

**Substitute for HOUSE BILL No. 2766**

By Committee on Federal and State Affairs

3-23

1 AN ACT concerning alcoholic beverages; authorizing self-service of beer  
2 from automated devices; relating to the hours of sale of alcoholic liquor  
3 by the drink; amending K.S.A. 2017 Supp. 41-2614 and 41-2640 and  
4 repealing the existing sections.

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

7 Section 1. K.S.A. 2017 Supp. 41-2640 is hereby amended to read as  
8 follows: 41-2640. (a) No club, drinking establishment, caterer or holder of  
9 a temporary permit, nor any person acting as an employee or agent thereof,  
10 shall:

11 (1) Offer or serve any free cereal malt beverage or alcoholic liquor in  
12 any form to any person;

13 (2) offer or serve to any person an individual drink at a price that is  
14 less than the acquisition cost of the individual drink to the licensee or  
15 permit holder;

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

20 (4) encourage or permit, on the licensed premises, any game or  
21 contest which involves drinking alcoholic liquor or cereal malt beverage or  
22 the awarding of individual drinks as prizes;

23 (5) sell, offer to sell or serve free of charge any form of powdered  
24 alcohol, as defined in K.S.A. 41-102, and amendments thereto; or

25 (6) advertise or promote in any way, whether on or off the licensed  
26 premises, any of the practices prohibited under subsections (a)(1) through  
27 (5).

28 (b) No public venue, nor any person acting as an employee or agent  
29 thereof, shall:

30 (1) Offer or serve any free cereal malt beverage or alcoholic liquor in  
31 any form to any person;

32 (2) offer or serve to any person a drink or original container of  
33 alcoholic liquor or cereal malt beverage at a price that is less than the  
34 acquisition cost of the drink or original container of alcoholic liquor or  
35 cereal malt beverage to the licensee;

36 (3) sell or serve alcoholic liquor in glass containers to customers in

1 the general admission area;

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

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

7 (6) sell, offer to sell or serve free of charge any form of powdered  
8 alcohol, as defined in K.S.A. 41-102, and amendments thereto; or

9 (7) advertise or promote in any way, whether on or off the licensed  
10 premises, any of the practices prohibited under subsections (b)(1) through  
11 (6).

12 (c) A public venue, club, drinking establishment, caterer or holder of  
13 a temporary permit may:

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

15 (2) sell or deliver wine by the bottle or carafe;

16 (3) sell, offer to sell and serve individual drinks at different prices  
17 throughout any day;

18 (4) sell or serve beer or cereal malt beverage in a pitcher capable of  
19 containing not more than 64 fluid ounces;

20 (5) offer samples of alcohol liquor free of charge as authorized by this  
21 act; or

22 (6) sell or serve margarita, sangria, daiquiri, mojito or other mixed  
23 alcoholic beverages as approved by the director in a pitcher containing not  
24 more than 64 fluid ounces.

25 (d) A hotel of which the entire premises is licensed as a drinking  
26 establishment may, in accordance with rules and regulations adopted by  
27 the secretary, distribute to its guests coupons redeemable on the hotel  
28 premises for drinks containing alcoholic liquor. The hotel shall remit  
29 liquor drink tax in accordance with the provisions of the liquor drink tax  
30 act, K.S.A. 79-41a01 et seq., and amendments thereto, on each drink  
31 served based on a price which is not less than the acquisition cost of the  
32 drink.

33 (e) (1) A public venue, club or drinking establishment may offer  
34 customer self-service of *beer and* wine from automated devices on  
35 licensed premises so long as the licensee monitors and has the ability to  
36 control the dispensing of such *beer and* wine from the automated devices.

37 ~~(2) The secretary may adopt rules and regulations as necessary to~~  
38 ~~implement the provisions of this subsection~~ (A) *For purposes of this*  
39 *subsection, "automated device" shall mean any mechanized device*  
40 *capable of dispensing wine or beer directly to a customer in exchange for*  
41 *compensation that a licensee has received directly from the customer.*

42 (B) *No licensee shall allow an automated device to be used on its*  
43 *licensed premises without first providing written or electronic notification*

1 *to the director of the licensee's intent to use the automated device. The*  
2 *licensee shall provide this notification at least 48 hours before any*  
3 *automated device is used on the licensed premises.*

4 *(C) Each licensee offering customer self-service of wine or beer from*  
5 *any automated device shall provide constant video monitoring of the*  
6 *automated device at all times during which the licensee is open to the*  
7 *public. The licensee shall keep recorded footage from the video monitoring*  
8 *for at least 60 days and shall provide the footage, upon request, to any*  
9 *agent of the director or other authorized law enforcement agent.*

10 *(D) The compensation required by subsection (a) shall be in the form*  
11 *of a programmable, prepaid access card containing a fixed amount of*  
12 *monetary credit that may be directly exchanged for beer or wine dispensed*  
13 *from the automated device. Access cards may be sold, used or reactivated*  
14 *only during a business day. Each access card shall be purchased from the*  
15 *licensee by a customer. A licensee shall not issue more than one active*  
16 *access card to a customer. For purposes of this subsection, an access card*  
17 *shall be deemed active if the access card contains monetary credit or has*  
18 *not yet been used to dispense 15 ounces of wine or 32 ounces of beer. Each*  
19 *purchase of an access card under this regulation shall be subject to the*  
20 *liquor drink tax imposed by K.S.A. 79-41a02, and amendments thereto.*

21 *(E) In order to obtain a prepaid access card from a licensee, each*  
22 *customer shall produce a valid driver's license, identification card or*  
23 *other government-issued document that contains a photograph of the*  
24 *individual and demonstrates that the individual is at least 21 years of age.*  
25 *Each access card shall be programmed to require the production of the*  
26 *customer's valid identification before the access card can be used for the*  
27 *first time during any business day or for any subsequent reactivation as*  
28 *provided in subparagraph (D).*

29 *(F) Each access card shall become inactive at the end of each*  
30 *business day.*

31 *(G) Each access card shall be programmed to allow the dispensing of*  
32 *no more than 15 ounces of wine or 32 ounces of beer to a customer. Once*  
33 *an access card has been used to dispense 15 ounces of wine or 32 ounces*  
34 *of beer to a customer, the access card shall become inactive. Any customer*  
35 *in possession of an inactive access card may, upon production of the*  
36 *customer's valid identification to the licensee or licensee's employee, have*  
37 *the access card reactivated to allow the dispensing of an additional 15*  
38 *ounces of wine or 32 ounces of beer from an automated device.*

39 *(H) Subparagraphs (D), (E), (F) or (G) shall not apply to wine or*  
40 *beer that is dispensed directly to the licensee or the licensee's agent or*  
41 *employee.*

42 *(3) The secretary shall adopt rules and regulations prior to January*  
43 *1, 2019, as necessary to implement the provisions of this subsection.*

1       (4) *Notwithstanding any other provision of law, all laws and rules*  
2 *and regulations applicable to the sale of alcoholic liquor to persons under*  
3 *the legal age of consumption shall be applicable to the sales transaction of*  
4 *the prepaid access card.*

5       (f) A hotel of which the entire premises is not licensed as a drinking  
6 establishment may, in accordance with rules and regulations adopted by  
7 the secretary, through an agreement with one or more clubs or drinking  
8 establishments, distribute to its guests coupons redeemable at such clubs or  
9 drinking establishments for drinks containing alcoholic liquor. Each club  
10 or drinking establishment redeeming coupons issued by a hotel shall  
11 collect from the hotel the agreed price, which shall be not less than the  
12 acquisition cost of the drink plus the liquor drink tax for each drink served.  
13 The club or drinking establishment shall collect and remit the liquor drink  
14 tax in accordance with the provisions of the liquor drink tax act, K.S.A.  
15 79-41a01 et seq., and amendments thereto.

16       (g) Violation of any provision of this section is a misdemeanor  
17 punishable as provided by K.S.A. 41-2633, and amendments thereto.

18       (h) Violation of any provision of this section shall be grounds for  
19 suspension or revocation of the licensee's license as provided by K.S.A.  
20 41-2609, and amendments thereto, and for imposition of a civil fine on the  
21 licensee or temporary permit holder as provided by K.S.A. 41-2633a, and  
22 amendments thereto.

23       (i) *For purposes of this section, the term "day" means 6:00 a.m. until*  
24 *2:00 a.m. the following calendar day.*

25       Sec. 2. K.S.A. 2017 Supp. 41-2614 is hereby amended to read as  
26 follows: 41-2614. (a) Except as provided by subsection (c), no public  
27 venue, club or drinking establishment shall allow the serving, mixing or  
28 consumption of alcoholic liquor on its premises between the hours of 2:00  
29 a.m. and ~~9:00~~ 6:00 a.m. on any day.

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

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

38       Sec. 3. K.S.A. 2017 Supp. 41-2614 and 41-2640 are hereby repealed.

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