

House Substitute for HOUSE BILL No. 2200

By Committee on Commerce, Labor and Economic Development

5-5

1 AN ACT concerning the Kansas liquor control act; enacting the county
2 option retailers act; amending K.S.A. 41-103 and 41-711 and K.S.A.
3 2014 Supp. 41-102, 41-301, 41-303, 41-304, 41-308, 41-308d, 41-310,
4 41-311, 41-313, 41-326, 41-713 and 79-4108 and repealing the existing
5 sections.
6

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

8 New Section 1. The provisions of sections 1 through 9, and
9 amendments thereto, shall be known and may be cited as the county option
10 retailers act. The county option retailers act shall apply in any county
11 whose electors have approved the sale of alcoholic liquor or beer by
12 grocery stores situated in the county and the sale of beer by convenience
13 stores situated in the county.

14 New Sec. 2. (a) The board of county commissioners may, by
15 resolution, or shall, upon a petition filed in accordance with subsection (b),
16 submit to the qualified electors of the county at any general election, as
17 defined in K.S.A. 25-2502, and amendments thereto, a proposition to
18 permit grocery stores situated in the county to sell alcoholic liquor or beer
19 in accordance with the county option retailers act, and to permit
20 convenience stores situated in the county to sell beer in accordance with
21 the county option retailers act.

22 (b) A petition to submit a proposition to the qualified voters of a
23 county pursuant to this section shall be filed with the county election
24 officer. The petition shall be signed by qualified electors of the county
25 equal in number to not less than 10% of the electors of the county who
26 voted for the office of secretary of state at the last preceding general
27 election at which such office was elected. The following shall appear on
28 the petition:

29 "We request an election to determine whether
30 _____ county shall be subject to the county option
31 retailers act which allows grocery stores to sell alcoholic liquor or beer and
32 convenience stores to sell beer in accordance with the county option
33 retailers act."

34 (c) Upon the adoption of a resolution or the submission of a valid
35 petition calling for an election pursuant to this section, the county election
36 officer shall cause the following proposition to be placed on the ballot at

1 the next succeeding general election which occurs more than 90 days after
2 the resolution is adopted or the petition is filed with the county election
3 officer:

4 "Shall _____ county be subject to the local
5 option retailers act which allows grocery stores to sell alcoholic liquor or
6 beer and convenience stores to sell beer in accordance with the county
7 option retailers act?"

8 (d) If a majority of the votes cast and counted is in favor of the
9 proposition, the county election officer shall transmit a copy of the results
10 to the director.

11 (e) The election provided for by this section shall be conducted, and
12 the votes counted and canvassed, in the manner provided by law for
13 question submitted elections of the county.

14 New Sec. 3. (a) On and after the date when the proposition submitted
15 to the voters of the county pursuant to section 2, and amendments thereto,
16 is approved, the total number of retailers' class B and class C licenses
17 issued by the director to sell alcoholic liquor in the county shall not exceed
18 the number of valid retailers' class C licenses issued on the date
19 immediately preceding the date of the election. The director may only
20 issue a retailer's class B license or a retailer's class C license to sell
21 alcoholic liquor to a qualified applicant in the county, if the issuance of
22 such licenses would not cause the total number of such valid licenses
23 issued in the county to exceed the number of valid retailer's class C
24 licenses issued on the date immediately preceding the election.

25 (b) (1) On and after three years from the date the electors in the
26 county approve the proposition submitted pursuant to section 2, and
27 amendments thereto, any person qualified to hold a retailer's class B
28 license under the Kansas liquor control act may acquire by transfer a valid
29 retailer's license from one of the three existing liquor stores in closest
30 proximity to the premises of the person acquiring such license.

31 (2) On and after six years from the date the electors of the county
32 approve the proposition submitted pursuant to section 2, and amendments
33 thereto, a person qualified to hold a retailer's class B license under the
34 Kansas liquor control act may acquire by transfer a valid retailer's license
35 from an existing liquor store located in the same county as the premises of
36 the person acquiring such license.

37 (c) Any transfer of a license pursuant to this section shall be approved
38 by the director. The director may require the transferor, the transferee, or
39 both, to submit such information as the director deems necessary in order
40 to determine that the license transfer satisfies the requirements of the
41 Kansas liquor control act. Such information shall be submitted in the
42 manner and on such forms as prescribed by the director, and may include,
43 but shall not be limited to, such information concerning the transferee that

1 shows such transferee is qualified to hold a retailer's license and a copy of
2 the agreement to transfer the license. The transaction between the
3 transferor and transferee providing for the transfer of a license shall
4 provide for the sale of the transferor's inventory of alcoholic liquor to the
5 transferee. Such sale shall be at the wholesale price of the alcoholic liquor.

6 (d) On the effective date of the transfer of a license in accordance
7 with this section, the director shall cancel the retailer's class C license of
8 the transferor and issue a retailer's class B license to the transferee. Such
9 license shall be issued for the premises of the transferee as stated in the
10 transfer agreement. The term of such license shall be for the remainder of
11 the term of the license held by the transferor immediately prior to the
12 effective date of the transfer. The director shall not require the payment of
13 any new or additional retailer's license fee by the transferee. The transferee
14 shall pay a nonrefundable transfer fee in the amount of \$10,000, which fee
15 shall be submitted to the director at the same time the request for approval
16 of the transfer is submitted to the director.

17 (e) No retailer's class B license shall be issued unless the director has
18 approved a transfer agreement for acquisition of such license and the
19 transfer fee specified in subsection (d) has been paid.

20 New Sec. 4. No retailer's class B license shall be issued to any person
21 who does not in good faith actually carry on or intend to carry on a bona
22 fide business for the retail sale of alcoholic beverages, and the secretary
23 may suspend any retailer's class B license when the licensee fails for a
24 period of 180 days after receiving such license to actively and in good
25 faith engage in the retail sale of alcoholic beverages. Upon a showing of
26 good cause, the secretary may extend the inactive period an additional 180
27 days. Upon suspension, any such license shall become available for sale by
28 public auction to persons eligible to hold a retailer's class B license in the
29 county of origin. The license shall be sold at public auction by the
30 secretary and the proceeds of the sale shall first be applied to the payment
31 of any enforcement taxes due, and the remainder shall be deposited in the
32 state general fund. The transfer fee shall be due in addition thereto as
33 provided in section 3, and amendments thereto.

34 New Sec. 5. On and after three years from the date the electors in the
35 county approve the proposition to adopt the county option retailers act
36 pursuant to section 2, and amendments thereto:

37 (a) A retailer's class B license shall allow the licensee to sell and offer
38 for sale at retail and deliver in the original package, as therein prescribed,
39 alcoholic liquor for use or consumption off of and away from the premises
40 specified in such license.

41 (b) A retailer's class B license shall permit sale and delivery of
42 alcoholic liquor only on the licensed premises and shall not permit sale of
43 alcoholic liquor for resale in any form, except that a retailers class B

1 licensee may:

2 (1) Sell alcoholic liquor to a temporary permit holder for resale by
3 such permit holder; and

4 (2) sell and deliver alcoholic liquor to a caterer or to the licensed
5 premises of a public venue, club or drinking establishment, if such
6 premises are in the county where the retailer's class B licensee's premises
7 are located or in an adjacent county, for resale by such public venue, club,
8 drinking establishment or caterer and if there is no liquor store within such
9 county that makes or intends to make sales for resale as described in this
10 paragraph or if the transfer of a license as provided in this act has
11 eliminated a liquor store that made sales for resale as described in this
12 paragraph and there is no other liquor store in such county that makes or
13 intends to make such sales for resale.

14 (c) The holder of a retailer's class B license may:

15 (1) Sell lottery tickets and shares to the public in accordance with the
16 Kansas lottery act, if the licensee is selected as a lottery retailer;

17 (2) include in the sale of alcoholic liquor any goods included by the
18 manufacturer in packaging with the alcoholic liquor, subject to the
19 approval of the director;

20 (3) distribute to the public, without charge, consumer advertising
21 specialties bearing advertising matter, subject to rules and regulations of
22 the secretary limiting the form and distribution of such specialties so that
23 they are not conditioned on or an inducement to the purchase of alcoholic
24 liquor;

25 (4) store alcoholic liquor in refrigerators, cold storage units, ice boxes
26 or other cooling devices, and the licensee may sell such alcoholic liquor to
27 consumers in a chilled condition; and

28 (5) sell any other good or service on the licensed premises.

29 (d) A retailer's class B license shall be subject to the provisions of
30 K.S.A. 41-1101, and amendments thereto, prohibiting a retailer from
31 purchasing alcoholic liquor from a distributor who has not filed with the
32 director a sworn statement agreeing to sell to all retailers in the
33 distributor's franchised territory at the same unit price and prohibiting a
34 distributor from selling alcoholic liquor to a retailer at a discount for
35 multiple case lots. A retailer's class B license also shall be subject to the
36 provisions of K.S.A. 41-729, and amendments thereto, prohibiting the sale
37 of alcoholic liquor at less than the acquisition cost thereof.

38 (e) A holder of a retailer's class B license shall provide for the display
39 of wine and spirits in an area of the store which is segregated from other
40 goods offered for sale by the licensee, in accordance with rules and
41 regulations adopted by the secretary.

42 New Sec. 6. (a) On and after three years from the date when the
43 electors of a county approve the proposition submitted pursuant to section

1 2, and amendments thereto, the director may issue to qualified applicants a
2 retailer's class A license. A retailer's class A license shall allow the licensee
3 to sell and offer for sale at retail and deliver in the original package, as
4 therein prescribed, beer for use or consumption off of and away from the
5 premises specified in such license.

6 (b) A retailer's class A license shall permit the sale and delivery of
7 beer only on the licensed premises and shall not permit the sale of beer for
8 resale in any form, except that the licensee may sell beer to a temporary
9 permit holder for resale by such temporary permit holder.

10 (c) A retailer's class A licensee may:

11 (1) Sell lottery tickets and shares to the public in accordance with the
12 Kansas lottery act, if the licensee is selected as a lottery retailer;

13 (2) include in the sale of beer any goods included by the manufacturer
14 in packaging with the beer, subject to the approval of the director;

15 (3) distribute to the public, without charge, consumer advertising
16 specialities bearing advertising matter, subject to rules and regulations of
17 the secretary limiting the form and distribution of such specialities so that
18 they are not conditioned on or an inducement to the purchase of beer;

19 (4) store beer in refrigerators, cold storage units, ice boxes or other
20 cooling devices, and sell such beer to consumers in a chilled condition;
21 and

22 (5) sell any other good or service on the licensed premises.

23 (d) A retailer's class A license shall be subject to the provisions of
24 K.S.A. 41-1101, and amendments thereto, prohibiting a retailer from
25 purchasing alcoholic liquor from a distributor who has not filed with the
26 director a sworn statement agreeing to sell to all retailers in the
27 distributor's franchised territory at the same unit price and prohibiting a
28 distributor from selling alcoholic liquor to a retailer at a discount for
29 multiple case lots. A retailer's class A license also shall be subject to the
30 provisions of K.S.A. 41-729, and amendments thereto, prohibiting the sale
31 of alcoholic liquor at less than the acquisition cost thereof.

32 New Sec. 7. The director may propose rules and regulations
33 necessary to implement and administer the provisions of the county option
34 retailers act, and submit such rules and regulations to the secretary in
35 accordance with K.S.A. 41-210, and amendments thereto. Such rules and
36 regulations shall be adopted by the secretary on or before July 1, 2016, and
37 may include, but are not limited to:

38 (a) That on and after July 1, 2018, the number of retailer's licenses
39 that are issued by the director in any one month may be limited to that
40 number which may be reasonably processed and issued by the director
41 based on the resources of the division of alcoholic beverage control; and

42 (b) that submission of applications for a retailer's license to the
43 director and review of such applications by the director for compliance

1 with the Kansas liquor control act may be permitted prior to July 1, 2018.

2 New Sec. 8. (a) On and after three years from the date when the
3 electors of the county approve the proposition submitted pursuant to
4 section 2, and amendments thereto, 3% of the revenue remitted to the state
5 treasurer by retailers located in the county pursuant to K.S.A. 79-4108, and
6 amendments thereto, during the prior calendar year quarter that is
7 deposited in the state treasury shall be credited to the local cereal malt
8 beverage sales tax fund, which is hereby created in the state treasury.
9 Moneys credited to the local cereal malt beverage sales tax fund shall be
10 distributed quarterly as part of the January, April, July and October sales
11 tax distribution to each county that is subject to the county option retailers'
12 act and to each city located in such county which levied a local retailers'
13 sales tax. The amount to be distributed to each city and county shall be
14 determined by the department of revenue based on a weighted population
15 average. The weighted population average shall be computed by
16 multiplying the total tax rate in effect for the city or county by the
17 population of such city or county. The weighted population average for
18 each city and county shall then be divided by the total Kansas population.
19 The resulting quotient is the percentage of distribution for such city or
20 county. The population data shall be updated annually with the issuance of
21 the certified population data through the division of the budget.

22 (b) The local cereal malt beverage sales tax fund shall be used for the
23 purposes set forth in K.S.A. 79-4101 et seq., and amendments thereto, and
24 for no other governmental purposes. It is the intent of the legislature that
25 the local cereal malt beverage sales tax fund shall remain intact and
26 inviolate for the purposes set forth in K.S.A. 79-4101 et seq., and
27 amendments thereto, and moneys in the local cereal malt beverage sales
28 tax fund shall not be subject to the provisions of K.S.A. 75-3722, 75-
29 3725a and 75-3726a, and amendments thereto.

30 New Sec. 9. The provisions of sections 1 through 9, and amendments
31 thereto, shall be a part of and supplemental to the Kansas liquor control
32 act.

33 New Sec. 10. (a) On and after July 1, 2015, all retailers' licenses to
34 sell alcoholic liquor issued by the director prior to such date shall be
35 deemed to be retailers' class C licenses.

36 (b) A holder of a retailer's class C license shall have all the privileges
37 granted to such licensees as set forth in K.S.A. 41-308, and amendments
38 thereto.

39 (c) This section shall be part of and supplemental to the Kansas liquor
40 control act.

41 Sec. 11. K.S.A. 2014 Supp. 41-102 is hereby amended to read as
42 follows: 41-102. As used in this act, unless the context clearly requires
43 otherwise:

1 (a) "Alcohol" means the product of distillation of any fermented
2 liquid, whether rectified or diluted, whatever its origin, and includes
3 synthetic ethyl alcohol but does not include denatured alcohol or wood
4 alcohol.

5 (b) "Alcoholic liquor" means alcohol, spirits, wine, beer and every
6 liquid or solid, patented or not, containing alcohol, spirits, wine or beer
7 and capable of being consumed as a beverage by a human being, but shall
8 not include any cereal malt beverage.

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

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

15 (e) "Cereal malt beverage" has the meaning provided by K.S.A. 41-
16 2701, and amendments thereto.

17 (f) *"Class A retailer's license" means a license to sell at retail beer*
18 *issued pursuant to the Kansas liquor control act to a convenience store or*
19 *a grocery store.*

20 (g) *"Class B retailer's license" means a license to sell at retail*
21 *alcoholic liquor issued pursuant to the Kansas liquor control act to a*
22 *grocery store.*

23 (h) *"Class C retailer's license" means a license to sell at retail*
24 *alcoholic liquor issued pursuant to the Kansas liquor control act to a*
25 *liquor store.*

26 (i) "Club" has the meaning provided by K.S.A. 41-2601, and
27 amendments thereto.

28 (j) *"Convenience store" means a retail business with primary*
29 *emphasis placed on providing the public a convenient location to quickly*
30 *purchase from a wide array of consumable products (predominantly food*
31 *or food and gasoline) and services.*

32 ~~(g)~~(k) "Director" means the director of alcoholic beverage control of
33 the department of revenue.

34 ~~(h)~~(l) "Distributor" means the person importing or causing to be
35 imported into the state, or purchasing or causing to be purchased within
36 the state, alcoholic liquor for sale or resale to retailers licensed under this
37 act or cereal malt beverage for sale or resale to retailers licensed under
38 K.S.A. 41-2702, and amendments thereto.

39 ~~(i)~~(m) "Domestic beer" means beer which contains not more than
40 10% alcohol by weight and which is manufactured in this state.

41 ~~(j)~~(n) "Domestic fortified wine" means wine which contains more
42 than 14%, but not more than 20% alcohol by volume and which is
43 manufactured in this state.

1 ~~(k)~~-(o) "Domestic table wine" means wine which contains not more
2 than 14% alcohol by volume and which is manufactured without
3 rectification or fortification in this state.

4 ~~(l)~~-(p) "Drinking establishment" has the meaning provided by K.S.A.
5 41-2601, and amendments thereto.

6 ~~(m)~~-(q) "Farm winery" means a winery licensed by the director to
7 manufacture, store and sell domestic table wine and domestic fortified
8 wine.

9 (r) *"Grocery store" means an establishment primarily engaged in*
10 *retailing a general line of groceries, including, but not limited to,*
11 *packaged food, fresh and frozen food, prepared foods and other*
12 *consumable products, and includes establishments primarily engaged in*
13 *retailing a general line of groceries in combination with general lines of*
14 *new merchandise.*

15 (s) *"Liquor store" means a store whose primary business is the retail*
16 *sale of alcoholic liquor in the original and unopened container and not for*
17 *consumption on the premises.*

18 ~~(n)~~-(t) "Manufacture" means to distill, rectify, ferment, brew, make,
19 mix, concoct, process, blend, bottle or fill an original package with any
20 alcoholic liquor, beer or cereal malt beverage.

21 ~~(o)~~-(u) (1) "Manufacturer" means every brewer, fermenter, distiller,
22 rectifier, wine maker, blender, processor, bottler or person who fills or
23 refills an original package and others engaged in brewing, fermenting,
24 distilling, rectifying or bottling alcoholic liquor, beer or cereal malt
25 beverage.

26 (2) "Manufacturer" does not include a microbrewery, microdistillery
27 or a farm winery.

28 ~~(p)~~-(v) "Microbrewery" means a brewery licensed by the director to
29 manufacture, store and sell domestic beer.

30 ~~(q)~~-(w) "Microdistillery" means a facility which produces spirits from
31 any source or substance that is licensed by the director to manufacture,
32 store and sell spirits.

33 ~~(r)~~-(x) "Minor" means any person under 21 years of age.

34 ~~(s)~~-(y) "Nonbeverage user" means any manufacturer of any of the
35 products set forth and described in K.S.A. 41-501, and amendments
36 thereto, when the products contain alcohol or wine, and all laboratories
37 using alcohol for nonbeverage purposes.

38 ~~(t)~~-(z) "Original package" means any bottle, flask, jug, can, cask,
39 barrel, keg, hogshead or other receptacle or container whatsoever, used,
40 corked or capped, sealed and labeled by the manufacturer of alcoholic
41 liquor, to contain and to convey any alcoholic liquor. Original container
42 does not include a sleeve.

43 ~~(u)~~-(aa) "Person" means any natural person, corporation, partnership,

1 trust or association.

2 ~~(v)~~—(bb) "Primary American source of supply" means the
3 manufacturer, the owner of alcoholic liquor at the time it becomes a
4 marketable product or the manufacturer's or owner's exclusive agent who,
5 if the alcoholic liquor cannot be secured directly from such manufacturer
6 or owner by American wholesalers, is the source closest to such
7 manufacturer or owner in the channel of commerce from which the
8 product can be secured by American wholesalers.

9 ~~(w)~~—(cc) (1) "Retailer" means a person who sells at retail, or offers for
10 sale at retail, alcoholic liquors.

11 (2) "Retailer" does not include a microbrewery, microdistillery or a
12 farm winery.

13 *(dd) "Retailer's license" means a license to sell at retail alcoholic*
14 *liquor in the original package issued pursuant to the Kansas liquor*
15 *control act, and includes a retailer's class A, class B or class C license.*

16 ~~(x)~~—(ee) "Sale" means any transfer, exchange or barter in any manner
17 or by any means whatsoever for a consideration and includes all sales
18 made by any person, whether principal, proprietor, agent, servant or
19 employee.

20 ~~(y)~~—(ff) "Salesperson" means any natural person who:

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

23 (2) is engaged in promoting the sale of alcoholic liquor or cereal malt
24 beverage, or in promoting the business of any person, firm or corporation
25 engaged in the manufacturing and selling of alcoholic liquor or cereal malt
26 beverage, whether the seller resides within the state of Kansas and sells to
27 licensed buyers within the state of Kansas, or whether the seller resides
28 without the state of Kansas and sells to licensed buyers within the state of
29 Kansas.

30 ~~(z)~~—(gg) "Secretary" means the secretary of revenue.

31 ~~(aa)~~—(hh) (1) "Sell at retail" and "sale at retail" refer to and mean sales
32 for use or consumption and not for resale in any form and sales to clubs,
33 licensed drinking establishments, licensed caterers or holders of temporary
34 permits.

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

39 ~~(bb)~~—(ii) "To sell" includes to solicit or receive an order for, to keep or
40 expose for sale and to keep with intent to sell.

41 ~~(ee)~~—(jj) "Sleeve" means a package of two or more 50-milliliter (3.2-
42 fluid-ounce) containers of spirits.

43 ~~(dd)~~—(kk) "Spirits" means any beverage which contains alcohol

1 obtained by distillation, mixed with water or other substance in solution,
2 and includes brandy, rum, whiskey, gin or other spirituous liquors, and
3 such liquors when rectified, blended or otherwise mixed with alcohol or
4 other substances.

5 ~~(ee)~~(ll) "Supplier" means a manufacturer of alcoholic liquor or cereal
6 malt beverage or an agent of such manufacturer, other than a salesperson.

7 ~~(ff)~~(mm) "Temporary permit" has the meaning provided by K.S.A.
8 41-2601, and amendments thereto.

9 ~~(gg)~~(nn) "Wine" means any alcoholic beverage obtained by the
10 normal alcoholic fermentation of the juice of sound, ripe grapes, fruits,
11 berries or other agricultural products, including such beverages containing
12 added alcohol or spirits or containing sugar added for the purpose of
13 correcting natural deficiencies.

14 Sec. 12. K.S.A. 41-103 is hereby amended to read as follows: 41-103.

15 (a) The legislature hereby declares the public policy of this state to be that:
16 ~~(a)~~ (1) Cereal malt beverage shall be sold at retail separately from sales of
17 alcoholic liquor at retail; ~~(b)~~ (2) cereal malt beverage shall be sold and
18 dispensed at retail in rooms or premises separate and distinct from rooms
19 or premises where alcoholic liquor is sold; and ~~(c)~~ (3) no retailer's license
20 for the sale of alcoholic liquor shall be granted to any applicant making
21 application therefor if the premises sought to be licensed are located
22 outside the corporate limits of any city within this state, except as provided
23 in K.S.A. 41-303, and amendments thereto.

24 (b) *This section shall not apply in counties that have approved the*
25 *proposition to adopt the county option retailers act pursuant to section 2,*
26 *and amendments thereto.*

27 New Sec. 13. (a) Notwithstanding the provisions of K.S.A. 41-1101,
28 and amendments thereto, a distributor may establish minimum order
29 requirements for deliveries to a retailer based on an invoice dollar amount
30 or product case quantity.

31 (b) This section shall be part of and supplemental to the Kansas
32 liquor control act.

33 Sec. 14. K.S.A. 2014 Supp. 41-301 is hereby amended to read as
34 follows: 41-301. (a) ~~Except as provided by subsection (b), the director~~
35 ~~shall issue to qualified applicants, who have filed the bond and paid the~~
36 ~~registration and license fees required by this act, licenses to sell at retail~~
37 ~~alcoholic liquor in the original package on premises within the corporate~~
38 ~~limits of cities and outside the corporate limits of any city.~~

39 ~~(b) No retailer's license shall be issued for premises within a city if~~
40 ~~the governing body of such city, on or before February 15, 2006, adopts~~
41 ~~adopted an ordinance prohibiting the licensing of the sale at retail of~~
42 ~~alcoholic liquor in the original package within such city. Upon adoption of~~
43 ~~such ordinance, the city clerk promptly shall transmit a copy of such~~

1 ordinance to the director and the director shall refuse to issue licenses to
2 sell at retail alcoholic liquor in the original package in such city. If the
3 governing body adopts such an ordinance, the holder of any valid existing
4 retailer's license for premises in such city shall have the right to continue
5 to operate under such license for a period of 90 days after the effective
6 date of the ordinance or until the expiration of such license, whichever
7 period of time is shorter. If such period of time expires before the
8 expiration of the term for which the retailer's license was issued, the
9 licensee shall be entitled to a refund of the license fee for the unexpired
10 portion of the license period which remains, in accordance with rules and
11 regulations adopted by the secretary.

12 (e)-(b) No retailer's license shall be issued for premises within a city
13 if, after November 15, 2005, a majority of the qualified voters of such city
14 voting at an election held as provided by K.S.A. 41-302, and amendments
15 thereto, votes against the licensing of the sale at retail of alcoholic liquor
16 in the original package within such city unless, at a subsequent election, a
17 majority of the qualified voters of such city voting at such election votes in
18 favor of the licensing of the sale at retail of alcoholic liquor in the original
19 package within such city.

20 Sec. 15. K.S.A. 2014 Supp. 41-303 is hereby amended to read as
21 follows: 41-303. (a) The director may issue to qualified applicants licenses
22 to sell at retail alcoholic liquor in the original package on premises not
23 located in an incorporated city for use or consumption off the premises. No
24 such license shall be issued to any applicant unless the applicant possesses
25 all the qualifications required of other applicants for retailers' licenses
26 except the qualification of residency within a city.

27 No such *retailer's* license shall be issued to any applicant under this
28 section for premises not located in an incorporated city unless the board of
29 county commissioners of the county in which the premises for which
30 licensure is sought are located adopts a resolution approving the issuance
31 of such license. A certified copy of such resolution shall accompany the
32 application for a *such* license authorized by this section.

33 (b) If a license has been issued under the provisions of this section in
34 the unincorporated area of a county and thereafter the premises so licensed
35 are annexed to a city wherein retail liquor licenses may be issued, such
36 license shall continue to be valid and may be renewed at the appropriate
37 time even though the licensee does not reside in the city to which the area
38 is annexed if the licensee otherwise is qualified and resides in the township
39 in which the premises were located prior to annexation or in the city to
40 which the premises have been annexed.

41 (e)—Any retail *retailer's* license issued prior to the effective date of
42 this act for premises not located in an incorporated city shall continue to be
43 valid and such premises shall continue to be eligible for licensure if the

1 board of county commissioners of the county in which the premises are
2 located has adopted a resolution approving the issuance of such license. A
3 certified copy of such resolution shall accompany the application for ~~a~~
4 ~~such~~ license ~~authorized by this subsection.~~

5 Sec. 16. K.S.A. 2014 Supp. 41-304 is hereby amended to read as
6 follows: 41-304. Licenses issued by the director shall be of the following
7 classes: (a) Manufacturer's license; (b) spirits distributor's license; (c) wine
8 distributor's license; (d) beer distributor's license; (e) retailer's *class A*
9 license; (f) *retailer's class B license*; (g) *retailer's class C license*; (h)
10 microbrewery license; ~~(g)~~ (i) microdistillery license; ~~(h)~~ (j) farm winery
11 license; and ~~(i)~~ (k) nonbeverage user's license.

12 Sec. 17. K.S.A. 2014 Supp. 41-308 is hereby amended to read as
13 follows: 41-308. (a) Except as provided in K.S.A. 2014 Supp. 41-308d,
14 and amendments thereto, a retailer's *class C* license shall allow the
15 licensee to sell and offer for sale at retail and deliver in the original
16 package, as therein prescribed, alcoholic liquor for use or consumption off
17 and away from the premises specified in such license. A retailer's *class C*
18 license shall permit sale and delivery of alcoholic liquor only on the
19 licensed premises and shall not permit sale of alcoholic liquor for resale in
20 any form, except that a licensed retailer may:

21 (1) Sell alcoholic liquor to a temporary permit holder for resale by
22 such permit holder; and

23 (2) sell and deliver alcoholic liquor to a caterer or to the licensed
24 premises of a public venue, club or drinking establishment, if such
25 premises are in the county where the retailer's premises are located or in an
26 adjacent county, for resale by such public venue, club, establishment or
27 caterer.

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

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

35 (2) sell lottery tickets and shares to the public in accordance with the
36 Kansas lottery act, if the ~~retailer~~ licensee is selected as a lottery retailer;

37 (3) include in the sale of alcoholic liquor any goods included by the
38 manufacturer in packaging with the alcoholic liquor, subject to the
39 approval of the director; ~~and~~

40 (4) distribute to the public, without charge, consumer advertising
41 specialties bearing advertising matter, subject to rules and regulations of
42 the secretary limiting the form and distribution of such specialties so that
43 they are not conditioned on or an inducement to the purchase of alcoholic

1 liquor; and

2 (5) store alcoholic liquor in refrigerators, cold storage units, ice
3 boxes or other cooling devices, and the licensee may sell such alcoholic
4 liquor to consumers in a chilled condition.

5 (c) No licensed retailer shall furnish any entertainment in such
6 premises or permit any pinball machine or game of skill or chance to be
7 located in or on such premises.

8 ~~(d) A retailer's license shall allow the licensee to store alcoholic~~
9 ~~liquor in refrigerators, cold storage units, ice boxes or other cooling~~
10 ~~devices, and the licensee may sell such alcoholic liquor to consumers in a~~
11 ~~chilled condition~~ *On and after two and one-half years from the date the*
12 *electors in the county approve the proposition to adopt the county option*
13 *retailers act pursuant to section 2, and amendments thereto, a retailer's*
14 *class C license for a premises located in such county shall allow the*
15 *licensee to sell any other good or service on the licensed premises.*

16 Sec. 18. K.S.A. 2014 Supp. 41-308d is hereby amended to read as
17 follows: 41-308d. (a) Notwithstanding any other provisions of the Kansas
18 liquor control act to the contrary, ~~any person or entity who is licensed to~~
19 ~~sell alcoholic liquor in the original package at retail~~ *a liquor store issued a*
20 *retailer's class C license* may conduct wine, beer and distilled spirit
21 tastings on the licensed premises, or adjacent premises, monitored and
22 regulated by the division of alcoholic beverage control, as follows:

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

28 (2) The holder of a supplier's permit or Kansas farm winery license or
29 such permit holder's or licensee's agent or employee may participate in and
30 conduct product tastings of alcoholic beverages at a ~~retail~~ *liquor store*
31 *licensee's premises, or adjacent premises, monitored and regulated by the*
32 *division of alcoholic beverage control, and may open, touch, or pour*
33 *alcoholic beverages, make a presentation, or answer questions at the*
34 *tasting. Any alcoholic beverage tasted under this subsection must be*
35 *purchased from the* ~~retailer licensee~~ *on whose premises the tasting is held.*
36 *The* ~~retailer licensee~~ *may not require the purchase of more alcoholic*
37 *beverages than are necessary for the tasting. This section does not*
38 *authorize the supplier, farm winery licensee or the supplier's or licensee's*
39 *agent to withdraw or purchase an alcoholic beverage from the holder of a*
40 *distributor's permit or provide an alcoholic beverage for tasting on a*
41 ~~retailer's licensee's~~ *premises that is not purchased from the* ~~retailer~~
42 *licensee.*

43 (3) No charge of any sort may be made for a sample serving.

1 (4) A person may be served more than one sample. Samples may not
2 be served to a minor. No samples may be removed from the licensed
3 premises.

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

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

10 (c) The provisions of this section shall take effect and be in force
11 from and after July 1, 2012.

12 (d) All rules and regulations adopted on and after July 1, 2012, and
13 prior to July 1, 2013, to implement this section shall continue to be
14 effective and shall be deemed to be duly adopted rules and regulations of
15 the secretary until revised, amended, revoked or nullified pursuant to law.

16 (e) This section shall be a part of and supplemental to the Kansas
17 liquor control act.

18 Sec. 19. K.S.A. 2014 Supp. 41-310 is hereby amended to read as
19 follows: 41-310. (a) At the time application is made to the director for a
20 license of any class, the applicant shall pay the fee provided by this
21 section.

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

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

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

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

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

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

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

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

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

33 As used in this subsection, "daily capacity" means the average daily
34 barrel production for the previous 12 months of manufacturing operation.
35 If no basis for comparison exists, the licensee shall pay in advance for
36 operation during the first term of the license a fee of \$2,000.

37 (d) The fee for a manufacturer's license to manufacture wine shall be
38 \$1,000.

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

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

42 (3) The fee for a microbrewery packaging and warehousing facility
43 license shall be \$200.

1 (4) The fee for a microdistillery packaging and warehousing facility
2 license shall be \$200.

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

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

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

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

14 (1) For class 1, \$20.

15 (2) For class 2, \$100.

16 (3) For class 3, \$200.

17 (4) For class 4, \$400.

18 (5) For class 5, \$1,000.

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

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

26 (2) any township in which the licensed premises are located may levy
27 and collect a biennial occupation or license tax on the licensee in an
28 amount not exceeding the amount of the license fee required to be paid
29 under this act to obtain the license, but no township shall impose an
30 occupation or privilege tax on the licensee in excess of that amount; the
31 township board of the township is authorized to fix and impose the tax and
32 the tax shall be paid by the licensee to the township treasurer, who shall
33 issue a receipt therefor to the licensee and shall cause the tax paid to be
34 placed in the general fund of the township.

35 (k) (1) The fee for a retailer's *class A* license shall be ~~\$500~~ *\$1,500*.

36 (2) *The fee for a retailer's class B license shall be \$1,500.*

37 (3) *The fee for a retailer's class C license shall be \$500.*

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

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

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

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

18 Sec. 20. K.S.A. 2014 Supp. 41-311 is hereby amended to read as
19 follows: 41-311. (a) No license of any kind shall be issued pursuant to the
20 liquor control act to a person:

- 21 (1) Who is not a citizen of the United States;
- 22 (2) who has been convicted of a felony under the laws of this state,
23 any other state or the United States;
- 24 (3) who has had a license revoked for cause under the provisions of
25 the liquor control act, the beer and cereal malt beverage keg registration
26 act or who has had any license issued under the cereal malt beverage laws
27 of any state revoked for cause except that a license may be issued to a
28 person whose license was revoked for the conviction of a misdemeanor at
29 any time after the lapse of 10 years following the date of the revocation;
- 30 (4) who has been convicted of being the keeper or is keeping any
31 property, whether real or personal, where sexual relations are being sold or
32 offered for sale by a person who is 18 years of age or older or has forfeited
33 bond to appear in court to answer charges of being a keeper of any
34 property, whether real or personal, where sexual relations are being sold or
35 offered for sale by a person who is 18 years of age or older;
- 36 (5) who has been convicted of being a proprietor of a gambling
37 house, pandering or any other crime opposed to decency and morality or
38 has forfeited bond to appear in court to answer charges for any of those
39 crimes;
- 40 (6) who is not at least 21 years of age;
- 41 (7) who, other than as a member of the governing body of a city or
42 county, appoints or supervises any law enforcement officer, who is a law
43 enforcement official or who is an employee of the director;

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

3 (9) who at the time of application for renewal of any license issued
4 under this act would not be eligible for the license upon a first application,
5 except as provided by subsection (a)(12);

6 (10) who is the holder of a valid and existing license issued under
7 article 27 of chapter 41 of the Kansas Statutes Annotated, and amendments
8 thereto, unless the person agrees to and does surrender the license to the
9 officer issuing the same upon the issuance to the person of a license under
10 this act, except that a retailer licensed pursuant to K.S.A. 41-2702, and
11 amendments thereto, shall be eligible to receive a retailer's license under
12 the Kansas liquor control act;

13 (11) who does not own the premises for which a license is sought, or
14 does not, at the time of application, have a written lease thereon;

15 (12) whose spouse would be ineligible to receive a license under this
16 act for any reason other than citizenship, residence requirements or age,
17 except that this subsection (a)(12) shall not apply in determining eligibility
18 for a renewal license;

19 (13) whose spouse has been convicted of a felony or other crime
20 which would disqualify a person from licensure under this section and
21 such felony or other crime was committed during the time that the spouse
22 held a license under this act; or

23 (14) who does not provide any data or information required by
24 K.S.A. 2014 Supp. 41-311b, and amendments thereto.

25 (b) (I) No retailer's class C license shall be issued to:

26 ~~(1)-(A) A person~~ *An individual* who is not a resident of this state;

27 ~~(2)-(B) a person~~ *an individual* who has not been a resident of this
28 state for at least four years immediately preceding the date of application;

29 ~~(3)-(C) a person~~ who has a beneficial interest in a manufacturer,
30 distributor, farm winery ~~or~~, microbrewery *or microdistillery* licensed under
31 this act, except that the spouse of an applicant for a retailer's license may
32 own and hold a farm winery license, microbrewery license, or both, if the
33 spouse does not hold a retailer's license issued under this act;

34 ~~(4) — a person who has a beneficial interest in any other retail~~
35 ~~establishment licensed under this act, except that the spouse of a licensee~~
36 ~~may own and hold a retailer's license for another retail establishment;~~

37 ~~(5)-(D) a person who has a beneficial interest in any other retail~~
38 ~~establishment licensed under this act, except that: (i) The spouse of a~~
39 ~~licensee may own and hold a retailer's license for another retail~~
40 ~~establishment; and (ii) on and after the date the electors in the county~~
41 ~~approve the proposition to adopt the county option retailers act pursuant~~
42 ~~to section 2, and amendments thereto, a retailer's class C license may be~~
43 ~~issued in such county to a person who has a beneficial interest in other~~

1 *retail establishments licensed under this act, provided all such licensed*
2 *premises are located in a county that is subject to the county option*
3 *retailers act;*

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

6 ~~(F)~~ (F) a corporation, *except as provided in subsection (b)(2); or*

7 ~~(G)~~ (G) a trust, if any grantor, beneficiary or trustee would be
8 ineligible 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 (2) *On and after three years from the date the electors in the county*
12 *approve the proposition to adopt the county option retailers act, pursuant*
13 *to section 2, and amendments thereto:*

14 (A) *No retailer's license shall be issued in such county to:*

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

20 (ii) *a corporation, if any officer, manager or director thereof, or any*
21 *natural person owning in the aggregate more than 5% of the common or*
22 *preferred stock of such corporation, has been an officer, manager or*
23 *director, or a natural person owning in the aggregate more than 5% of the*
24 *common or preferred stock, of a corporation which either has had a*
25 *license revoked under the provisions of the Kansas liquor control act or*
26 *has been convicted of a violation of the Kansas liquor control act;*

27 (iii) *a person who has a beneficial interest in a manufacturer,*
28 *distributor, farm winery, microbrewery or microdistillery licensed under*
29 *this act, except that the spouse of an applicant for a retailer's license may*
30 *own and hold a farm winery license, microbrewery license, or both, if the*
31 *spouse does not hold a retailer's license issued under this act;*

32 (iv) *a copartnership, unless all of the copartners are qualified to*
33 *obtain a license; or*

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

38 (B) *No retailer's class A license shall be issued in such county to a*
39 *person who is not engaged in business as a convenience store or grocery*
40 *store, except that a license may be issued to such person if upon issuance*
41 *of the license such person engages in business as a convenience store or*
42 *grocery store.*

43 (C) *No retailer's class B license shall be issued in such county to a*

1 *person who is not engaged in business as a grocery store, except that a*
2 *license may be issued to such person if upon issuance of the license such*
3 *person engages in business as a grocery store.*

4 (D) *No retailer's class C license shall be issued in such county to a*
5 *person who is not engaged in business as a liquor store, except that a*
6 *license may be issued to such person if upon issuance of the license such*
7 *person engages in business as a liquor store.*

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

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

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

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

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

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

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

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

28 (1) A corporation, if any officer, director or stockholder of the
29 corporation would be ineligible to receive a distributor's license for any
30 reason. It shall be unlawful for any stockholder of a corporation licensed
31 as a distributor to transfer any stock in the corporation to any person who
32 would be ineligible to receive a distributor's license for any reason, and
33 any such transfer shall be null and void, except that: (A) If any stockholder
34 owning stock in the corporation dies and an heir or devisee to whom stock
35 of the corporation descends by descent and distribution or by will is
36 ineligible to receive a distributor's license, the legal representatives of the
37 deceased stockholder's estate and the ineligible heir or devisee shall have
38 14 months from the date of the death of the stockholder within which to
39 sell the stock to a person eligible to receive a distributor's license, any such
40 sale by a legal representative to be made in accordance with the provisions
41 of the probate code; or (B) if the stock in any such corporation is the
42 subject of any trust and any trustee or beneficiary of the trust who is 21
43 years of age or older is ineligible to receive a distributor's license, the

1 trustee, within 14 months after the effective date of the trust, shall sell the
2 stock to a person eligible to receive a distributor's license and hold and
3 disburse the proceeds in accordance with the terms of the trust. If any legal
4 representatives, heirs, devisees or trustees fail, refuse or neglect to sell any
5 stock as required by this subsection, the stock shall revert to and become
6 the property of the corporation, and the corporation shall pay to the legal
7 representatives, heirs, devisees or trustees the book value of the stock.
8 During the period of 14 months prescribed by this subsection, the
9 corporation shall not be denied a distributor's license or have its
10 distributor's license revoked if the corporation meets all of the other
11 requirements necessary to have a distributor's license;

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

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

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

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

25 (f) No microbrewery license, microdistillery license or farm winery
26 license shall be issued to a:

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

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

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

33 (4) person, copartnership or association which has a beneficial
34 interest in any retailer licensed under this act or under K.S.A. 41-2702, and
35 amendments thereto, except that the spouse of an applicant for a
36 microbrewery or farm winery license may own and hold a retailer's license
37 if the spouse does not hold a microbrewery or farm winery license issued
38 under this act;

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

41 (6) corporation, unless stockholders owning in the aggregate 50% or
42 more of the stock of the corporation would be eligible to receive such
43 license and all other stockholders would be eligible to receive such license

1 except for reason of citizenship or residency; or

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

6 (g) The provisions of subsections (b)(1)(A), (b)(2) (1)(B), (c)(3), (c)
7 (4), (d)(3), (f)(1), (f)(2) and K.S.A. 2014 Supp. 41-311b, and amendments
8 thereto, shall not apply in determining eligibility for the 10th, or a
9 subsequent, consecutive renewal of a license if the applicant has appointed
10 a citizen of the United States who is a resident of Kansas as the applicant's
11 agent and filed with the director a duly authenticated copy of a duly
12 executed power of attorney, authorizing the agent to accept service of
13 process from the director and the courts of this state and to exercise full
14 authority, control and responsibility for the conduct of all business and
15 transactions within the state relative to alcoholic liquor and the business
16 licensed. The agent must be satisfactory to and approved by the director,
17 except that the director shall not approve as an agent any person who:

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

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

25 (3) has been convicted of being the keeper or is keeping any property,
26 whether real or personal, where sexual relations are being sold or offered
27 for sale by a person who is 18 years of age or older or has forfeited bond to
28 appear in court to answer charges of being a keeper of any property,
29 whether real or personal, where sexual relations are being sold or offered
30 for sale by a person who is 18 years of age or older;

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

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

36 Sec. 21. K.S.A. 2014 Supp. 41-313 is hereby amended to read as
37 follows: 41-313. (a) No corporation, either organized under the laws of
38 this state, any other state or a foreign country, shall be issued a *retailer's*,
39 manufacturer's, distributor's, microbrewery, microdistillery or farm winery
40 license unless the corporation has first ~~procured a certificate of authority~~
41 ~~from~~ *filed a formation document* with the secretary of state to do business
42 in this state as provided by law, appointed a citizen of the United States,
43 and resident of Kansas, as its *resident* agent and filed with the director a

1 duly authenticated copy of a duly executed power of attorney, authorizing
2 the agent to accept service of process from the director and the courts of
3 this state and to exercise full authority of the corporation and full authority,
4 control and responsibility for the conduct of all business and transactions
5 of the corporation within the state relative to alcoholic liquor and the
6 business licensed. The agent must be satisfactory to and approved by the
7 director with respect to the agent's character. The agent shall at all times be
8 maintained by the corporation.

9 In addition, any corporation organized under the laws of any other state
10 or foreign country, as a condition precedent to the issuance to it of any
11 license, shall file with the secretary of state of the state of Kansas, a duly
12 authorized and executed power of attorney, authorizing the secretary of
13 state to accept service of process from the director and the courts of this
14 state and to accept service of any notice or order provided for in this act,
15 and all such acts by the secretary of state shall be fully binding upon the
16 corporation.

17 (b) Every nonresident applicant on applying for a license or permit
18 under this act, and as a condition precedent to obtaining such license or
19 permit, shall file with the secretary of state of this state its written consent,
20 irrevocable, that any action or garnishment proceeding may be
21 commenced against such applicant in the proper court of any county in this
22 state in which the cause of action shall arise or in which the plaintiff may
23 reside by the service of process on the resident agent specified in
24 subsection (a), and stipulating and agreeing that such service shall be taken
25 and held in all courts to be as valid and binding as if due service had been
26 made upon the applicant. The written consent shall state that the courts of
27 this state have jurisdiction over the person of such applicant and are the
28 proper and convenient forum for such action and shall waive the right to
29 request a change of jurisdiction or venue to a court outside this state and
30 that all actions arising under this act and commenced by the applicant shall
31 be brought in this state's courts as the proper and convenient forum. Such
32 consent shall be executed by the applicant and if a corporation, by the
33 president and secretary of the corporate applicant, and shall be
34 accompanied by a duly certified copy of the order or resolution of the
35 board of directors, trustees or managers authorizing the president and
36 secretary to execute the same.

37 Sec. 22. K.S.A. 2014 Supp. 41-326 is hereby amended to read as
38 follows: 41-326. A license shall be purely a personal privilege, *and shall*
39 *not constitute property. A license shall be valid for not to exceed two years*
40 *after issuance, ~~except as otherwise provided by law,~~ unless sooner*
41 *suspended or revoked, ~~and shall not constitute property, nor shall it. A~~*
42 *license shall not be subject to attachment, garnishment or execution, ~~nor~~*
43 *shall it. A license shall not be alienable or transferable, voluntarily or*

1 involuntarily, ~~or~~ *except as provided by law. A license shall not be subject to*
2 *being encumbered or hypothecated. A license shall not descend by the*
3 *laws of testate or intestate devolution but shall cease and expire upon the*
4 *death of the licensee except that executors, administrators or*
5 *representatives of the estate of any deceased licensee and the trustee of any*
6 *insolvent or bankrupt licensee, when such estate consists in part of*
7 *alcoholic liquor, may continue the business of the sale, distribution or*
8 *manufacture of alcoholic liquor under order of the appropriate court and*
9 *may exercise the privilege of the deceased, insolvent or bankrupt licensee*
10 *after the death of such decedent, or after such insolvency or bankruptcy,*
11 *until the expiration of such license but not longer than one year after the*
12 *death, bankruptcy or insolvency of such licensee.*

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

23 *Sec. 23. K.S.A. 41-711 is hereby amended to read as follows: 41-711.*
24 *(a) No alcoholic liquor shall be sold at retail upon any premises which*
25 *have an inside entrance or opening which connects with any other place of*
26 *business.*

27 *(b) This section shall not apply in counties that have approved the*
28 *proposition to adopt the county option retailers act submitted pursuant to*
29 *section 2, and amendments thereto.*

30 *Sec. 24. K.S.A. 2014 Supp. 41-713 is hereby amended to read as*
31 *follows: 41-713. (a) It shall be unlawful for a ~~retailer of alcoholic liquor~~*
32 *retailer's class C licensee:*

33 *(1) To permit any person to mix drinks in or on the licensed premises,*
34 *except as provided in subsection ~~(b)~~ (d);*

35 *(2) to employ any person under the age of 21 years in connection*
36 *with the operation of such retail establishment; or*

37 *(3) to employ any person in connection with the operation of such*
38 *retail establishment who has been adjudged guilty of a felony.*

39 *(b) It shall be unlawful for a retailer's class B licensee:*

40 *(1) To permit any person to mix drinks in or on the licensed premises;*

41 *(2) to authorize or allow any person who has been adjudged guilty of*
42 *a felony to sell at retail any alcoholic liquor at the point of sale; or*

43 *(3) to permit any person who is under the age of 21 years to sell,*

1 *stock or handle alcoholic liquor.*

2 (c) *It shall be unlawful for a retailer's class A licensee:*

3 (1) *To permit any person to mix drinks in or on the licensed premises;*

4 (2) *to authorize or allow any person under the age of 18 years to sell*
5 *at retail any alcoholic liquor at the point of sale;*

6 (3) *to permit any employee who is under the age of 21 years to work*
7 *on the premises at any time when not under the on-premises supervision of*
8 *either the licensee or an employee of the licensee who is 21 years of age*
9 *or older; or*

10 (4) *to authorize or allow any person who has been adjudged guilty of*
11 *a felony to sell at retail any alcoholic liquor at the point of sale.*

12 (d) The provisions of subsection (a)(1) shall not apply to the
13 preparation or mixing of samples for the purposes of conducting wine,
14 beer or distilled spirit tastings, or any combination thereof, as authorized
15 by K.S.A. 2014 Supp. 41-308d, and amendments thereto.

16 Sec. 25. K.S.A. 2014 Supp. 79-4108 is hereby amended to read as
17 follows: 79-4108. All revenue collected or received by the director of
18 taxation from taxes imposed by K.S.A. 79-4101 to 79-4105, and
19 amendments thereto, shall be remitted to the state treasurer in accordance
20 with the provisions of K.S.A. 75-4215, and amendments thereto. *Except as*
21 *otherwise provided in section 8, and amendments thereto,* upon receipt of
22 each such remittance, the state treasurer shall deposit the entire amount in
23 the state treasury to the credit of the state general fund. The state treasurer
24 shall transfer any moneys remaining in the county and city alcoholic liquor
25 control enforcement fund on the effective date of this act to the state
26 general fund.

27 Sec. 26. K.S.A. 41-103 and 41-711 and K.S.A. 2014 Supp. 41-102,
28 41-301, 41-303, 41-304, 41-308, 41-308d, 41-310, 41-311, 41-313, 41-
29 326, 41-713 and 79-4108 are hereby repealed.

30 Sec. 27. This act shall take effect and be in force from and after its
31 publication in the statute book.