

SENATE BILL No. 408

By Committee on Ways and Means

2-11

1 AN ACT concerning the Kansas state fair; relating to alcoholic liquor;
2 sales within a common consumption area; issuance of temporary
3 permits; liquor enforcement tax, transferring moneys collected to the
4 state fair capital improvements fund; amending K.S.A. 79-4108 and 79-
5 41a03 and K.S.A. 2019 Supp. 41-719 and 41-1201 and repealing the
6 existing sections.

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

9 Section 1. K.S.A. 2019 Supp. 41-719 is hereby amended to read as
10 follows: 41-719. (a) (1) Except as otherwise provided herein and in K.S.A.
11 8-1599, and amendments thereto, no person shall drink or consume
12 alcoholic liquor on the public streets, alleys, roads or highways or inside
13 vehicles while on the public streets, alleys, roads or highways.

14 (2) Alcoholic liquor may be consumed on public streets, alleys, roads,
15 sidewalks or highways when:

16 (A) A temporary permit has been issued pursuant to K.S.A. 41-2703,
17 and amendments thereto, or K.S.A. 2019 Supp. 41-1201, and amendments
18 thereto, for such an event;

19 (B) a caterer's licensee has provided the required notification for a
20 catered event pursuant to K.S.A. 41-2643, and amendments thereto; or

21 (C) a public venue, hotel, hotel caterer, drinking establishment caterer
22 or drinking establishment licensee has been authorized to extend its
23 licensed premises pursuant to K.S.A. 41-2608, and amendments thereto.

24 (3) Consumption of alcoholic liquor on public streets, alleys, roads,
25 sidewalks or highways must be approved, by ordinance or resolution, by
26 the local governing body of any city, county or township where such
27 consumption will occur. No alcoholic liquor may be consumed inside
28 vehicles while on public streets, alleys, roads or highways at any time.

29 (4) No person shall remove any alcoholic liquor from inside the
30 boundaries of an event as designated by the governing body of any city,
31 county or township, from the boundaries of a catered event or from the
32 extended licensed premises of a public venue, hotel, hotel caterer, drinking
33 establishment caterer or drinking establishment. Such boundaries shall be
34 clearly marked by signs, a posted map or other means which reasonably
35 identify the area in which alcoholic liquor may be possessed or consumed.

36 (b) Alcoholic liquor may be consumed within common consumption

1 areas designated by a city or county on public streets, alleys, roads,
2 sidewalks or highways pursuant to K.S.A. 2019 Supp. 41-2659, and
3 amendments thereto, except that no alcoholic liquor may be consumed
4 inside vehicles while on public streets, alleys, roads or highways within a
5 common consumption area. Further, no person shall remove any alcoholic
6 liquor from inside the boundaries of the common consumption area which
7 shall be clearly designated by a physical barrier.

8 (c) No person shall drink or consume alcoholic liquor on private
9 property except:

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

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

18 (3) in a lodging room of any hotel, motel or boarding house by the
19 person occupying such room and by the guests of such person, if no charge
20 is made for the serving or mixing of any drink or drinks of alcoholic liquor
21 or for any substance mixed with any alcoholic liquor and if no sale of
22 alcoholic liquor in violation of K.S.A. 41-803, and amendments thereto,
23 takes place;

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

28 (5) on the premises of a manufacturer, microbrewery, microdistillery
29 or farm winery, if authorized by K.S.A. 41-305, 41-308a, 41-308b, *and*
30 *amendments thereto*, or K.S.A. 2019 Supp. 41-354, and amendments
31 thereto;

32 (6) on the premises of an unlicensed business as authorized pursuant
33 to subsection (j); or

34 (7) within a common consumption area established pursuant to
35 K.S.A. 2019 Supp. 41-2659, and amendments thereto.

36 (d) No person shall drink or consume alcoholic liquor on public
37 property except:

38 (1) On real property leased by a city to others under the provisions of
39 K.S.A. 12-1740 through 12-1749, and amendments thereto, if such real
40 property is actually being used for hotel or motel purposes or purposes
41 incidental thereto.

42 (2) In any state-owned or operated building or structure, and on the
43 surrounding premises, which is furnished to and occupied by any state

1 officer or employee as a residence.

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

6 (4) On the state fairgrounds on the day of any race held thereon
7 pursuant to the Kansas parimutuel racing act.

8 (5) On the state fairgrounds, if: (A) The alcoholic liquor is domestic
9 beer or wine or wine imported under K.S.A. 41-308a(e), and amendments
10 thereto, and is consumed only for purposes of judging competitions; (B)
11 ~~the alcoholic liquor is wine or beer and is sold and consumed during the~~
12 ~~days of the Kansas state fair on premises leased by the state fair board to a~~
13 ~~person who holds a temporary permit issued pursuant to K.S.A. 41-2703,~~
14 ~~and amendments thereto, or K.S.A. 2019 Supp. 41-1201, and amendments~~
15 ~~thereto, authorizing the sale and serving of such wine or beer, or both~~ *the*
16 *Kansas state fair board establishes a common consumption area within*
17 *the limits of the Kansas state fairgrounds, authorizes the sale, possession*
18 *and consumption of wine or beer; or both, within the common consumption*
19 *area, notifies the director of the division of alcoholic beverage control of*
20 *the establishment of such common consumption area and receives a*
21 *temporary permit for the consumption of wine and beer on the Kansas*
22 *state fairgrounds pursuant to K.S.A. 41-1201, and amendments thereto; or*
23 (C) the alcoholic liquor is consumed on nonfair days in conjunction with
24 bona fide scheduled events involving not less than 75 invited guests and
25 the state fair board, in its discretion, authorizes the consumption of the
26 alcoholic liquor, subject to any conditions or restrictions the board may
27 require.

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

32 (7) On the premises of any state-owned historic site under the
33 jurisdiction and supervision of the state historical society, on the
34 surrounding premises and in any other building on such premises, as
35 authorized by rules and regulations of the state historical society.

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

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

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

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

3 (11) On property exempted from this subsection pursuant to
4 subsection (e), (f), (g), (h) or (i).

5 (12) On the premises of the state capitol building or on its
6 surrounding premises during an official state function of a nonpartisan
7 nature that has been approved by the legislative coordinating council.

8 (13) On premises of a common consumption area established by
9 K.S.A. 2019 Supp. 41-2659, and amendments thereto.

10 (e) Any city may exempt, by ordinance, from the provisions of
11 subsection (d) specified property the title of which is vested in such city.

12 (f) The board of county commissioners of any county may exempt,
13 by resolution, from the provisions of subsection (d) specified property the
14 title of which is vested in such county.

15 (g) The state board of regents may exempt from the provisions of
16 subsection (d) the Sternberg museum on the campus of Fort Hays state
17 university, or other specified property which is under the control of such
18 board and which is not used for classroom instruction, where alcoholic
19 liquor may be consumed in accordance with policies adopted by such
20 board.

21 (h) The board of regents of Washburn university may exempt from
22 the provisions of subsection (d) the Mulvane art center and the Bradbury
23 Thompson alumni center on the campus of Washburn university, and other
24 specified property the title of which is vested in such board and which is
25 not used for classroom instruction, where alcoholic liquor may be
26 consumed in accordance with policies adopted by such board.

27 (i) The board of trustees of a community college may exempt from
28 the provisions of subsection (d) specified property ~~which~~ that is under the
29 control of such board and ~~which~~ is not used for classroom instruction,
30 where alcoholic liquor may be consumed in accordance with policies
31 adopted by such board.

32 (j) (1) An unlicensed business may authorize patrons or guests of
33 such business to consume alcoholic liquor on the premises of such
34 business provided:

35 (A) Such alcoholic liquor is in the personal possession of the patron
36 and is not sold, offered for sale or given away by the owner of such
37 business or any employees thereof;

38 (B) possession and consumption of alcoholic liquor shall not be
39 authorized between the hours of 12 a.m. and 9 a.m.;

40 (C) the business, or any owner thereof, shall not have had a license
41 issued under either the Kansas liquor control act or the club and drinking
42 establishment act revoked for any reason; and

43 (D) no charge of any sort may be made by the business for the

1 privilege of possessing or consuming alcoholic liquor on the premises, or
2 for mere entry onto the premises.

3 (2) It shall be a violation of this section for any unlicensed business to
4 authorize the possession or consumption of alcoholic liquor by a patron of
5 such business when such authorization is not in accordance with the
6 provisions of this subsection.

7 (3) For the purposes of this subsection, "patron" means a natural
8 person who is a customer or guest of an unlicensed business.

9 (k) Violation of any provision of this section is a misdemeanor
10 punishable by a fine of not less than \$50 or more than \$200 or by
11 imprisonment for not more than six months, or both.

12 (l) For the purposes of this section, "common consumption area" ~~has~~
13 *means* the same ~~meaning~~ as that term is defined in K.S.A. 2019 Supp. 41-
14 2659, and amendments thereto.

15 Sec. 2. K.S.A. 2019 Supp. 41-1201 is hereby amended to read as
16 follows: 41-1201. (a) A temporary permit shall allow the permit holder to
17 offer for sale, sell and serve alcoholic liquor for consumption on licensed
18 or unlicensed premises, or on premises that are otherwise subject to a
19 separate temporary permit, that may be open to the public, subject to the
20 terms of such permit. A temporary permit shall also authorize the permit
21 holder to sell, in accordance with rules and regulations adopted by the
22 secretary, alcoholic liquor at a charitable auction, or one or more limited
23 issue porcelain containers containing alcoholic liquor.

24 (b) A temporary permit holder may charge a fee for entrance into the
25 premises described in the permit, or any portion thereof.

26 (c) The director may issue a temporary permit to any one or more
27 persons or organizations applying for such a permit, in accordance with
28 rules and regulations of the secretary. The permit shall be issued in the
29 names of the persons or organizations to which it is issued.

30 (d) Applications for temporary permits shall be required to be filed
31 with the director not less than 14 days before the event for which the
32 permit is sought, unless the director waives such requirement for good
33 cause. The application shall be upon a form prescribed by the director.
34 Each application shall be electronically submitted and accompanied by a
35 non-refundable permit fee of \$25 for each day for which the permit is
36 issued, and such fee shall be paid by a check or credit card in the full
37 amount thereof. All permit fees collected by the director pursuant to this
38 section shall be remitted to the state treasurer in accordance with the
39 provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of
40 each such remittance, the state treasurer shall deposit the entire amount in
41 the state treasury to the credit of the state general fund.

42 (e) Each application for a temporary permit shall specify the premises
43 for which ~~they are~~ *such permit is* issued, including a diagram of the

1 premises covered by the temporary permit. The diagram shall clearly show
2 the boundaries of the premises, entrances to and exits from the premises
3 and the area in which the service of alcoholic liquor would take place. A
4 temporary permit shall be issued only for premises where the city, county
5 or township zoning code allows the use for which the permit is issued. No
6 temporary permit shall be issued for premises that are not located in a
7 county where the qualified electors of the county:

8 (1) (A) Approved, by a majority vote of those voting thereon, to
9 adopt the proposition amending section 10 of article 15 of the constitution
10 of the state of Kansas at the general election in November, 1986; or

11 (B) have approved a proposition to allow the sale of liquor by the
12 individual drink in public places within the county at an election pursuant
13 to K.S.A. 41-2646, and amendments thereto; and

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

17 (f) (1) (A) A temporary permit may be issued for the consumption of
18 alcoholic liquor on a city, county or township street, alley, road, sidewalk
19 or highway for an event if: ~~(A)~~(i) Such street, alley, road, sidewalk or
20 highway is closed to motor vehicle traffic by the governing body of such
21 city, county or township for such event; ~~(B)~~(ii) a written request for such
22 consumption and possession of such alcoholic liquor has been made to the
23 local governing body; and ~~(C)~~(iii) the event has been approved by the
24 governing body of such city, county or township by ordinance or
25 resolution.

26 (B) The boundaries of any such event shall be clearly marked by
27 signs, a posted map or other means ~~which~~ that reasonably identify the area
28 in which alcoholic liquor may be possessed or consumed at such event.

29 (2) Drinking establishments that are immediately adjacent to, or
30 located within the licensed premises of an event, for which a temporary
31 permit has been issued and the consumption of alcoholic liquor on public
32 property has been approved, may request that the drinking establishment's
33 licensed premises be extended into and made a part of the licensed
34 premises of the event, for the duration of the temporary permit issued for
35 such event.

36 (3) Each licensee selling alcoholic liquor for consumption on the
37 premises of an event for which a temporary permit has been issued shall be
38 liable for violations of all laws governing the sale and consumption of
39 alcoholic liquor.

40 (4) Each temporary permit holder selling alcoholic liquor for
41 consumption on the permit premises shall be liable for all violations of
42 laws governing the sale and consumption of alcoholic liquor that occur in
43 areas covered by multiple temporary permits.

1 (g) (1) *A temporary permit may be issued for the consumption of*
2 *wine or beer, or both, on the Kansas state fairgrounds if the Kansas state*
3 *fair board has authorized such consumption and possession of such wine*
4 *or beer, or both. Each application for such temporary permit shall specify*
5 *the premises within the fairgrounds for which the permit is issued,*
6 *including a diagram of the premises covered by the temporary permit. The*
7 *boundaries of the Kansas state fairgrounds shall be clearly marked by*
8 *signs, a posted map or other means that reasonably identify the area in*
9 *which wine or beer, or both, may be possessed or consumed at the state*
10 *fair.*

11 (2) *Each temporary permit holder selling wine or beer, or both, for*
12 *consumption on the premises of the Kansas state fairgrounds that is*
13 *covered by such temporary permit shall be liable for all violations of laws*
14 *governing the sale and consumption of such alcoholic liquor that occur on*
15 *such premises.*

16 (h) (1) Except as otherwise provided in this subsection, a temporary
17 permit shall be issued for a period of time not to exceed three consecutive
18 days, the dates and hours of which shall be specified in the permit. An
19 applicant may not be issued more than four temporary permits in a
20 calendar year.

21 (2) The director may issue a sufficient number of temporary permits
22 as required by the state fair board, valid for the entire period of time of the
23 Kansas state fair, which authorizes the sale of wine in its original,
24 unopened container and the serving by the drink of wine or beer, or both,
25 on the state fairgrounds on premises specified in the temporary permit, by
26 a person who has entered into an agreement with the state fair board for
27 that purpose subject to the conditions imposed by the state fair board.
28 Nothing in this paragraph shall be construed to limit the number of
29 temporary permits the director may issue for the sale of wine or beer, or
30 both, on the state fairgrounds consistent with the requirements of the state
31 fair board.

32 (3) For an event approved by the governing body of a city, county or
33 township pursuant to subsection (e)(1), the director may issue a temporary
34 permit, which may, at the director's discretion, be valid for the entire
35 period of such event, but in no event shall such permit be issued for a
36 period of time that exceeds 30 consecutive days.

37 (h) An application for a temporary permit may be rejected by the
38 director if:

39 (1) The applicant has been granted four permits in the current
40 calendar year;

41 (2) the application was not filed with the director at least 14 days
42 prior to the event;

43 (3) the applicant, or any officer, director, partner, registered agent,

1 trustee, manager or owner of the applicant has previously owned or
2 operated any entity holding a temporary permit, club, drinking
3 establishment or caterer's license, had such permit or license surrendered,
4 and at the time such permit or license was surrendered had been ordered to
5 appear and show cause why the permit or license should not be revoked or
6 suspended;

7 (4) the applicant has designated an area for an event that was the
8 subject of the order to appear and show cause as set forth in paragraph (3),
9 and it appears that the new application for a temporary permit covering the
10 premises is an attempt to avoid any possible remedial action taken by the
11 director against the former permit or license holder; or

12 (5) the applicant has had a license or permit revoked under the club
13 and drinking establishment act, or has been convicted of a violation of the
14 Kansas liquor control act, the club and drinking establishment act, the
15 Kansas cereal malt beverage act or the provisions of K.S.A. 79-41a01 et
16 seq., and amendments thereto.

17 (i) (1) A temporary permit holder may purchase and possess alcoholic
18 liquor for resale for a period of three days prior to the first day of sale of
19 such alcoholic liquor. A distributor may, without any further permission
20 from the director, deliver such alcoholic liquor to the permit premises.

21 (2) If a licensee has sold alcoholic liquor to a temporary permit
22 holder, and a distributor directly delivers such alcoholic liquor to such
23 temporary permit holder, but such licensee's normal hours of operation
24 make immediate payment to the distributor impossible, the licensee may
25 pay the retailer and the retailer may pay the distributor for such alcoholic
26 liquor within 48 hours of the sale.

27 (3) Within three business days after the end of an event conducted
28 pursuant to a temporary permit, the temporary permit holder may sell back
29 to the retailer or farm winery from whom alcoholic liquor was purchased
30 any alcoholic liquor sold to the temporary permit holder for such event.

31 (4) Upon written permission from the director and after four business
32 days after the end of an event conducted pursuant to a temporary permit,
33 the temporary permit holder may sell back to the licensee from whom
34 alcoholic liquor was purchased any alcoholic liquor sold to the temporary
35 permit holder for such event.

36 (j) A temporary permit shall not be transferable or assignable.

37 (k) Each temporary permit holder shall not employ or use the services
38 of any person:

39 (1) Who is under the age of 18 years to serve alcoholic liquor;

40 (2) who is under the age of 21 years to mix or dispense drinks
41 containing alcoholic liquor;

42 (3) who is under ~~the age of~~ 21 *years of age* and not supervised by the
43 temporary permit holder or an employee who is at least 21 years of age;

1 (4) who has been convicted of a felony or of any crime involving a
2 morals charge to dispense, mix or serve alcoholic liquor; or

3 (5) who has been convicted within the previous two years of a
4 violation of any intoxicating liquor law of this state, any other state or the
5 United States, to dispense, mix or serve alcoholic liquor.

6 Sec. 3. K.S.A. 79-4108 is hereby amended to read as follows: 79-
7 4108. (a) All revenue collected or received by the director of taxation from
8 taxes imposed by K.S.A. 79-4101~~to~~ through 79-4105, and amendments
9 thereto, shall be remitted to the state treasurer in accordance with the
10 provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of
11 each such remittance, the state treasurer shall deposit the entire amount in
12 the state treasury to the credit of.

13 (b) *Except as provided in subsection (c), the entire amount of any*
14 *such remittance shall be credited to the state general fund.* The state
15 treasurer shall transfer any moneys remaining in the county and city
16 alcoholic liquor control enforcement fund on the effective date of this act
17 to the state general fund.

18 (c) *For each remittance of the taxes collected upon the gross receipts*
19 *derived from the sale of alcoholic liquor to consumers while on the*
20 *Kansas state fairgrounds, 16.154% shall be credited to the state general*
21 *fund, and the remainder shall be credited to the state fair capital*
22 *improvements fund established pursuant to K.S.A. 2-223, and amendments*
23 *thereto. The provisions of this subsection shall expire and have no effect if*
24 *the state fair is located outside the city limits of the city of Hutchinson,*
25 *Kansas.*

26 Sec. 4. K.S.A. 79-41a03 is hereby amended to read as follows: 79-
27 41a03. (a) The tax levied and collected pursuant to K.S.A. 79-41a02, and
28 amendments thereto, shall become due and payable by the club, caterer,
29 drinking establishment, public venue or temporary permit holder monthly,
30 or on or before the 25th day of the month immediately succeeding the
31 month in which it is collected, but any club, caterer, drinking
32 establishment, public venue or temporary permit holder filing an annual or
33 quarterly return under the Kansas retailers' sales tax act, as prescribed in
34 K.S.A. 79-3607, and amendments thereto, shall, upon such conditions as
35 the secretary of revenue may prescribe, pay the tax required by this act on
36 the same basis and at the same time the club, caterer, drinking
37 establishment, public venue or temporary permit holder pays such retailers'
38 sales tax. Each club, caterer, drinking establishment, public venue or
39 temporary permit holder shall make a true report to the department of
40 revenue, on a form prescribed by the secretary of revenue, providing such
41 information as may be necessary to determine the amounts to which any
42 such tax shall apply for all gross receipts derived from the sale of alcoholic
43 liquor by the club, caterer, drinking establishment, public venue or

1 temporary permit holder for the applicable month or months, which report
2 shall be accompanied by the tax disclosed thereby. Records of gross
3 receipts derived from the sale of alcoholic liquor shall be kept separate and
4 apart from the records of other retail sales made by a club, caterer,
5 drinking establishment, public venue or temporary permit holder in order
6 to facilitate the examination of books and records as provided herein.

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

13 (c) The secretary of revenue is hereby authorized to administer and
14 collect the tax imposed hereunder and to adopt such rules and regulations
15 as may be necessary for the efficient and effective administration and
16 enforcement of the collection thereof. Whenever any club, caterer,
17 drinking establishment, public venue or temporary permit holder liable to
18 pay the tax imposed hereunder refuses or neglects to pay the same, the
19 amount, including any penalty, shall be collected in the manner prescribed
20 for the collection of the retailers' sales tax by K.S.A. 79-3617, and
21 amendments thereto.

22 (d) (1) The secretary of revenue shall remit all revenue collected
23 under the provisions of this act to the state treasurer in accordance with the
24 provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of
25 each such remittance, the state treasurer shall deposit the entire amount in
26 the state treasury.

27 (2) *Except as provided for in paragraph (3) and* subject to the
28 maintenance requirements of the local alcoholic liquor refund fund created
29 under K.S.A. 79-41a09, and amendments thereto, 25% of the remittance
30 shall be credited to the state general fund, 5% shall be credited to the
31 community alcoholism and intoxication programs fund created by K.S.A.
32 41-1126, and amendments thereto, and the balance shall be credited to the
33 local alcoholic liquor fund created by K.S.A. 79-41a04, and amendments
34 thereto.

35 (3) *For each remittance of the taxes collected upon the gross receipts*
36 *derived from the sale of alcoholic liquor by any temporary permit holder*
37 *to consumers while on the Kansas state fairgrounds, 16.154% shall be*
38 *credited to the state general fund, and the remainder shall be credited to*
39 *the state fair capital improvements fund established pursuant to K.S.A. 2-*
40 *223, and amendments thereto. The provisions of this paragraph shall*
41 *expire and have no effect if the state fair is located outside the city limits*
42 *of the city of Hutchinson, Kansas.*

43 (e) Whenever, in the judgment of the secretary of revenue, it is

1 necessary, in order to secure the collection of any tax, penalties or interest
2 due, or to become due, under the provisions of this act, the secretary may
3 require any person subject to such tax to file a bond with the director of
4 taxation under conditions established by and in such form and amount as
5 prescribed by rules and regulations adopted by the secretary.

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

26 Sec. 5. K.S.A. 79-4108 and 79-41a03 and K.S.A. 2019 Supp. 41-719
27 and 41-1201 are hereby repealed.

28 Sec. 6. This act shall take effect and be in force from and after its
29 publication in the statute book.