

HOUSE BILL No. 2707

By Committee on Federal and State Affairs

2-18

1 AN ACT concerning alcoholic beverages; relating to licensure of
2 manufacturers and drinking establishments; amending K.S.A. 41-2632
3 and K.S.A. 2015 Supp. 41-2623 and repealing the existing sections.
4

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

6 Section 1. K.S.A. 2015 Supp. 41-2623 is hereby amended to read as
7 follows: 41-2623. (a) No license shall be issued under the provisions of
8 this act to:

9 (1) Any person described in K.S.A. 41-311(a)(1), (2), (4), (5), (6),
10 (7), (8), (9), (12), (13) or (15), and amendments thereto, except that the
11 provisions of subsection (a)(7) of such section shall not apply to nor
12 prohibit the issuance of a license for a class A club to an officer of a post
13 home of a congressionally chartered service or fraternal organization, or a
14 benevolent association or society thereof.

15 (2) A person who has had the person's license revoked for cause
16 under the provisions of this act.

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

19 (4) A person who has a beneficial interest in the manufacture,
20 preparation or wholesaling or the retail sale of alcoholic liquors or a
21 beneficial interest in any other club, drinking establishment or caterer
22 licensed hereunder, except that:

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

27 (B) A license for a club or drinking establishment which is a
28 restaurant may be issued to a person who has a beneficial interest in other
29 clubs or drinking establishments which are restaurants.

30 (C) A caterer's license may be issued to a person who has a beneficial
31 interest in a club or drinking establishment and a license for a club or
32 drinking establishment may be issued to a person who has a beneficial
33 interest in a caterer.

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

1 alcoholic liquor to such club.

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

6 (F) *Any person who has a beneficial interest in the manufacture of*
7 *alcoholic liquor and holds a license pursuant to the Kansas liquor control*
8 *act may be issued a drinking establishment license or a drinking*
9 *establishment/caterer license, provided no alcoholic liquor manufactured*
10 *by such manufacturer licensee shall be sold by such manufacturer licensee*
11 *on the premises of the licensed drinking establishment or by the drinking*
12 *establishment/caterer licensee unless acquired from a distributor or*
13 *retailer licensed under the Kansas liquor control act.*

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

16 (6) A corporation, if any officer, manager or director thereof, or any
17 stockholder owning in the aggregate more than 5% of the common or
18 preferred stock of such corporation would be ineligible to receive a license
19 hereunder for any reason other than citizenship and residence
20 requirements.

21 (7) A corporation, if any officer, manager or director thereof, or any
22 stockholder owning in the aggregate more than 5% of the common or
23 preferred stock of such corporation, has been an officer, manager or
24 director, or a stockholder owning in the aggregate more than 5% of the
25 common or preferred stock, of a corporation which:

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

28 (B) has been convicted of a violation of the club and drinking
29 establishment act or the cereal malt beverage laws of this state.

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

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

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

38 (1) A person who does not own the premises for which a license is
39 sought, or does not, at the time the application is submitted, have a written
40 lease thereon, except that an applicant seeking a license for a premises
41 which is owned by a city or county, or is a stadium, arena, convention
42 center, theater, museum, amphitheater or other similar premises may
43 submit an executed agreement to provide alcoholic beverage services at

1 the premises listed in the application in lieu of a lease.

2 (2) A person who is not a resident of the county in which the
3 premises sought to be licensed are located.

4 Sec. 2. K.S.A. 41-2632 is hereby amended to read as follows: 41-
5 2632. (a) As used in this section: (1) The word "distributor" means a
6 person, firm, association or corporation which is the holder of an alcoholic
7 liquor distributor's license issued under the Kansas liquor control act; (2)
8 the word "retailer" means a person, copartnership or association which is
9 the holder of a retailer's license issued under the Kansas liquor control act;
10 and (3) the word "manufacturer" shall have the meaning ascribed to it by
11 K.S.A. 41-102, and amendments thereto.

12 (b) It shall be unlawful for a distributor of alcoholic liquor, or a
13 manufacturer, or any officer, agent or employee thereof, to influence,
14 coerce or induce or attempt to influence, coerce or induce, either directly
15 or indirectly, any holder of a license issued under this act, or any officer,
16 agent or employee of the holder of such a license, to: (1) Purchase any
17 particular brand or kind of alcoholic liquor to be dispensed by the licensee,
18 except that a distributor or manufacturer may provide to a licensee
19 information regarding the availability of brands in the market and things of
20 value as authorized by ~~subsection (d) of~~ K.S.A. 41-703(d), and
21 amendments thereto; or (2) purchase from a particular retailer alcoholic
22 liquor to be dispensed by the licensee.

23 (c) Violation of this section is a misdemeanor punishable by a fine of
24 not less than \$100 nor more than \$1,000 or by imprisonment for not more
25 than six months, or by both.

26 (d) *The provisions of this section shall not apply to any manufacturer*
27 *who holds a drinking establishment licensee or a drinking*
28 *establishment/caterer license with respect to purchases made by such*
29 *drinking establishment or drinking establishment/caterer.*

30 Sec. 3. K.S.A. 41-2632 and K.S.A. 2015 Supp. 41-2623 are hereby
31 repealed.

32 Sec. 4. This act shall take effect and be in force from and after its
33 publication in the statute book.