

**SENATE BILL No. 417**

By Committee on Federal and State Affairs

2-12

1 AN ACT concerning alcoholic beverages; relating to class A clubs;  
2 authorizing the sale of alcoholic liquor at special events; amending  
3 K.S.A. 2019 Supp. 41-2601 and 41-2637 and repealing the existing  
4 sections.

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

7 Section 1. K.S.A. 2019 Supp. 41-2601 is hereby amended to read as  
8 follows: 41-2601. As used in the club and drinking establishment act:

9 (a) The following terms ~~shall have the meanings~~ *mean the same as*  
10 provided by K.S.A. 41-102, and amendments thereto: (1) "Alcoholic  
11 liquor"; (2) "director"; (3) "original package"; (4) "person"; (5) "sale"; and  
12 (6) "to sell."

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

16 (c) "Caterer" means an individual, partnership or corporation ~~which~~  
17 *that* sells alcoholic liquor by the individual drink, and provides services  
18 related to the serving thereof, on unlicensed premises ~~which that~~ may be  
19 open to the public, but does not include a holder of a temporary permit,  
20 selling alcoholic liquor in accordance with the terms of such permit.

21 (d) "Cereal malt beverage" ~~has the meaning~~ *means the same as*  
22 provided by K.S.A. 41-2701, and amendments thereto.

23 (e) "Class A club" means a premises ~~which that~~ is owned or leased by  
24 a corporation, partnership, business trust or association and ~~which~~ is  
25 operated thereby as a bona fide nonprofit social, fraternal or war veterans'  
26 club, as determined by the director, for the exclusive use of the corporate  
27 stockholders, partners, trust beneficiaries or associates ~~(, hereinafter~~  
28 referred to as members), and their families and guests accompanying  
29 them, *as provided in K.S.A. 41-2637, and amendments thereto.*

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

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

35 (h) "Drinking establishment" means premises ~~which that~~ may be  
36 open to the general public, where alcoholic liquor by the individual drink

1 is sold. *The term "drinking establishment" includes a railway car.*

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

5 (j) "Food service establishment" ~~has the meaning~~ *means the same as*  
6 provided by K.S.A. 36-501, and amendments thereto.

7 (k) "Hotel" ~~has the meaning~~ *means the same as* provided by K.S.A.  
8 36-501, and amendments thereto.

9 (l) "Individual drink" means a beverage containing alcoholic liquor or  
10 cereal malt beverage served to an individual for consumption by such  
11 individual or another individual, but which is not intended to be consumed  
12 by two or more individuals. The term "individual drink" includes  
13 beverages containing not more than: (1) Eight ounces of wine; (2) thirty-  
14 two ounces of beer or cereal malt beverage; or (3) four ounces of a single  
15 spirit or a combination of spirits.

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

20 (n) "Minor" means a person under 21 years of age.

21 (o) "Morals charge" means a charge: Involving the sale of sexual  
22 relations; procuring any person; soliciting of a child under 18 years of age  
23 for any immoral act involving sex; possession or sale of narcotics,  
24 marijuana, amphetamines or barbiturates; rape; incest; gambling; illegal  
25 cohabitation; adultery; bigamy; or a crime against nature.

26 (p) "Municipal corporation" means the governing body of any county  
27 or city.

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

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

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

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

41 (s) "Restaurant" means:

42 (1) In the case of a club, a licensed food service establishment ~~which~~  
43 *that*, as determined by the director, derives from sales of food for

1 consumption on the licensed club premises not less than 50% of its gross  
2 receipts from all sales of food and beverages on such premises in a 12-  
3 month period;

4 (2) in the case of a drinking establishment subject to a food sales  
5 requirement under K.S.A. 41-2642, and amendments thereto, a licensed  
6 food service establishment—~~which~~ *that*, as determined by the director,  
7 derives from sales of food for consumption on the licensed drinking  
8 establishment premises not less than 30% of its gross receipts from all  
9 sales of food and beverages on such premises in a 12-month period; and

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

13 (t) "RV resort" means premises where a place to park recreational  
14 vehicles, as defined in K.S.A. 75-1212, and amendments thereto, is offered  
15 for pay, primarily to transient guests, for overnight or longer use while  
16 such recreational vehicles are used as sleeping or living accommodations.

17 (u) "Sample" means a serving of alcoholic liquor that contains not  
18 more than: (1) One-half ounce of distilled spirits; (2) one ounce of wine; or  
19 (3) two ounces of beer or cereal malt beverage. A sample of a mixed  
20 alcoholic beverage shall contain not more than ½ ounce of distilled spirits.

21 (v) "Secretary" means the secretary of revenue.

22 (w) "Temporary permit" means a temporary permit issued pursuant to  
23 K.S.A. 2019 Supp. 41-1201, and amendments thereto.

24 Sec. 2. K.S.A. 2019 Supp. 41-2637 is hereby amended to read as  
25 follows: 41-2637. (a) A license for a class A club shall allow the licensee  
26 to:

27 (1) Offer for sale, sell and serve alcoholic liquor for consumption on  
28 the licensed premises by members and their families, and guests  
29 accompanying them; ~~and~~

30 (2) serve samples of alcoholic liquor free of charge for consumption  
31 by members and their families and guests accompanying them; *and*

32 (3) *offer for sale, sell and serve alcoholic liquor for consumption on*  
33 *the licensed premises by individuals other than those individuals specified*  
34 *in paragraph (1) during an event held in accordance with subsection—(e)*  
35 *(d).*

36 (b) No charge of any sort may be made for a sample serving. Samples  
37 may not be served to a minor. No samples may be removed from the  
38 licensed premises. No consideration shall be requested or required for  
39 entry onto the premises, participation in any event taking place on the  
40 premises or to remain on the premises.

41 ~~(b)(c)~~ (1) Subject to the provisions of subsection—~~(b)(2)~~ (c)(2), any  
42 two or more class A or class B clubs may permit, by an agreement filed  
43 with and approved by the director, the members of each such club to have

1 access to all other clubs ~~which~~ *that* are parties to such agreement. The  
2 privileges extended to the visiting members of other clubs under such an  
3 agreement shall be determined by the agreement and, if the agreement so  
4 provides, any club ~~which~~ *that* is a party to such agreement may sell, offer  
5 for sale and serve, to any person who is a member of another club ~~which~~  
6 *that* is a party to such agreement, alcoholic liquor for consumption on the  
7 licensed premises by such person and such person's family, and guests  
8 accompanying them.

9 (2) A class B club may enter into a reciprocal agreement authorized  
10 by subsection ~~(b)(1)~~ *(c)(1)* only if the class B club is a restaurant.

11 ~~(e)~~ *(d) (1) A licensee may offer for sale, sell and serve alcoholic*  
12 *liquor for consumption on the licensed premises by individuals other than*  
13 *members of the licensee, their families or guests during an event. The*  
14 *licensee shall provide electronic notification to the director at least 48*  
15 *hours prior to any such event. The director shall make the electronic*  
16 *notification available to local law enforcement. Such notice shall consist*  
17 *of the **date**, time, location and the names of the contracting parties of the*  
18 *event. The licensee shall retain all documents for a period of three years*  
19 *for inspection by the director. The documents retained shall include:*  
20 *agreements; receipts; names of employees, members and any agent of the*  
21 *licensee who sells or serves alcohol at the event; and records of alcohol*  
22 *purchased.*

23 *(2) For purposes of this subsection, the term "event" means any*  
24 *function, occasion, celebration or other event held on the licensed*  
25 *premises for a specified duration of time and during which individuals*  
26 *who are not members of the licensee, their families or guests are permitted*  
27 *to enter and use the licensed premises pursuant to an agreement between*  
28 *the licensee and the contracting party.*

29 *(e) A licensee may store on its premises wine sold to a customer for*  
30 *consumption at a later date on its premises in the unopened container. Such*  
31 *wine must be kept separate from all other alcohol stock and in a secure*  
32 *locked area separated by customer. Such wine shall not be removed from*  
33 *the licensed premises in its unopened condition.*

34 Sec. 3. K.S.A. 2019 Supp. 41-2601 and 41-2637 are hereby repealed.

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