

SENATE BILL No. 298

By Committee on Federal and State Affairs

3-25

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 7, 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 by grocery stores
12 situated in the county and the sale of beer by convenience stores situated in
13 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. 2014 Supp. 25-2103, and amendments thereto, a
18 proposition to permit grocery stores situated in the county to sell alcoholic
19 liquor in accordance with the county option retailers law, and to permit
20 convenience stores situated in the county to sell beer in accordance with
21 the county option retailers law.

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 the sale of alcoholic
30 liquor by grocery stores and the sale of beer by convenience stores in
31 _____ county in accordance with the county option
32 retailers law shall be permitted."

33 (c) Upon the adoption of a resolution or the submission of a valid
34 petition calling for an election pursuant to this section, the county election
35 officer shall cause the following proposition to be placed on the ballot at
36 the next succeeding general election which occurs more than 90 days after

1 the resolution is adopted or the petition is filed with the county election
2 officer:

3 "Shall sale of alcoholic liquor by grocery stores and sale of beer by
4 convenience stores in _____ county in accordance
5 with the county option retailers law be permitted?"

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

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

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

22 (b) On and after the date the electors in the county approve the
23 proposition submitted pursuant to section 2, and amendments thereto, any
24 person qualified to hold a retailer's class B license under the Kansas liquor
25 control act may purchase a valid retailer's class B license from one of the
26 three existing liquor stores in closest proximity to the premises of the
27 person purchasing such license. On and after three years from the date the
28 electors of the county approve the proposition submitted pursuant to
29 section 2, and amendments thereto, a person qualified to hold a retailer's
30 class B license under the Kansas liquor control act may purchase a valid
31 retailer's class B license from an existing liquor store located in the same
32 county as the premises of the person purchasing such license.

33 (c) Any transfer of a license pursuant to this section shall be approved
34 by the director. The director may require the transferor, the transferee, or
35 both, to submit such information as the director deems necessary in order
36 to determine that the license transfer satisfies the requirements of the
37 Kansas liquor control act. Such information shall be submitted in the
38 manner and on such forms as prescribed by the director, and may include,
39 but shall not be limited to, such information concerning the transferee that
40 shows such transferee is qualified to hold a retailer's license and a copy of
41 the agreement to transfer the license. The transaction between the
42 transferor and transferee providing for the transfer of a license shall
43 provide for the sale of the transferor's inventory of alcoholic liquor to the

1 transferee. Such sale shall be at the wholesale price of the alcoholic liquor.

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

12 New Sec. 4. (a) On and after three years from the date when the
13 electors of a county approve the proposition submitted pursuant to section
14 2, and amendments thereto, the director may issue to qualified applicants a
15 retailer's class A license. A retailer's class A license shall allow the licensee
16 to sell and offer for sale at retail and deliver in the original package, as
17 therein prescribed, beer for use or consumption off of and away from the
18 premises specified in such license.

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

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

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

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

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

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

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

36 (d) A retailer's class A license shall be subject to the provisions of
37 K.S.A. 41-1101, and amendments thereto, prohibiting a retailer from
38 purchasing alcoholic liquor from a distributor who has not filed with the
39 director a sworn statement agreeing to sell to all retailers in the
40 distributor's franchised territory at the same unit price and prohibiting a
41 distributor from selling alcoholic liquor to a retailer at a discount for
42 multiple case lots. A retailer's class A license also shall be subject to the
43 provisions of K.S.A. 41-729, and amendments thereto, prohibiting the sale

1 of alcoholic liquor at less than the acquisition cost thereof.

2 New Sec. 5. The director may propose rules and regulations
3 necessary to implement and administer the provisions of the county optoin
4 retailers law, and amendments thereto, and submit such rules and
5 regulations to the secretary in accordance with K.S.A. 41-210, and
6 amendments thereto. Such rules and regulations shall be adopted by the
7 secretary on or before July 1, 2016, and may include, but are not limited to:
8

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

13 (b) that submission of applications for a retailer's license to the
14 director and review of such applications by the director for compliance
15 with the Kansas liquor control act may be permitted prior to July 1, 2018.

16 New Sec. 6. (a) On and after three years from the date when the
17 electors of the county approve the proposition submitted pursuant to
18 section 2, and amendments thereto, 3% of the revenue remitted to the state
19 treasurer by class A and class B licenses in the county pursuant to K.S.A.
20 79-4108, and amendments thereto, during the prior calendar year quarter
21 that is deposited in the state treasury shall be credited to the local cereal
22 malt beverage sales tax fund, which is hereby created in the state treasury.
23 Moneys credited to the local cereal malt beverage sales tax fund shall be
24 distributed quarterly as part of the January, April, July and October sales
25 tax distribution to each city and county which levied a local retailers' sales
26 tax. The amount to be distributed to each city and county shall be
27 determined by the department of revenue based on a weighted population
28 average. The weighted population average shall be computed by
29 multiplying the total tax rate in effect for the city or county by the
30 population of such city or county. The weighted population average for
31 each city and county shall then be divided by the total Kansas population.
32 The resulting quotient is the percentage of distribution for such city or
33 county. The population data shall be updated annually with the issuance of
34 the certified population data through the division of the budget.

35 (b) The local cereal malt beverage sales tax fund shall be used for the
36 purposes set forth in K.S.A. 79-4101 et seq., and amendments thereto, and
37 for no other governmental purposes. It is the intent of the legislature that
38 the local cereal malt beverage sales tax fund shall remain intact and
39 inviolate for the purposes set forth in K.S.A. 79-4101 et seq., and
40 amendments thereto, and moneys in the local cereal malt beverage sales
41 tax fund shall not be subject to the provisions of K.S.A. 75-3722, 75-
42 3725a and 75-3726a, and amendments thereto.

43 New Sec. 7. The provisions of sections 1 through 7, and amendments

1 thereto, shall be a part of and supplemental to the Kansas liquor control
2 act.

3 New Sec. 8. (a) On and after July 1, 2015, all retailers' licenses to sell
4 alcoholic liquor issued by the director prior to such date shall be deemed to
5 be retailers' class B licenses.

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

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

11 Sec. 9. K.S.A. 2014 Supp. 41-102 is hereby amended to read as
12 follows: 41-102. As used in this act, unless the context clearly requires
13 otherwise:

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

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

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

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

28 (e) "Cereal malt beverage" has the meaning provided by K.S.A. 41-
29 2701, and amendments thereto.

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

33 (g) *"Class B retailer's license" means a license to sell at retail liquor*
34 *issued pursuant to the Kansas liquor control act to a liquor store or a*
35 *grocery store.*

36 (h) "Club" has the meaning provided by K.S.A. 41-2601, and
37 amendments thereto.

38 (i) *"Convenience store" means a retail business with primary*
39 *emphasis placed on providing the public a convenient location to quickly*
40 *purchase from a wide array of consumable products (predominantly food*
41 *or food and gasoline) and services.*

42 (g)-(j) "Director" means the director of alcoholic beverage control of
43 the department of revenue.

- 1 ~~(h)~~*(k)* "Distributor" means the person importing or causing to be
2 imported into the state, or purchasing or causing to be purchased within
3 the state, alcoholic liquor for sale or resale to retailers licensed under this
4 act or cereal malt beverage for sale or resale to retailers licensed under
5 K.S.A. 41-2702, and amendments thereto.
- 6 ~~(i)~~*(l)* "Domestic beer" means beer which contains not more than 10%
7 alcohol by weight and which is manufactured in this state.
- 8 ~~(j)~~*(m)* "Domestic fortified wine" means wine which contains more
9 than 14%, but not more than 20% alcohol by volume and which is
10 manufactured in this state.
- 11 ~~(k)~~*(n)* "Domestic table wine" means wine which contains not more
12 than 14% alcohol by volume and which is manufactured without
13 rectification or fortification in this state.
- 14 ~~(l)~~*(o)* "Drinking establishment" has the meaning provided by K.S.A.
15 41-2601, and amendments thereto.
- 16 ~~(m)~~*(p)* "Farm winery" means a winery licensed by the director to
17 manufacture, store and sell domestic table wine and domestic fortified
18 wine.
- 19 ~~(n)~~*(q)* *"Grocery store" means an establishment primarily engaged in*
20 *retailing a general line of groceries, including, but not limited to,*
21 *packaged food, fresh and frozen food, prepared foods and other*
22 *consumable products, and includes establishments primarily engaged in*
23 *retailing a general line of groceries in combination with general lines of*
24 *new merchandise.*
- 25 ~~(o)~~*(r)* *"Liquor store" means a store whose primary business is the retail*
26 *sale of alcoholic liquor in the original and unopened container and not for*
27 *consumption on the premises.*
- 28 ~~(p)~~*(s)* "Manufacture" means to distill, rectify, ferment, brew, make,
29 mix, concoct, process, blend, bottle or fill an original package with any
30 alcoholic liquor, beer or cereal malt beverage.
- 31 ~~(q)~~*(t)* (1) "Manufacturer" means every brewer, fermenter, distiller,
32 rectifier, wine maker, blender, processor, bottler or person who fills or
33 refills an original package and others engaged in brewing, fermenting,
34 distilling, rectifying or bottling alcoholic liquor, beer or cereal malt
35 beverage.
- 36 (2) "Manufacturer" does not include a microbrewery, microdistillery
37 or a farm winery.
- 38 ~~(r)~~*(u)* "Microbrewery" means a brewery licensed by the director to
39 manufacture, store and sell domestic beer.
- 40 ~~(s)~~*(v)* "Microdistillery" means a facility which produces spirits from
41 any source or substance that is licensed by the director to manufacture,
42 store and sell spirits.
- 43 ~~(t)~~*(w)* "Minor" means any person under 21 years of age.

- 1 ~~(s)~~-(x) "Nonbeverage user" means any manufacturer of any of the
2 products set forth and described in K.S.A. 41-501, and amendments
3 thereto, when the products contain alcohol or wine, and all laboratories
4 using alcohol for nonbeverage purposes.
- 5 ~~(t)~~-(y) "Original package" means any bottle, flask, jug, can, cask,
6 barrel, keg, hogshead or other receptacle or container whatsoever, used,
7 corked or capped, sealed and labeled by the manufacturer of alcoholic
8 liquor, to contain and to convey any alcoholic liquor. Original container
9 does not include a sleeve.
- 10 ~~(u)~~-(z) "Person" means any natural person, corporation, partnership,
11 trust or association.
- 12 ~~(v)~~-(aa) "Primary American source of supply" means the
13 manufacturer, the owner of alcoholic liquor at the time it becomes a
14 marketable product or the manufacturer's or owner's exclusive agent who,
15 if the alcoholic liquor cannot be secured directly from such manufacturer
16 or owner by American wholesalers, is the source closest to such
17 manufacturer or owner in the channel of commerce from which the
18 product can be secured by American wholesalers.
- 19 ~~(w)~~-(bb) (1) "Retailer" means a person who sells at retail, or offers for
20 sale at retail, alcoholic liquors.
- 21 (2) "Retailer" does not include a microbrewery, microdistillery or a
22 farm winery.
- 23 (cc) *"Retailer's license" means a license to sell at retail alcoholic*
24 *liquor in the original package issued pursuant to the Kansas liquor*
25 *control act, and includes a retailer's class A or class B license.*
- 26 ~~(x)~~-(dd) "Sale" means any transfer, exchange or barter in any manner
27 or by any means whatsoever for a consideration and includes all sales
28 made by any person, whether principal, proprietor, agent, servant or
29 employee.
- 30 ~~(y)~~-(ee) "Salesperson" means any natural person who:
31 (1) Procures or seeks to procure an order, bargain, contract or
32 agreement for the sale of alcoholic liquor or cereal malt beverage; or
33 (2) is engaged in promoting the sale of alcoholic liquor or cereal malt
34 beverage, or in promoting the business of any person, firm or corporation
35 engaged in the manufacturing and selling of alcoholic liquor or cereal malt
36 beverage, whether the seller resides within the state of Kansas and sells to
37 licensed buyers within the state of Kansas, or whether the seller resides
38 without the state of Kansas and sells to licensed buyers within the state of
39 Kansas.
- 40 ~~(z)~~-(ff) "Secretary" means the secretary of revenue.
- 41 ~~(aa)~~-(gg) (1) "Sell at retail" and "sale at retail" refer to and mean sales
42 for use or consumption and not for resale in any form and sales to clubs,
43 licensed drinking establishments, licensed caterers or holders of temporary

1 permits.

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

6 ~~(bb)~~-(hh) "To sell" includes to solicit or receive an order for, to keep
7 or expose for sale and to keep with intent to sell.

8 ~~(ee)~~-(ii) "Sleeve" means a package of two or more 50-milliliter (3.2-
9 fluid-ounce) containers of spirits.

10 ~~(dd)~~-(jj) "Spirits" means any beverage which contains alcohol
11 obtained by distillation, mixed with water or other substance in solution,
12 and includes brandy, rum, whiskey, gin or other spirituous liquors, and
13 such liquors when rectified, blended or otherwise mixed with alcohol or
14 other substances.

15 ~~(ee)~~-(kk) "Supplier" means a manufacturer of alcoholic liquor or
16 cereal malt beverage or an agent of such manufacturer, other than a
17 salesperson.

18 ~~(ff)~~-(ll) "Temporary permit" has the meaning provided by K.S.A. 41-
19 2601, and amendments thereto.

20 ~~(gg)~~-(mm) "Wine" means any alcoholic beverage obtained by the
21 normal alcoholic fermentation of the juice of sound, ripe grapes, fruits,
22 berries or other agricultural products, including such beverages containing
23 added alcohol or spirits or containing sugar added for the purpose of
24 correcting natural deficiencies.

25 Sec. 10. K.S.A. 41-103 is hereby amended to read as follows: 41-103.

26 (a) The legislature hereby declares the public policy of this state to be that:

27 ~~(a)~~ (1) Cereal malt beverage shall be sold at retail separately from sales of
28 alcoholic liquor at retail; ~~(b)~~ (2) cereal malt beverage shall be sold and
29 dispensed at retail in rooms or premises separate and distinct from rooms
30 or premises where alcoholic liquor is sold; and ~~(c)~~ (3) no retailer's license
31 for the sale of alcoholic liquor shall be granted to any applicant making
32 application therefor if the premises sought to be licensed are located
33 outside the corporate limits of any city within this state, except as provided
34 in K.S.A. 41-303, and amendments thereto.

35 (b) *This section shall not apply in counties that have approved the*
36 *proposition pursuant to section 2, and amendments thereto.*

37 New Sec. 11. (a) Notwithstanding the provisions of K.S.A. 41-1101,
38 and amendments thereto, a distributor may establish minimum order
39 requirements for deliveries to a retailer based on invoice dollar amount or
40 product case quantity.

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

43 Sec. 12. K.S.A. 2014 Supp. 41-301 is hereby amended to read as

1 follows: 41-301. (a) ~~Except as provided by subsection (b), the director~~
2 ~~shall issue to qualified applicants, who have filed the bond and paid the~~
3 ~~registration and license fees required by this act, licenses to sell at retail~~
4 ~~alcoholic liquor in the original package on premises within the corporate~~
5 ~~limits of cities and outside the corporate limits of any city.~~

6 (b)—No retailer's license shall be issued for premises within a city if
7 the governing body of such city, on or before February 15, 2006, ~~adopts~~
8 ~~adopted~~ an ordinance prohibiting the licensing of the sale at retail of
9 alcoholic liquor in the original package within such city. ~~Upon adoption of~~
10 ~~such ordinance, the city clerk promptly shall transmit a copy of such~~
11 ~~ordinance to the director and the director shall refuse to issue licenses to~~
12 ~~sell at retail alcoholic liquor in the original package in such city. If the~~
13 ~~governing body adopts such an ordinance, the holder of any valid existing~~
14 ~~retailer's license for premises in such city shall have the right to continue~~
15 ~~to operate under such license for a period of 90 days after the effective~~
16 ~~date of the ordinance or until the expiration of such license, whichever~~
17 ~~period of time is shorter. If such period of time expires before the~~
18 ~~expiration of the term for which the retailer's license was issued, the~~
19 ~~licensee shall be entitled to a refund of the license fee for the unexpired~~
20 ~~portion of the license period which remains, in accordance with rules and~~
21 ~~regulations adopted by the secretary.~~

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

30 Sec. 13. K.S.A. 2014 Supp. 41-303 is hereby amended to read as
31 follows: 41-303. (a) The director may issue to qualified applicants licenses
32 to sell at retail alcoholic liquor in the original package on premises not
33 located in an incorporated city for use or consumption off the premises. No
34 such license shall be issued to any applicant unless the applicant possesses
35 all the qualifications required of other applicants for retailers' licenses
36 except the qualification of residency within a city.

37 ~~No such retailer's license shall be issued to any applicant under this~~
38 ~~section for premises not located in an incorporated city unless the board of~~
39 ~~county commissioners of the county in which the premises for which~~
40 ~~licensure is sought are located adopts a resolution approving the issuance~~
41 ~~of such license. A certified copy of such resolution shall accompany the~~
42 ~~application for a such license authorized by this section.~~

43 (b) ~~If a license has been issued under the provisions of this section in~~

1 the unincorporated area of a county and thereafter the premises so licensed
 2 are annexed to a city wherein retail liquor licenses may be issued, such
 3 license shall continue to be valid and may be renewed at the appropriate
 4 time even though the licensee does not reside in the city to which the area
 5 is annexed if the licensee otherwise is qualified and resides in the township
 6 in which the premises were located prior to annexation or in the city to
 7 which the premises have been annexed.

8 ~~(e)~~—Any retail *retailer's* license issued prior to the effective date of
 9 this act for premises not located in an incorporated city shall continue to be
 10 valid and such premises shall continue to be eligible for licensure if the
 11 board of county commissioners of the county in which the premises are
 12 located has adopted a resolution approving the issuance of such license. A
 13 certified copy of such resolution shall accompany the application for a
 14 *such* license authorized by this subsection.

15 Sec. 14. K.S.A. 2014 Supp. 41-304 is hereby amended to read as
 16 follows: 41-304. Licenses issued by the director shall be of the following
 17 classes: (a) Manufacturer's license; (b) spirits distributor's license; (c) wine
 18 distributor's license; (d) beer distributor's license; (e) retailer's *class A*
 19 license; (f) *retailer's class B license*; (g) microbrewery license; ~~(g)~~ (h)
 20 microdistillery license; ~~(h)~~ (i) farm winery license; and ~~(i)~~ (j) nonbeverage
 21 user's license.

22 Sec. 15. K.S.A. 2014 Supp. 41-308 is hereby amended to read as
 23 follows: 41-308. (a) *On or before June 30, 2018*:

24 (1) Except as provided in K.S.A. 2014 Supp. 41-308d, and
 25 amendments thereto, a retailer's *class B* license shall allow the licensee to
 26 sell and offer for sale at retail and deliver in the original package, as
 27 therein prescribed, alcoholic liquor for use or consumption off and away
 28 from the premises specified in such license. A retailer's *class B* license
 29 shall permit sale and delivery of alcoholic liquor only on the licensed
 30 premises and shall not permit sale of alcoholic liquor for resale in any
 31 form, except that a licensed retailer may:

32 ~~(1)~~(A) Sell alcoholic liquor to a temporary permit holder for resale by
 33 such permit holder; and

34 ~~(2)~~(B) sell and deliver alcoholic liquor to a caterer or to the licensed
 35 premises of a public venue, club or drinking establishment, if such
 36 premises are in the county where the retailer's premises are located or in an
 37 adjacent county, for resale by such public venue, club, establishment or
 38 caterer.

39 ~~(b)~~(2) The holder of a retailer's *class B* license shall not sell, offer for
 40 sale, give away or permit to be sold, offered for sale or given away in or
 41 from the premises specified in such license any service or thing of value
 42 whatsoever except alcoholic liquor in the original package, except that a
 43 licensed retailer may:

1 ~~(1)-(A)~~ Charge a delivery fee for delivery to a public venue, club,
2 drinking establishment or caterer pursuant to subsection (a)(1);

3 ~~(2)-(B)~~ sell lottery tickets and shares to the public in accordance with
4 the Kansas lottery act, if the ~~retailer licensee~~ is selected as a lottery
5 retailer;

6 ~~(3)-(C)~~ include in the sale of alcoholic liquor any goods included by
7 the manufacturer in packaging with the alcoholic liquor, subject to the
8 approval of the director; ~~and~~

9 ~~(4)-(D)~~ distribute to the public, without charge, consumer advertising
10 specialties bearing advertising matter, subject to rules and regulations of
11 the secretary limiting the form and distribution of such specialties so that
12 they are not conditioned on or an inducement to the purchase of alcoholic
13 liquor; *and*

14 (E) *store alcoholic liquor in refrigerators, cold storage units, ice*
15 *boxes or other cooling devices, and the licensee may sell such alcoholic*
16 *liquor to consumers in a chilled condition.*

17 ~~(e)-(3)~~ No licensed retailer shall furnish any entertainment in such
18 premises or permit any pinball machine or game of skill or chance to be
19 located in or on such premises.

20 ~~(d) A retailer's license shall allow the licensee to store alcoholic~~
21 ~~liquor in refrigerators, cold storage units, ice boxes or other cooling~~
22 ~~devices, and the licensee may sell such alcoholic liquor to consumers in a~~
23 ~~chilled condition.~~

24 (b) *On and after July 1, 2018:*

25 (1) *A retailer's class B license shall allow the licensee to sell and*
26 *offer for sale at retail and deliver in the original package, as therein*
27 *prescribed, alcoholic liquor for use or consumption off and away from the*
28 *premises specified in such license.*

29 (2) *A retailer's class B license shall permit sale and delivery of*
30 *alcoholic liquor only on the licensed premises and shall not permit sale of*
31 *alcoholic liquor for resale in any form, except that a liquor store may:*

32 (A) *Sell alcoholic liquor to a temporary permit holder for resale by*
33 *such permit holder; and*

34 (B) *sell and deliver alcoholic liquor to a caterer or to the licensed*
35 *premises of a public venue, club or drinking establishment, if such*
36 *premises are in the county where the retailer's premises are located or in*
37 *an adjacent county, for resale by such public venue, club, establishment or*
38 *caterer. If there is no liquor store within a county that makes or intends to*
39 *make sales for resale as described in this paragraph or if the transfer of a*
40 *license as provided in this act has eliminated a liquor store that made*
41 *sales for resale as described in this paragraph and there is no other liquor*
42 *store in the county that makes or intends to make such sales for resale, the*
43 *director may authorize a grocery store that, pursuant to the county option*

1 *retailers law, is a holder of a class B license to make sales for resale as*
2 *described in this paragraph.*

3 *(3) The holder of a retailer's class B license may:*

4 *(A) If the holder of the retailer's class B license is a liquor store,*
5 *charge a delivery fee for delivery to a public venue, club, drinking*
6 *establishment or caterer pursuant to subsection (b)(2);*

7 *(B) sell lottery tickets and shares to the public in accordance with the*
8 *Kansas lottery act, if the licensee is selected as a lottery retailer;*

9 *(C) include in the sale of alcoholic liquor any goods included by the*
10 *manufacturer in packaging with the alcoholic liquor, subject to the*
11 *approval of the director;*

12 *(D) distribute to the public, without charge, consumer advertising*
13 *specialties bearing advertising matter, subject to rules and regulations of*
14 *the secretary limiting the form and distribution of such specialties so that*
15 *they are not conditioned on or an inducement to the purchase of alcoholic*
16 *liquor;*

17 *(E) store alcoholic liquor in refrigerators, cold storage units, ice*
18 *boxes or other cooling devices, and the licensee may sell such alcoholic*
19 *liquor to consumers in a chilled condition; and*

20 *(F) sell any other good or service on the licensed premises, except*
21 *that a liquor store located in a county where the county option retailers*
22 *law is in effect, may sell any other good or service on and after two and*
23 *one-half years after the date when the electors of such county approved*
24 *the proposition submitted pursuant to section 2, and amendments thereto.*

25 *(c) On and after July 1, 2018, the provisions of subsection (a) shall*
26 *have no force and effect.*

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

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

40 *Sec. 16. K.S.A. 2014 Supp. 41-308d is hereby amended to read as*
41 *follows: 41-308d. (a) Notwithstanding any other provisions of the Kansas*
42 *liquor control act to the contrary, ~~any person or entity who is licensed to~~*
43 *sell alcoholic liquor in the original package at retail a liquor store issued a*

1 *retailer's class B license* may conduct wine, beer and distilled spirit
2 tastings on the licensed premises, or adjacent premises, monitored and
3 regulated by the division of alcoholic beverage control, as follows:

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

9 (2) The holder of a supplier's permit or Kansas farm winery license or
10 such permit holder's or licensee's agent or employee may participate in and
11 conduct product tastings of alcoholic beverages at a ~~retail~~ *liquor store*
12 licensee's premises, or adjacent premises, monitored and regulated by the
13 division of alcoholic beverage control, and may open, touch, or pour
14 alcoholic beverages, make a presentation, or answer questions at the
15 tasting. Any alcoholic beverage tasted under this subsection must be
16 purchased from the ~~retailer~~ *licensee* on whose premises the tasting is held.
17 The ~~retailer~~ *licensee* may not require the purchase of more alcoholic
18 beverages than are necessary for the tasting. This section does not
19 authorize the supplier, farm winery licensee or the supplier's or licensee's
20 agent to withdraw or purchase an alcoholic beverage from the holder of a
21 distributor's permit or provide an alcoholic beverage for tasting on a
22 ~~retailer's~~ *licensee's* premises that is not purchased from the ~~retailer~~
23 *licensee*.

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

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

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

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

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

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

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

42 Sec. 17. K.S.A. 2014 Supp. 41-310 is hereby amended to read as
43 follows: 41-310. (a) At the time application is made to the director for a

1 license of any class, the applicant shall pay the fee provided by this
2 section.

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

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

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

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

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

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

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

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

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

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

18 (d) The fee for a manufacturer's license to manufacture wine shall be
19 \$1,000.

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

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

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

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

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

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

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

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

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

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

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

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

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

43 (j) In addition to the license fees prescribed by subsections (b), (c),

1 (d), (f), (g), (h) and (i):

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

7 (2) any township in which the licensed premises are located may levy
8 and collect a biennial occupation or license tax on the licensee in an
9 amount not exceeding the amount of the license fee required to be paid
10 under this act to obtain the license, but no township shall impose an
11 occupation or privilege tax on the licensee in excess of that amount; the
12 township board of the township is authorized to fix and impose the tax and
13 the tax shall be paid by the licensee to the township treasurer, who shall
14 issue a receipt therefor to the licensee and shall cause the tax paid to be
15 placed in the general fund of the township.

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

17 (2) *The fee for a retailer's class B license issued for a premises*
18 *engaged in business as a grocery store shall be \$1,500.*

19 (3) *The fee for a retailer's class B license issued for a premises*
20 *engaged in business as a liquor store shall be \$500.*

21 (l) In addition to the license fee prescribed by subsection (k):

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

27 (2) any township in which the licensed premises are located may levy
28 and collect a biennial occupation or license tax on the licensee in an
29 amount not less than \$200 nor more than \$600; the township board of the
30 township is authorized to fix and impose the tax and the tax shall be paid
31 by the licensee to the township treasurer, who shall issue a receipt therefor
32 to the licensee and shall cause the tax paid to be placed in the general fund
33 of the township.

34 (m) The license term for a license shall commence on the date the
35 license is issued by the director and shall end two years after that date. The
36 director may, at the director's sole discretion and after examination of the
37 circumstances, extend the license term of any license for not more than 30
38 days beyond the date such license would expire pursuant to this section.
39 Any extension of the license term by the director pursuant to this section
40 shall automatically extend the due date for payment by the licensee of any
41 occupation or license tax levied by a city or township pursuant to this
42 section by the same number of days the director has extended the license
43 term.

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

4 (1) Who is not a citizen of the United States;

5 (2) who has been convicted of a felony under the laws of this state,
6 any other state or the United States;

7 (3) who has had a license revoked for cause under the provisions of
8 the liquor control act, the beer and cereal malt beverage keg registration
9 act or who has had any license issued under the cereal malt beverage laws
10 of any state revoked for cause except that a license may be issued to a
11 person whose license was revoked for the conviction of a misdemeanor at
12 any time after the lapse of 10 years following the date of the revocation;

13 (4) who has been convicted of being the keeper or is keeping any
14 property, whether real or personal, where sexual relations are being sold or
15 offered for sale by a person who is 18 years of age or older or has forfeited
16 bond to appear in court to answer charges of being a keeper of any
17 property, whether real or personal, where sexual relations are being sold or
18 offered for sale by a person who is 18 years of age or older;

19 (5) who has been convicted of being a proprietor of a gambling
20 house, pandering or any other crime opposed to decency and morality or
21 has forfeited bond to appear in court to answer charges for any of those
22 crimes;

23 (6) who is not at least 21 years of age;

24 (7) who, other than as a member of the governing body of a city or
25 county, appoints or supervises any law enforcement officer, who is a law
26 enforcement official or who is an employee of the director;

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

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

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

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

41 (12) whose spouse would be ineligible to receive a license under this
42 act for any reason other than citizenship, residence requirements or age,
43 except that this subsection (a)(12) shall not apply in determining eligibility

1 for a renewal license;

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

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

8 (b) (1) No retailer's license shall be issued to:

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

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

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

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

20 ~~(5) a copartnership, unless all of the copartners are qualified to obtain~~
21 ~~a license;~~

22 ~~(6) a corporation; or~~

23 ~~(7) (E) a trust, if any grantor, beneficiary or trustee would be~~
24 ~~ineligible to receive a license under this act for any reason, except that the~~
25 ~~provisions of subsection (a)(6) shall not apply in determining whether a~~
26 ~~beneficiary would be eligible for a license.~~

27 (2) *On and after July 1, 2018:*

28 (A) *No retailer's license shall be issued to:*

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

34 (ii) *a corporation, if any officer, manager or director thereof, or any*
35 *natural person owning in the aggregate more than 5% of the common or*
36 *preferred stock of such corporation, has been an officer, manager or*
37 *director, or a natural person owning in the aggregate more than 5% of the*
38 *common or preferred stock, of a corporation which:*

39 (a) *Has had a license revoked under the provisions of the Kansas*
40 *liquor control act; or*

41 (b) *has been convicted of a violation of the Kansas liquor control act.*

42 (B) *No retailer's class A license shall be issued to a person who is not*
43 *engaged in business as a convenience store or grocery store, except that a*

1 license may be issued to such person if upon issuance of the license such
 2 person engages in business as a convenience store or grocery store.

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

7 (c) No retailer's class B license shall be issued to any person who
 8 does not in good faith actually carry on or intend to carry on a bona fide
 9 business for the retail sale of alcoholic beverages, and the secretary may
 10 revoke any class B license when the licensee fails for a period of 180 days
 11 to actively and in good faith engage in the retail business and shall revoke
 12 any class B license held by any person who fails to comply with this
 13 section. Upon a showing of good cause, the secretary may extend the
 14 inactive period an additional 180 days. Upon revocation, any such license
 15 shall become available for sale by public auction to persons eligible to
 16 hold a class B license in the county of origin. The license shall be sold at
 17 public auction by the secretary and the proceeds of the sale shall first be
 18 applied to the payment of any enforcement taxes due, and the remainder
 19 shall be deposited in the state general fund. The transfer fee shall be due
 20 in addition thereto as provided in section 3, and amendments thereto.

21 ~~(d)~~ No manufacturer's license shall be issued to:

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

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

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

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

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

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

40 ~~(d)~~(e) No distributor's license shall be issued to:

41 (1) A corporation, if any officer, director or stockholder of the
 42 corporation would be ineligible to receive a distributor's license for any
 43 reason. It shall be unlawful for any stockholder of a corporation licensed

1 as a distributor to transfer any stock in the corporation to any person who
2 would be ineligible to receive a distributor's license for any reason, and
3 any such transfer shall be null and void, except that: (A) If any stockholder
4 owning stock in the corporation dies and an heir or devisee to whom stock
5 of the corporation descends by descent and distribution or by will is
6 ineligible to receive a distributor's license, the legal representatives of the
7 deceased stockholder's estate and the ineligible heir or devisee shall have
8 14 months from the date of the death of the stockholder within which to
9 sell the stock to a person eligible to receive a distributor's license, any such
10 sale by a legal representative to be made in accordance with the provisions
11 of the probate code; or (B) if the stock in any such corporation is the
12 subject of any trust and any trustee or beneficiary of the trust who is 21
13 years of age or older is ineligible to receive a distributor's license, the
14 trustee, within 14 months after the effective date of the trust, shall sell the
15 stock to a person eligible to receive a distributor's license and hold and
16 disburse the proceeds in accordance with the terms of the trust. If any legal
17 representatives, heirs, devisees or trustees fail, refuse or neglect to sell any
18 stock as required by this subsection, the stock shall revert to and become
19 the property of the corporation, and the corporation shall pay to the legal
20 representatives, heirs, devisees or trustees the book value of the stock.
21 During the period of 14 months prescribed by this subsection, the
22 corporation shall not be denied a distributor's license or have its
23 distributor's license revoked if the corporation meets all of the other
24 requirements necessary to have a distributor's license;

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

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

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

33 ~~(e)~~(f) No nonbeverage user's license shall be issued to a corporation,
34 if any officer, manager or director of the corporation or any stockholder
35 owning in the aggregate more than 25% of the stock of the corporation
36 would be ineligible to receive a nonbeverage user's license for any reason
37 other than citizenship and residence requirements.

38 ~~(f)~~(g) No microbrewery license, microdistillery license or farm
39 winery license shall be issued to a:

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

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

43 (3) person who has a beneficial interest in a manufacturer or

1 distributor licensed under this act, except as provided in K.S.A. 41-305,
2 and amendments thereto;

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

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

11 (6) corporation, unless stockholders owning in the aggregate 50% or
12 more of the stock of the corporation would be eligible to receive such
13 license and all other stockholders would be eligible to receive such license
14 except for reason of citizenship or residency; or

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

19 ~~(g)~~^(h) The provisions of subsections (b)(1)(A), (b)~~(2)~~ ^{(1)(B)}, ~~(e)~~ ^(d)
20 (3), ~~(e)~~ ^(d)(4), ~~(d)~~ ^(e)(3), ~~(f)~~ ^(g)(1), ~~(f)~~ ^(g)(2) and K.S.A. 2014 Supp. 41-
21 311b, and amendments thereto, shall not apply in determining eligibility
22 for the 10th, or a subsequent, consecutive renewal of a license if the
23 applicant has appointed a citizen of the United States who is a resident of
24 Kansas as the applicant's agent and filed with the director a duly
25 authenticated copy of a duly executed power of attorney, authorizing the
26 agent to accept service of process from the director and the courts of this
27 state and to exercise full authority, control and responsibility for the
28 conduct of all business and transactions within the state relative to
29 alcoholic liquor and the business licensed. The agent must be satisfactory
30 to and approved by the director, except that the director shall not approve
31 as an agent any person who:

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

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

39 (3) has been convicted of being the keeper or is keeping any property,
40 whether real or personal, where sexual relations are being sold or offered
41 for sale by a person who is 18 years of age or older or has forfeited bond to
42 appear in court to answer charges of being a keeper of any property,
43 whether real or personal, where sexual relations are being sold or offered

1 for sale by a person who is 18 years of age or older;

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

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

7 Sec. 19. K.S.A. 2014 Supp. 41-313 is hereby amended to read as
8 follows: 41-313. (a) No corporation, either organized under the laws of
9 this state, any other state or a foreign country, shall be issued a *retailer's*,
10 manufacturer's, distributor's, microbrewery, microdistillery or farm winery
11 license unless the corporation has ~~first procured a certificate of authority~~
12 ~~from~~ filed a *formation document* with the secretary of state to do business
13 in this state as provided by law, appointed a citizen of the United States,
14 and resident of Kansas, as its *resident* agent and filed with the director a
15 duly authenticated copy of a duly executed power of attorney, authorizing
16 the agent to accept service of process from the director and the courts of
17 this state and to exercise full authority of the corporation and full authority,
18 control and responsibility for the conduct of all business and transactions
19 of the corporation within the state relative to alcoholic liquor and the
20 business licensed. The agent must be satisfactory to and approved by the
21 director with respect to the agent's character. The agent shall at all times be
22 maintained by the corporation.

23 In addition, any corporation organized under the laws of any other state
24 or foreign country, as a condition precedent to the issuance to it of any
25 license, shall file with the secretary of state of the state of Kansas, a duly
26 authorized and executed power of attorney, authorizing the secretary of
27 state to accept service of process from the director and the courts of this
28 state and to accept service of any notice or order provided for in this act,
29 and all such acts by the secretary of state shall be fully binding upon the
30 corporation.

31 (b) Every nonresident applicant on applying for a license or permit
32 under this act, and as a condition precedent to obtaining such license or
33 permit, shall file with the secretary of state of this state its written consent,
34 irrevocable, that any action or garnishment proceeding may be
35 commenced against such applicant in the proper court of any county in this
36 state in which the cause of action shall arise or in which the plaintiff may
37 reside by the service of process on the resident agent specified in
38 subsection (a), and stipulating and agreeing that such service shall be taken
39 and held in all courts to be as valid and binding as if due service had been
40 made upon the applicant. The written consent shall state that the courts of
41 this state have jurisdiction over the person of such applicant and are the
42 proper and convenient forum for such action and shall waive the right to
43 request a change of jurisdiction or venue to a court outside this state and

1 that all actions arising under this act and commenced by the applicant shall
2 be brought in this state's courts as the proper and convenient forum. Such
3 consent shall be executed by the applicant and if a corporation, by the
4 president and secretary of the corporate applicant, and shall be
5 accompanied by a duly certified copy of the order or resolution of the
6 board of directors, trustees or managers authorizing the president and
7 secretary to execute the same.

8 Sec. 20. K.S.A. 2014 Supp. 41-326 is hereby amended to read as
9 follows: 41-326. A license shall be purely a personal privilege, *and shall*
10 *not constitute property. A license shall be valid for not to exceed two years*
11 *after issuance, ~~except as otherwise provided by law,~~ unless sooner*
12 *suspended or revoked, ~~and shall not constitute property, nor shall it. A~~*
13 *license shall not* be subject to attachment, garnishment or execution, ~~nor~~
14 ~~shall it. A license shall not~~ be alienable or transferable, voluntarily or
15 involuntarily, ~~or except as provided by law. A license shall not be~~ subject to
16 being encumbered or hypothecated. A license shall not descend by the
17 laws of testate or intestate devolution but shall cease and expire upon the
18 death of the licensee except that executors, administrators or
19 representatives of the estate of any deceased licensee and the trustee of any
20 insolvent or bankrupt licensee, when such estate consists in part of
21 alcoholic liquor, may continue the business of the sale, distribution or
22 manufacture of alcoholic liquor under order of the appropriate court and
23 may exercise the privilege of the deceased, insolvent or bankrupt licensee
24 after the death of such decedent, or after such insolvency or bankruptcy,
25 until the expiration of such license but not longer than one year after the
26 death, bankruptcy or insolvency of such licensee.

27 When the licensee pays the full amount of the license fee upon
28 application and is prevented from operating under such license in
29 accordance with the provisions of this act for the entire second year of the
30 license term, a refund shall be made of one-half of the license fee paid by
31 such licensee. The secretary of revenue may adopt rules and regulations
32 pursuant to K.S.A. 41-210, and amendments thereto, which provide for the
33 authorization of refunds of one-half of the license fee paid when the
34 licensee does not use such license for the entire second year of the license
35 term as a result of the cancellation of the license upon the request of the
36 licensee for voluntary reasons.

37 Sec. 21. K.S.A. 41-711 is hereby amended to read as follows: 41-711.
38 (a) No alcoholic liquor shall be sold at retail upon any premises which
39 have an inside entrance or opening which connects with any other place of
40 business.

41 (b) *This section shall not apply to counties that have approved the*
42 *proposition submitted pursuant to section 2, and amendments thereto.*

43 Sec. 22. K.S.A. 2014 Supp. 41-713 is hereby amended to read as

1 follows: 41-713. (a) It shall be unlawful for a retailer of alcoholic liquor:

2 (1) To permit any person to mix drinks in or on the licensed premises,
3 except as provided in subsection (b);

4 ~~(2) to employ any person under the age of 21 years in connection~~
5 ~~with the operation of such retail establishment~~ *authorize or allow any*
6 *person under the age of 18 years to sell at retail any alcoholic liquor at*
7 *the point of sale;*~~or~~

8 ~~(3) to employ any person in connection with the operation of such~~
9 ~~retail establishment~~ *authorize or allow any person who has been adjudged*
10 *guilty of a felony to sell at retail any alcoholic liquor at the point of sale;*

11 (4) *to permit any employee of a person licensed as a class B retailer*
12 *which employee is under the age of 21 years to sell, stock or handle*
13 *alcoholic liquor; or*

14 (5) *to permit any employee of a person licensed as a class A retailer*
15 *which employee is under the age of 21 years to work on the premises*
16 *where alcoholic liquor is sold by such licensee at any time when not under*
17 *the on-premises supervision of either the licensee or an employee of the*
18 *licensee which employee is 21 years of age or older.*

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

23 Sec. 23. K.S.A. 2014 Supp. 79-4108 is hereby amended to read as
24 follows: 79-4108. All revenue collected or received by the director of
25 taxation from taxes imposed by K.S.A. 79-4101 to 79-4105, and
26 amendments thereto, shall be remitted to the state treasurer in accordance
27 with the provisions of K.S.A. 75-4215, and amendments thereto. *Except as*
28 *otherwise provided in section 6, and amendments thereto,* upon receipt of
29 each such remittance, the state treasurer shall deposit the entire amount in
30 the state treasury to the credit of the state general fund. The state treasurer
31 shall transfer any moneys remaining in the county and city alcoholic liquor
32 control enforcement fund on the effective date of this act to the state
33 general fund.

34 Sec. 24. K.S.A. 41-103 and 41-711 and K.S.A. 2014 Supp. 41-102,
35 41-301, 41-303, 41-304, 41-308, 41-308d, 41-310, 41-311, 41-313, 41-
36 326, 41-713 and 79-4108 are hereby repealed.

37 Sec. 25. This act shall take effect and be in force from and after its
38 publication in the statute book.