 *unlicensed premises, which may be open to the public, subject to the*
3 *terms of such permit.*

4 *(b) The director may issue a temporary permit to any one or more*
5 *persons or organizations applying for such a permit, in accordance with*
6 *rules and regulations of the secretary. The permit shall be issued in the*
7 *names of the persons or organizations to which it is issued.*

8 *(c) Applications for temporary permits shall be required to be filed*
9 *with the director not less than 14 days before the event for which the*
10 *permit is sought unless the director waives such requirement for good*
11 *cause. Each application shall state the purposes for which the proceeds*
12 *of the event will be used. The application shall be upon a form*
13 *prescribed and furnished by the director and shall be filed with the*
14 *director in duplicate. Each application shall be accompanied by a permit*
15 *fee of \$25 for each day for which the permit is issued, which fee shall be*
16 *paid by a certified or cashier's check of a bank within this state, United*
17 *States post office money order or cash in the full amount thereof. All*
18 *permit fees collected by the director pursuant to this section shall be*
19 *remitted to the state treasurer in accordance with the provisions of*
20 *K.S.A. 75-4215, and amendments thereto. Upon receipt of each such*
21 *remittance, the state treasurer shall deposit the entire amount in the*
22 *state treasury to the credit of the state general fund.*

23 *(d) Temporary permits shall specify the premises for which they are*
24 *issued and shall be issued only for premises where the city, county or*
25 *township zoning code allows use for which the permit is issued. No*
26 *temporary permit shall be issued for premises which are not located in a*
27 *county where the qualified electors of the county:*

28 *(1) (A) Approved, by a majority vote of those voting thereon, to*
29 *adopt the proposition amending section 10 of article 15 of the*
30 *constitution of the state of Kansas at the general election in November,*
31 *1986; or (B) have approved a proposition to allow the sale of liquor by*
32 *the individual drink in public places within the county at an election*
33 *pursuant to K.S.A. 41-2646, and amendments thereto; and*

34 *(2) have not approved a proposition to prohibit such sales of*
35 *alcoholic liquor in such places at a subsequent election pursuant to*
36 *K.S.A. 41-2646, and amendments thereto.*

37 *(e) (1) A temporary permit may be issued for the consumption of*
38 *alcoholic liquor on a city, county or township street, alley, road, sidewalk*
39 *or highway for a special event; provided, that such street, alley, road,*
40 *sidewalk or highway is closed to motor vehicle traffic by the governing*
41 *body of such city, county or township for such special event, a written*
42 *request for such consumption and possession of such alcoholic liquor*
43 *has been made to the local governing body and the special event is*

1 *approved by the governing body of such city, county or township by*
2 *ordinance or resolution. The boundaries of such special event shall be*
3 *clearly marked by signs, a posted map or other means which reasonably*
4 *identify the area in which alcoholic liquor may be possessed or*
5 *consumed at such special event.*

6 *(2) Drinking establishments that are immediately adjacent to, or*
7 *located within the licensed premises of a special event, for which a*
8 *temporary permit has been issued and the consumption of alcoholic*
9 *liquor on public property has been approved, may request that the*
10 *drinking establishment's licensed premises be extended into and made a*
11 *part of the licensed premises of the special event for the duration of the*
12 *temporary permit issued for such special event.*

13 *(3) Each licensee selling alcoholic liquor for consumption on the*
14 *premises of a special event for which a temporary permit has been issued*
15 *shall be liable for violations of all laws governing the sale and*
16 *consumption of alcoholic liquor.*

17 *(4) For the purposes of this section, "special event" shall have the*
18 *same meaning given that term in K.S.A. 41-719, and amendments*
19 *thereto.*

20 *(f) (1) Except as otherwise provided in this subsection, a temporary*
21 *permit shall be issued for a period of time not to exceed three*
22 *consecutive days, the dates and hours of which shall be specified in the*
23 *permit, ~~except that the director may issue one temporary permit, valid for~~*
24 *~~the entire period of time of the Kansas state fair, which authorizes the sale~~*
25 *~~of wine in its original, unopened container and the serving by the drink of~~*
26 *~~only wine or beer, or both, on the state fairgrounds on premises specified~~*
27 *~~in the temporary permit, by a person who has entered into an agreement~~*
28 *~~with the state fair board for that purpose. Not more than four temporary~~*
29 *~~permits may be issued to any one applicant in a calendar year.~~*

30 *(2) The director may issue one temporary permit, valid for the entire*
31 *period of time of the Kansas state fair, which authorizes the sale of wine in*
32 *its original, unopened container and the serving by the drink of only wine*
33 *or beer, or both, on the state fairgrounds on premises specified in the*
34 *temporary permit, by a person who has entered into an agreement with the*
35 *state fair board for that purpose.*

36 *(3) The director may issue a temporary permit for a special event*
37 *approved by the governing body of a city, county or township pursuant to*
38 *subsection (e)(1), which may, at the director's discretion, be valid for the*
39 *entire period of such special event, but in no event shall such permit be*
40 *issued for a period of time that exceeds 30 consecutive days.*

41 *(g) All proceeds from an event for which a temporary permit is*
42 *issued shall be used only for the purposes stated in the application for*
43 *such permit.*

1 (h) Upon written permission from the director and within three
2 business days after the end of an event conducted pursuant to a temporary
3 permit, the holder of a temporary permit may sell back to the licensee
4 from whom alcoholic liquor was purchased any alcoholic liquor sold to
5 the holder of the temporary permit for such event.

6 ~~(h)~~ (i) A temporary permit shall not be transferable or assignable.

7 ~~(i)~~ (j) The director may refuse to issue a temporary permit to any
8 person or organization which has violated any provision of the Kansas
9 liquor control act, the drinking establishment act or K.S.A. 79-41a01 et
10 seq., and amendments thereto.

11 Sec. ~~29~~ {30.} K.S.A. 41-2722 is hereby amended to read as follows:
12 41-2722. (a) No retailer, or employee or agent of a retailer, licensed to
13 sell cereal malt beverage for consumption on the licensed premises
14 shall:

15 (1) Offer or serve any free cereal malt beverage to any person;

16 (2) offer or serve to any person a drink at a price that is less than
17 the acquisition cost of the drink to the licensee;

18 (3) sell, offer to sell or serve to any person an unlimited number of
19 drinks during any set period of time for a fixed price, except at private
20 functions not open to the general public;

21 (4) sell, offer to sell or serve any drink to any person at any time at a
22 price less than that charged the general public on that day, except at private
23 functions not open to the general public;

24 ~~(5) increase the size of a drink of cereal malt beverage without~~
25 ~~increasing proportionately the price regularly charged for the drink on that~~
26 ~~day;~~

27 ~~(6) encourage or permit, on the licensed premises, any game or~~
28 ~~contest which involves drinking cereal malt beverage or the awarding of~~
29 ~~drinks as prizes; or~~

30 ~~(7)~~(5) advertise or promote in any way, whether on or off the
31 licensed premises, any of the practices prohibited under subsections (a)
32 (1) through ~~(6)~~(4).

33 (b) ~~Nothing in subsection (a) shall be construed to prohibit a retailer~~
34 ~~from offering may:~~

35 (1) Offer free food or entertainment at any time;

36 (2) sell, offer to sell and serve individual drinks at different prices
37 throughout any day; or

38 (3) sell or serve cereal malt beverage in a pitcher capable of
39 containing not more than 64 fluid ounces.

40 (c) Violation of any provisions of this section is a misdemeanor
41 punishable as provided by K.S.A. 41-2711, and amendments thereto.

42 (d) Violation of any provision of this act shall be grounds for
43 suspension or revocation of the retailer's license as provided by K.S.A.

1 *41-2708, and amendments thereto.*

2 *(e) Every licensee subject to the provisions of this section shall*
3 *make available at any time upon request a price list showing the*
4 *licensee's current prices for all cereal malt beverages.*

5 ~~*(f) As used in this section, "drink" means an individual serving of*~~
6 ~~*cereal malt beverage.*~~

7 ~~*(g) This section shall be part of and supplemental to K.S.A. 41-2701*~~
8 ~~*through 41-2721, and amendments thereto.*~~

9 *Sec. ~~30~~ {31.} K.S.A. 79-4101 is hereby amended to read as follows:*
10 *79-4101. (a) For the purpose of providing revenue which may be used by*
11 *the state, counties and cities in the enforcement of the provisions of this*
12 *act, from and after the effective date of this act, for the privilege of*
13 *engaging in the business of selling alcoholic liquor by retailers or farm*
14 *wineries to consumers in this state or selling alcoholic liquor or cereal*
15 *malt beverage by distributors to clubs, drinking establishments, public*
16 *venues or caterers in this state, there is hereby levied and there shall be*
17 *collected and paid a tax at the rate of 8% upon the gross receipts*
18 *received from: (1) The sale of alcoholic liquor by retailers,*
19 *microbreweries or farm wineries to consumers within this state; and (2)*
20 *the sale of alcoholic liquor or cereal malt beverage by distributors to*
21 *clubs, drinking establishments, public venues or caterers in this state.*

22 *(b) The tax imposed by this section shall be in addition to the*
23 *license fee imposed on distributors, retailers, microbreweries and farm*
24 *wineries by K.S.A. 41-310, and amendments thereto.*

25 *Sec. ~~31~~ {32.} K.S.A. 79-4102 is hereby amended to read as follows:*
26 *79-4102. The tax levied under K.S.A. 79-4101, and amendments thereto,*
27 *shall be paid by the consumer or user to the retailer, microbrewery or*
28 *farm winery or by the club, drinking establishment, public venue or*
29 *caterer to the distributor. It shall be the duty of each retailer,*
30 *microbrewery, farm winery or distributor in this state to collect from the*
31 *purchaser the full amount of the tax imposed by this act, or an amount*
32 *equal as nearly as possible or practicable, to the average equivalent*
33 *thereof.*

34 *Sec. ~~32~~ {33.} K.S.A. 79-4103 is hereby amended to read as follows:*
35 *79-4103. On or before the 25th day of each calendar month, every*
36 *person engaged in the business of selling alcoholic liquor at retail, every*
37 *microbrewery selling beer to consumers, every farm winery selling wine*
38 *to consumers in this state and every distributor selling alcoholic liquor*
39 *or cereal malt beverage to clubs, drinking establishments, public venues*
40 *or caterers in this state during the preceding calendar month shall make*
41 *a return to the director of taxation upon forms prescribed and furnished*
42 *by the director, stating: (a) The name and address of the seller; (b) the*
43 *total amount of gross sales subject to the tax imposed by K.S.A. 79-4101,*

1 *and amendments thereto, during the preceding calendar month; and (c)*
2 *any other pertinent information the director requires. The person*
3 *making the return shall, at the time of making the return, pay to the*
4 *director of taxation the amount of tax imposed by K.S.A. 79-4101, and*
5 *amendments thereto. The director of taxation may extend the time for*
6 *making returns and paying the tax for any period not to exceed 60 days,*
7 *under rules and regulations adopted by the secretary of revenue.*

8 ~~Sec. 33.~~ *{34.}* K.S.A. 79-41a01 is hereby amended to read as
9 follows: 79-41a01. As used in K.S.A. 79-41a01 through 79-41a09, and
10 amendments thereto:

11 (a) "Alcoholic liquor" means alcoholic liquor, as defined by K.S.A.
12 41-102, and amendments thereto, and cereal malt beverage, as defined by
13 K.S.A. 41-2701, and amendments thereto.

14 (b) "Caterer," "club," "drinking establishment," "*public venue,*"
15 "*railway car*" and "temporary permit" have the meanings provided by
16 K.S.A. 41-2601, and amendments thereto.

17 (c) "Gross receipts derived from the sale of alcoholic liquor" means
18 the amount charged the consumer for a drink containing alcoholic liquor,
19 including any portion of that amount attributable to the cost of any
20 ingredient mixed with or added to the alcoholic liquor contained in such
21 drink.

22 ~~Sec. 34.~~ *{35.}* K.S.A. 79-41a02 is hereby amended to read as
23 follows: 79-41a02. (a) *There is hereby imposed, for the privilege of*
24 *selling alcoholic liquor, a tax at the rate of 10% upon the gross receipts*
25 *derived from the sale of alcoholic liquor by any club, caterer, drinking*
26 *establishment, public venue or temporary permit holder.*

27 (b) *The tax imposed by this section shall be paid by the consumer to*
28 *the club, caterer, drinking establishment, public venue or temporary*
29 *permit holder and it shall be the duty of each and every club, caterer,*
30 *drinking establishment, public venue or temporary permit holder subject*
31 *to this section to collect from the consumer the full amount of such tax,*
32 *or an amount equal as nearly as possible or practicable to the average*
33 *equivalent thereto. Each club, caterer, drinking establishment, public*
34 *venue or temporary permit holder collecting the tax imposed hereunder*
35 *shall be responsible for paying over the same to the state department of*
36 *revenue in the manner prescribed by K.S.A. 79-41a03, and amendments*
37 *thereto, and the state department of revenue shall administer and*
38 *enforce the collection of such tax.*

39 ~~Sec. 35.~~ *{36.}* K.S.A. 2011 Supp. 79-41a03 is hereby amended to
40 read as follows: 79-41a03. (a) *The tax levied and collected pursuant to*
41 *K.S.A. 79-41a02, and amendments thereto, shall become due and*
42 *payable by the club, caterer, drinking establishment, public venue or*
43 *temporary permit holder monthly, or on or before the 25th day of the*

1 *month immediately succeeding the month in which it is collected, but*
2 *any club, caterer, drinking establishment, public venue or temporary*
3 *permit holder filing an annual or quarterly return under the Kansas*
4 *retailers' sales tax act, as prescribed in K.S.A. 79-3607, and amendments*
5 *thereto, shall, upon such conditions as the secretary of revenue may*
6 *prescribe, pay the tax required by this act on the same basis and at the*
7 *same time the club, caterer, drinking establishment, public venue or*
8 *temporary permit holder pays such retailers' sales tax. Each club,*
9 *caterer, drinking establishment, public venue or temporary permit holder*
10 *shall make a true report to the department of revenue, on a form*
11 *prescribed by the secretary of revenue, providing such information as*
12 *may be necessary to determine the amounts to which any such tax shall*
13 *apply for all gross receipts derived from the sale of alcoholic liquor by*
14 *the club, caterer, drinking establishment, public venue or temporary*
15 *permit holder for the applicable month or months, which report shall be*
16 *accompanied by the tax disclosed thereby. Records of gross receipts*
17 *derived from the sale of alcoholic liquor shall be kept separate and apart*
18 *from the records of other retail sales made by a club, caterer, drinking*
19 *establishment, public venue or temporary permit holder in order to*
20 *facilitate the examination of books and records as provided herein.*

21 *(b) The secretary of revenue or the secretary's authorized*
22 *representative shall have the right at all reasonable times during*
23 *business hours to make such examination and inspection of the books*
24 *and records of a club, caterer, drinking establishment, public venue or*
25 *temporary permit holder as may be necessary to determine the accuracy*
26 *of such reports required hereunder.*

27 *(c) The secretary of revenue is hereby authorized to administer and*
28 *collect the tax imposed hereunder and to adopt such rules and*
29 *regulations as may be necessary for the efficient and effective*
30 *administration and enforcement of the collection thereof. Whenever any*
31 *club, caterer, drinking establishment, public venue or temporary permit*
32 *holder liable to pay the tax imposed hereunder refuses or neglects to pay*
33 *the same, the amount, including any penalty, shall be collected in the*
34 *manner prescribed for the collection of the retailers' sales tax by K.S.A.*
35 *79-3617, and amendments thereto.*

36 *(d) The secretary of revenue shall remit all revenue collected under*
37 *the provisions of this act to the state treasurer in accordance with the*
38 *provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of*
39 *each such remittance, the state treasurer shall deposit the entire amount*
40 *in the state treasury. Subject to the maintenance requirements of the*
41 *local alcoholic liquor refund fund created under K.S.A. 79-41a09, and*
42 *amendments thereto, 25% of the remittance shall be credited to the state*
43 *general fund, 5% shall be credited to the community alcoholism and*

1 *intoxication programs fund created by K.S.A. 41-1126, and amendments*
2 *thereto, and the balance shall be credited to the local alcoholic liquor*
3 *fund created by K.S.A. 79-41a04, and amendments thereto.*

4 *(e) Whenever, in the judgment of the secretary of revenue, it is*
5 *necessary, in order to secure the collection of any tax, penalties or*
6 *interest due, or to become due, under the provisions of this act, the*
7 *secretary may require any person subject to such tax to file a bond with*
8 *the director of taxation under conditions established by and in such*
9 *form and amount as prescribed by rules and regulations adopted by the*
10 *secretary.*

11 *(f) The amount of tax imposed by this act shall be assessed within*
12 *three years after the return is filed, and no proceedings in court for the*
13 *collection of such taxes shall be begun after the expiration of such*
14 *period except in the cases of fraud. In the case of a false or fraudulent*
15 *return with intent to evade tax, the tax may be assessed or a proceeding*
16 *in court for collection of such tax may be begun at any time, within two*
17 *years from the discovery of such fraud. No refund or credit shall be*
18 *allowed by the director after three years from the date of payment of the*
19 *tax as provided in this act unless before the expiration of such period a*
20 *claim therefor is filed by the taxpayer, and no suit or action to recover*
21 *on any claim for refund shall be commenced until after the expiration of*
22 *six months from the date of filing a claim therefor with the director.*
23 *Before the expiration of time prescribed in this section for the*
24 *assessment of additional tax or the filing of a claim for refund, the*
25 *director is hereby authorized to enter into an agreement in writing with*
26 *the taxpayer consenting to the extension of the periods of limitations for*
27 *the assessment of tax or for the filing of a claim for refund, at any time*
28 *prior to the expiration of the periods of limitations. The period so agreed*
29 *upon may be extended by subsequent agreements in writing made before*
30 *the expiration of the period previously agreed upon.*

31 ~~Sec. 4-36. {37.}~~ K.S.A. 79-41a04 is hereby amended to read as
32 follows: 79-41a04. (a) There is hereby created, in the state treasury, the
33 local alcoholic liquor fund. Moneys credited to such fund pursuant to this
34 act or any other law shall be expended only for the purpose and in the
35 manner provided by this act.

36 (b) *Except as provided in subsection (b)(4), all moneys credited to the*
37 *local alcoholic liquor fund shall be allocated to the several cities and*
38 *counties of the state as follows:*

39 (1) Each city that has a population of more than 6,000 shall receive
40 70% of the amount which is collected pursuant to this act from clubs,
41 **public venues** or drinking establishments located in such city, from
42 caterers whose principal places of business are so located or from
43 temporary permit holders whose permitted events are so located and which

1 is paid into the state treasury during the period for which the allocation is
2 made.

3 (2) Each city that has a population of 6,000 or less shall receive 46
4 $\frac{2}{3}$ % of the amount which is collected pursuant to this act from clubs,
5 **public venues** or drinking establishments located in such city, from
6 caterers whose principal places of business are so located or from
7 temporary permit holders whose permitted events are so located and which
8 is paid into the state treasury during the period for which the allocation is
9 made.

10 (3) Each county shall receive: (A) 70% of the amount which is
11 collected pursuant to this act from clubs, **public venues** or drinking
12 establishments located in such county and outside the corporate limits of
13 any city, from caterers whose principal places of business are so located or
14 from temporary permit holders whose permitted events are so located and
15 which is paid into the state treasury during the period for which the
16 allocation is made; and (B) $23\frac{1}{3}$ % of the amount which is collected
17 pursuant to this act from clubs, **public venues** or drinking establishments
18 located in the county and within a city that has a population of 6,000 or
19 less, from caterers whose principal places of business are so located or
20 from temporary permit holders whose permitted events are so located and
21 which is paid into the state treasury during the period for which the
22 allocation is made.

23 (4) *From the amount collected from drinking establishments which*
24 *are railway cars, counties shall receive 70% which shall be divided*
25 *equally among the counties through which the railway car passes or in*
26 *which the railway car operates, provided such county is a county where*
27 *the qualified electors of the county:*

28 (A) (i) *Approved by a majority vote of those voting thereon, the*
29 *proposition to amend section 10 of article 15 of the constitution of the*
30 *state of Kansas at the general election in November 1986; or (ii) have*
31 *approved a proposition to allow sales of alcoholic liquor by the individual*
32 *drink in public places within the county at an election pursuant to K.S.A.*
33 *41-2646, and amendments thereto; and*

34 (B) *have not approved a proposition to prohibit such sales of*
35 *alcoholic liquor in such places at a subsequent election pursuant to K.S.A.*
36 *41-2646, and amendments thereto.*

37 (c) The state treasurer shall make distributions from the local
38 alcoholic liquor fund in accordance with the allocation formula prescribed
39 by subsection (b) on March 15, June 15, September 15 and December 15
40 of each year. The director of accounts and reports shall draw warrants on
41 the state treasurer in favor of the several county treasurers and city
42 treasurers on the dates and in the amounts determined under this section.
43 Such distributions shall be paid directly to the several county treasurers

1 and city treasurers.

2 (d) Except as otherwise provided by this subsection, each city
3 treasurer of a city that has a population of more than 6,000, upon receipt of
4 any moneys distributed under this section, shall deposit the full amount in
5 the city treasury and shall credit 1/3 of the deposit to the general fund of
6 the city, 1/3 to a special parks and recreation fund in the city treasury and
7 1/3 to a special alcohol and drug programs fund in the city treasury. Each
8 city treasurer of a city that has a population of 6,000 or less, upon receipt
9 of any moneys distributed under this section, shall deposit the full amount
10 in the city treasury and shall credit 1/2 of the deposit to the general fund of
11 the city and 1/2 to a special parks and recreation fund in the city treasury.
12 Moneys in such special funds shall be under the direction and control of
13 the governing body of the city. Moneys in the special parks and recreation
14 fund may be expended only for the purchase, establishment, maintenance
15 or expansion of park and recreational services, programs and facilities.
16 One-half of the moneys distributed under this section to cities located in
17 Butler county shall be deposited in a special community support program
18 and parks and recreation fund in the city treasury. Moneys in the special
19 community support program and parks and recreation fund may be
20 expended only for (1) the establishment and operation of a domestic
21 violence program operated by a not-for-profit organization or (2) the
22 purchase, establishment, maintenance or expansion of park and
23 recreational services, programs and facilities. Moneys in the special
24 alcohol and drug programs fund shall be expended only for the purchase,
25 establishment, maintenance or expansion of services or programs whose
26 principal purpose is alcoholism and drug abuse prevention and education,
27 alcohol and drug detoxification, intervention in alcohol and drug abuse or
28 treatment of persons who are alcoholics or drug abusers or are in danger of
29 becoming alcoholics or drug abusers.

30 (e) Except as otherwise provided by this subsection, each county
31 treasurer, upon receipt of any moneys distributed under this section, shall
32 deposit the full amount in the county treasury and shall credit to a special
33 alcohol and drug programs fund in the county treasury 23 1/3% of the
34 amount which is collected pursuant to this act from clubs or drinking
35 establishments located in the county and within a city that has a population
36 of 6,000 or less, from caterers whose principal place of business is so
37 located or from temporary permit holders whose permitted events are so
38 located and which is paid into the state treasury during the period for
39 which the allocation is made; of the remainder, the treasurer shall credit
40 1/3 to the general fund of the county, 1/3 to a special parks and recreation
41 fund in the county treasury and 1/3 to the special alcohol and drug
42 programs fund. Moneys in such special funds shall be under the direction
43 and control of the board of county commissioners. Moneys in the special

1 parks and recreation fund may be expended only for the purchase,
2 establishment, maintenance or expansion of park and recreational services,
3 programs and facilities. One-third of the moneys distributed under this
4 section to Butler county shall be deposited in a special community support
5 program and parks and recreation fund in the county treasury. Moneys in
6 the special community support program and parks and recreation fund may
7 be expended only for (1) the establishment and operation of a domestic
8 violence program operated by a not-for-profit organization or (2) the
9 purchase, establishment, maintenance or expansion of park and
10 recreational services, programs and facilities. Moneys in the special
11 alcohol and drug programs fund shall be expended only for the purchase,
12 establishment, maintenance or expansion of services or programs whose
13 principal purpose is alcoholism and drug abuse prevention and education,
14 alcohol and drug detoxification, intervention in alcohol and drug abuse or
15 treatment of persons who are alcoholics or drug abusers or are in danger of
16 becoming alcoholics or drug abusers. In any county in which there has
17 been organized an alcohol and drug advisory committee, the board of
18 county commissioners shall request and obtain, prior to making any
19 expenditures from the special alcohol and drug programs fund, the
20 recommendations of the advisory committee concerning such
21 expenditures. The board of county commissioners shall adopt the
22 recommendations of the advisory committee concerning such expenditures
23 unless the board, by unanimous vote of all commissioners, adopts a
24 different plan for such expenditures.

25 (f) Each year, the county treasurer shall estimate the amount of
26 money the county and each city in the county will receive from the local
27 alcoholic liquor fund and from distributions pursuant to K.S.A. 79-41a05,
28 and amendments thereto. The state treasurer shall advise each county
29 treasurer, prior to June 1 of each year of the amount in the local alcoholic
30 liquor fund that the state treasurer estimates, using the most recent
31 available information, will be allocated to such county in the following
32 year. The county treasurer shall, before June 15 of each year, notify the
33 treasurer of each city of the estimated amount in dollars of the distribution
34 to be made from the local alcoholic liquor fund and pursuant to K.S.A. 79-
35 41a05, and amendments thereto.

36 ***Sec. ~~37~~ {38.} K.S.A. 79-41a06 is hereby amended to read as***
37 ***follows: 79-41a06. No club, drinking establishment, caterer, public venue***
38 ***or temporary permit holder shall sell any alcoholic liquor without a***
39 ***registration certificate from the secretary of revenue. Application for***
40 ***such certificate shall be made to the secretary upon forms provided by***
41 ***the secretary and shall contain such information as the secretary deems***
42 ***necessary for the purposes of administering the provisions of this act.***
43 ***The registration certificate shall be conspicuously displayed in the***

1 *licensed premises or permitted for which it is issued.*

2 *Upon violation of any of the provisions of K.S.A. 79-41a01 et seq.,*
3 *and amendments thereto, or any of the terms of this act, and upon due*
4 *notice and opportunity for hearing in accordance with the provisions of*
5 *the Kansas administrative procedure act, the secretary may revoke such*
6 *registration certificate.*

7 *Sec. ~~38~~. {39.} K.S.A. 79-41a07 is hereby amended to read as*
8 *follows: 79-41a07. (a) The director of taxation or the director of*
9 *alcoholic beverage control may enjoin any person from engaging in*
10 *business as a club, drinking establishment, caterer, public venue or*
11 *temporary permit holder when the club, drinking establishment, caterer,*
12 *public venue or temporary permit holder is in violation of any of the*
13 *provisions of K.S.A. 79-41a01 et seq., and amendments thereto, or any of*
14 *the terms of this act and shall be entitled in any proceeding brought for*
15 *that purpose to have an order restraining the person from engaging in*
16 *business as a club, drinking establishment, caterer, public venue or*
17 *temporary permit holder. No bond shall be required for any such*
18 *restraining order or for any temporary or permanent injunction issued*
19 *in that proceeding.*

20 *(b) If a club, drinking establishment, public venue or caterer*
21 *licensed by the director of alcoholic beverage control or a temporary*
22 *permit holder violates any of the provisions of K.S.A. 79-41a01 et seq.,*
23 *and amendments thereto, or any of the terms of this act, the director of*
24 *alcoholic beverage control may suspend or revoke the license of such*
25 *club, drinking establishment, public venue or caterer in accordance with*
26 *K.S.A. 41-2609, and amendments thereto, or may impose a civil fine on*
27 *the licensee or permit holder in the manner provided by K.S.A. 41-*
28 *2633a, and amendments thereto.*

29 *Sec. ~~39~~. {40.} K.S.A. 79-41a08 is hereby amended to read as*
30 *follows: 79-41a08. The tax imposed by this act shall be a lien upon the*
31 *business and any property of the club, drinking establishment, caterer,*
32 *public venue or permit holder which may be sold. The person acquiring*
33 *such business or property shall withhold a sufficient amount of the*
34 *purchase price thereof to cover the amount of any taxes due and unpaid*
35 *by the seller, until the seller shall furnish the purchaser with a receipt*
36 *from the secretary of revenue, as herein provided, showing that such*
37 *taxes have been paid. The purchaser shall be personally liable for the*
38 *payment of any unpaid taxes of the seller, to the extent of the value of*
39 *the business or property received by the purchaser, and if a receipt is not*
40 *furnished by such seller within 20 days from the date of sale of such*
41 *business or property, the purchaser shall remit the amount of such*
42 *unpaid taxes to the secretary on or before the 20th day of the month*
43 *succeeding that in which such purchaser acquired such business or*

1 *property.*

2 ~~Sec. 40. {41.}~~ *From and after January 1, 2013, K.S.A. 2011 Supp.*
3 *41-719 is hereby repealed.*

4 ~~Sec. 5. 41. {42.}~~ ~~K.S.A. 41-2612, 79-41a01 and 79-41a04 and K.S.A.~~
5 ~~2011 Supp. 41-2601~~ *41-304, 41-306, 41-306a, 41-307, 41-308, 41-316,*
6 *41-320, 41-333, 41-334, 41-335, 41-336, 41-337, 41-338, 41-339, 41-340,*
7 *41-341, 41-701, 41-2608, 41-2610, 41-2612, 41-2613, 41-2614, 41-2640,*
8 *41-2722, 79-4101, 79-4102, 79-4103, 79-41a01, 79-41a02, 79-41a04, 79-*
9 *41a06, 79-41a07 and 79-41a08 and K.S.A. 2011 Supp. 41-102, 41-305,*
10 *41-308a, 41-310, {41-311,} 41-317, 41-319, 41-2601, 41-2622, 41-2629,*
11 *41-2645 and 79-41a03 are hereby repealed.*

12 ~~Sec. 6. 42. {43.}~~ This act shall take effect and be in force from and
13 after its publication in the ~~Kansas register~~ *statute book.*

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