

As Amended by House Committee

Session of 2015

HOUSE BILL No. 2200

By Committee on Federal and State Affairs

2-2

1 AN ACT concerning alcoholic beverages; relating to retailer's licenses;
2 amending K.S.A. 2014 Supp. 41-102, 41-301, 41-303, 41-304, 41-308,
3 41-308d, 41-310, 41-311, 41-313, 41-326, 41-713 and 79-4108 and
4 repealing the existing sections; also repealing K.S.A. 41-103 and 41-
5 711.

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

8 New Section 1. (a) On and after July 1, 2015, all retailer's licenses to
9 sell alcoholic liquor issued by the director prior to such date shall be
10 deemed to be retailer's class B licenses.

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

14 (c) On and after July 1, 2015, the total number of retailer's class B
15 licenses issued by the director to sell alcoholic liquor shall not exceed the
16 number of valid retailer's licenses issued as of June 30, 2015. The director
17 may only issue a retailer's class B license to sell alcoholic liquor to a
18 qualified applicant if the issuance of such license would not cause the total
19 number of such valid licenses issued to exceed the number of valid
20 retailer's licenses issued as of June 30, 2015.

21 ~~New Sec. 2. (a) On and after July 1, 2018, any licensee holding a~~
22 ~~valid retailer's class B license may transfer such license to any person~~
23 ~~qualified to hold such license under the Kansas liquor control act. The~~
24 ~~transferee's proposed premises to be licensed shall be located in the same~~
25 ~~county as the licensed premises of the transferor~~ **On and after July 1,**
26 **2018, and until June 30, 2021, any person qualified to hold a retailer's**
27 **class B license under the Kansas liquor control act may purchase a**
28 **valid retailer's class B license from one of the three existing liquor**
29 **stores in closest proximity to the premises of the person purchasing**
30 **such license. On and after July 1, 2021, a person qualified to hold a**
31 **retailer's class B license under the Kansas liquor control act may**
32 **purchase a valid retailer's class B license from an existing liquor store**
33 **located in the same county as the premises of the person purchasing**
34 **such license.**

35 (b) Any transfer of a license pursuant to this section shall be
36 approved by the director. The director may require the transferor, the

1 transferee, or both, to submit such information as the director deems
2 necessary in order to determine that the license transfer satisfies the
3 requirements of the Kansas liquor control act. Such information shall be
4 submitted in the manner and on such forms as prescribed by the director,
5 and may include, but shall not be limited to, such information concerning
6 the transferee that shows such transferee is qualified to hold a retailer's
7 license and a copy of the agreement to transfer the license. **The**
8 **transaction between the transferor and transferee providing for the**
9 **transfer of a license shall provide for the sale of the transferor's**
10 **inventory of alcoholic liquor to the transferee. Such sale shall be at the**
11 **wholesale price of the alcoholic liquor.**

12 (c) On the effective date of the transfer of a license in accordance
13 with this section, the director shall issue a retailer's class B license to the
14 transferee. Such license shall be issued for the premises of the transferee as
15 stated in the transfer agreement. The term of such license shall be for the
16 remainder of the term of the license held by the transferor immediately
17 prior to the effective date of the transfer. The director shall not require the
18 payment of any new or additional retailer's license fee by the transferee.
19 The transferee shall pay a nonrefundable transfer fee in the amount of
20 ~~\$500~~ **\$10,000**, which fee shall be submitted to the director at the same time
21 the request for approval of the transfer is submitted to the director.

22 New Sec. 3. (a) On and after July 1, 2018, the director may issue to
23 qualified applicants a retailer's class A license. A retailer's class A license
24 shall allow the licensee to sell and offer for sale at retail and deliver in the
25 original package, as therein prescribed, beer for use or consumption off of
26 and away from the premises specified in such license.

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

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

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

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

36 (3) distribute to the public, without charge, consumer advertising
37 specialties bearing advertising matter, subject to rules and regulations of
38 the secretary limiting the form and distribution of such specialties so that
39 they are not conditioned on or an inducement to the purchase of beer;

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

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

1 (d) A retailer's class A license shall be subject to the provisions of
2 K.S.A. 41-1101, and amendments thereto, prohibiting a retailer from
3 purchasing alcoholic liquor from a distributor who has not filed with the
4 director a sworn statement agreeing to sell to all retailers in the
5 distributor's franchised territory at the same unit price and prohibiting a
6 distributor from selling alcoholic liquor to a retailer at a discount for
7 multiple case lots. A retailer's class A license also shall be subject to the
8 provisions of K.S.A. 41-729, and amendments thereto, prohibiting the sale
9 of alcoholic liquor at less than the acquisition cost thereof.

10 New Sec. 4. The director may propose rules and regulations
11 necessary to implement and administer the provisions of sections 1
12 through 3, and amendments thereto, and submit such rules and regulations
13 to the secretary in accordance with K.S.A. 41-210, and amendments
14 thereto. Such rules and regulations **shall be adopted by the secretary on**
15 **or before July 1, 2016, and** may include, but are not limited to:

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

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

23 New Sec. 5. The provisions of sections 1 through 5, and amendments
24 thereto, shall be a part of and supplemental to the Kansas liquor control
25 act.

26 New Sec. 6. (a) On and after July 1, 2018, 3% of the revenue remitted
27 to the state treasurer pursuant to K.S.A. 79-4108, and amendments thereto,
28 during the prior calendar year quarter that is deposited in the state treasury
29 shall be credited to the local cereal malt beverage sales tax fund, which is
30 hereby created in the state treasury. Moneys credited to the local cereal
31 malt beverage sales tax fund shall be distributed quarterly as part of the
32 January, April, July and October sales tax distribution to each city and
33 county which levied a local retailers' sales tax. The amount to be
34 distributed to each city and county shall be determined by the department
35 of revenue based on a weighted population average. The weighted
36 population average shall be computed by multiplying the total tax rate in
37 effect for the city or county by the population of such city or county. The
38 weighted population average for each city and county shall then be divided
39 by the total Kansas population. The resulting quotient is the percentage of
40 distribution for such city or county. The population data shall be updated
41 annually with the issuance of the certified population data through the
42 division of the budget.

43 (b) The local cereal malt beverage sales tax fund shall be used for the

1 purposes set forth in K.S.A. 79-4101 et seq., and amendments thereto, and
2 for no other governmental purposes. It is the intent of the legislature that
3 the local cereal malt beverage sales tax fund shall remain intact and
4 inviolate for the purposes set forth in K.S.A. 79-4101 et seq., and
5 amendments thereto, and moneys in the local cereal malt beverage sales
6 tax fund shall not be subject to the provisions of K.S.A. 75-3722, 75-
7 3725a and 75-3726a, and amendments thereto.

8 Sec. 7. K.S.A. 2014 Supp. 41-102 is hereby amended to read as
9 follows: 41-102. As used in this act, unless the context clearly requires
10 otherwise:

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

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

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

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

25 (e) "Cereal malt beverage" has the meaning provided by K.S.A. 41-
26 2701, and amendments thereto.

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

29 (g) *"Convenience store" means a retail business with primary*
30 *emphasis placed on providing the public a convenient location to quickly*
31 *purchase from a wide array of consumable products (predominantly food*
32 *or food and gasoline) and services; ~~and includes stores classified under~~*
33 *~~the North American industry classification system as NAICS 44512,-~~*
34 *~~445120 or 447110 on the effective date of this act.~~*

35 (g) (h) "Director" means the director of alcoholic beverage control of
36 the department of revenue.

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

42 (i) (j) "Domestic beer" means beer which contains not more than 10%
43 alcohol by weight and which is manufactured in this state.

1 (+) (k) "Domestic fortified wine" means wine which contains more
2 than 14%, but not more than 20% alcohol by volume and which is
3 manufactured in this state.

4 (~~+~~) (l) "Domestic table wine" means wine which contains not more
5 than 14% alcohol by volume and which is manufactured without
6 rectification or fortification in this state.

7 (+) (m) "Drinking establishment" has the meaning provided by K.S.A.
8 41-2601, and amendments thereto.

9 (~~+~~) (n) "Farm winery" means a winery licensed by the director to
10 manufacture, store and sell domestic table wine and domestic fortified
11 wine.

12 (o) "Grocery store" means an establishment primarily engaged in
13 retailing a general line of groceries, including, but not limited to,
14 packaged food, fresh and frozen food, prepared foods and other
15 consumable products, and includes establishments primarily engaged in
16 retailing a general line of groceries in combination with general lines of
17 new merchandise, ~~including, but not limited to, establishments classified~~
18 ~~under the North American industry classification system as NAICS 445110~~
19 ~~or 452910 on the effective date of this act.~~

20 (p) "Liquor store" means a store whose primary business is the retail
21 sale of alcoholic liquor in the original and unopened container and not for
22 consumption on the premises, ~~and includes stores classified under the~~
23 ~~North American industry classification system as NAICS 445310 on the~~
24 ~~effective date of this act.~~

25 (~~+~~) (q) "Manufacture" means to distill, rectify, ferment, brew, make,
26 mix, concoct, process, blend, bottle or fill an original package with any
27 alcoholic liquor, beer or cereal malt beverage.

28 (+) (r) (1) "Manufacturer" means every brewer, fermenter, distiller,
29 rectifier, wine maker, blender, processor, bottler or person who fills or
30 refills an original package and others engaged in brewing, fermenting,
31 distilling, rectifying or bottling alcoholic liquor, beer or cereal malt
32 beverage.

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

35 (~~+~~) (s) "Microbrewery" means a brewery licensed by the director to
36 manufacture, store and sell domestic beer.

37 (~~+~~) (t) "Microdistillery" means a facility which produces spirits from
38 any source or substance that is licensed by the director to manufacture,
39 store and sell spirits.

40 (+) (u) "Minor" means any person under 21 years of age.

41 (~~+~~) (v) "Nonbeverage user" means any manufacturer of any of the
42 products set forth and described in K.S.A. 41-501, and amendments
43 thereto, when the products contain alcohol or wine, and all laboratories

1 using alcohol for nonbeverage purposes.

2 ~~(t)~~ ~~(w)~~ "Original package" means any bottle, flask, jug, can, cask,
3 barrel, keg, hogshead or other receptacle or container whatsoever, used,
4 corked or capped, sealed and labeled by the manufacturer of alcoholic
5 liquor, to contain and to convey any alcoholic liquor. Original container
6 does not include a sleeve.

7 ~~(u)~~ ~~(x)~~ "Person" means any natural person, corporation, partnership,
8 trust or association.

9 ~~(v)~~ ~~(y)~~ "Primary American source of supply" means the manufacturer,
10 the owner of alcoholic liquor at the time it becomes a marketable product
11 or the manufacturer's or owner's exclusive agent who, if the alcoholic
12 liquor cannot be secured directly from such manufacturer or owner by
13 American wholesalers, is the source closest to such manufacturer or owner
14 in the channel of commerce from which the product can be secured by
15 American wholesalers.

16 ~~(w)~~ ~~(z)~~ (1) "Retailer" means a person who sells at retail, or offers for
17 sale at retail, alcoholic liquors.

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

20 *(aa) "Retailer's license" means a license to sell at retail alcoholic*
21 *liquor in the original package issued pursuant to the Kansas liquor*
22 *control act, and includes a retailer's class A or class B license.*

23 ~~(x)~~ ~~(bb)~~ "Sale" means any transfer, exchange or barter in any manner
24 or by any means whatsoever for a consideration and includes all sales
25 made by any person, whether principal, proprietor, agent, servant or
26 employee.

27 ~~(y)~~ ~~(cc)~~ "Salesperson" means any natural person who:

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

30 (2) is engaged in promoting the sale of alcoholic liquor or cereal malt
31 beverage, or in promoting the business of any person, firm or corporation
32 engaged in the manufacturing and selling of alcoholic liquor or cereal malt
33 beverage, whether the seller resides within the state of Kansas and sells to
34 licensed buyers within the state of Kansas, or whether the seller resides
35 without the state of Kansas and sells to licensed buyers within the state of
36 Kansas.

37 ~~(z)~~ ~~(dd)~~ "Secretary" means the secretary of revenue.

38 ~~(aa)~~ ~~(ee)~~ (1) "Sell at retail" and "sale at retail" refer to and mean sales
39 for use or consumption and not for resale in any form and sales to clubs,
40 licensed drinking establishments, licensed caterers or holders of temporary
41 permits.

42 (2) "Sell at retail" and "sale at retail" do not refer to or mean sales by
43 a distributor, a microbrewery, a farm winery, a licensed club, a licensed

1 drinking establishment, a licensed caterer or a holder of a temporary
2 permit.

3 ~~(bb)~~ *(ff)* "To sell" includes to solicit or receive an order for, to keep or
4 expose for sale and to keep with intent to sell.

5 ~~(ee)~~ *(gg)* "Sleeve" means a package of two or more 50-milliliter (3.2-
6 fluid-ounce) containers of spirits.

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

12 ~~(ee)~~ *(ii)* "Supplier" means a manufacturer of alcoholic liquor or cereal
13 malt beverage or an agent of such manufacturer, other than a salesperson.

14 ~~(ff)~~ *(jj)* "Temporary permit" has the meaning provided by K.S.A. 41-
15 2601, and amendments thereto.

16 ~~(gg)~~ *(kk)* "Wine" means any alcoholic beverage obtained by the
17 normal alcoholic fermentation of the juice of sound, ripe grapes, fruits,
18 berries or other agricultural products, including such beverages containing
19 added alcohol or spirits or containing sugar added for the purpose of
20 correcting natural deficiencies.

21 **New Sec. 8. Notwithstanding the provisions of K.S.A. 41-1101,**
22 **and amendments thereto, a distributor may establish minimum order**
23 **requirements for deliveries to a retailer based on invoice dollar**
24 **amount or product case quantity.**

25 ~~Sec.-8: 9. K.S.A. 2014 Supp. 41-301 is hereby amended to read as~~
26 ~~follows: 41-301. (a) Except as provided by subsection (b), the director~~
27 ~~shall issue to qualified applicants, who have filed the bond and paid the~~
28 ~~registration and license fees required by this act, licenses to sell at retail~~
29 ~~alcoholic liquor in the original package on premises within the corporate~~
30 ~~limits of cities and outside the corporate limits of any city.~~

31 ~~(b)—No retailer's license shall be issued for premises within a city if~~
32 ~~the governing body of such city, on or before February 15, 2006, adopts~~
33 ~~adopted an ordinance prohibiting the licensing of the sale at retail of~~
34 ~~alcoholic liquor in the original package within such city. Upon adoption of~~
35 ~~such ordinance, the city clerk promptly shall transmit a copy of such~~
36 ~~ordinance to the director and the director shall refuse to issue licenses to~~
37 ~~sell at retail alcoholic liquor in the original package in such city. If the~~
38 ~~governing body adopts such an ordinance, the holder of any valid existing~~
39 ~~retailer's license for premises in such city shall have the right to continue~~
40 ~~to operate under such license for a period of 90 days after the effective~~
41 ~~date of the ordinance or until the expiration of such license, whichever~~
42 ~~period of time is shorter. If such period of time expires before the~~
43 ~~expiration of the term for which the retailer's license was issued, the~~

1 licensee shall be entitled to a refund of the license fee for the unexpired
2 portion of the license period which remains, in accordance with rules and
3 regulations adopted by the secretary.

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

12 ~~Sec. 9. 10. K.S.A. 2014 Supp. 41-303 is hereby amended to read as~~
13 ~~follows: 41-303. (a) The director may issue to qualified applicants licenses~~
14 ~~to sell at retail alcoholic liquor in the original package on premises not~~
15 ~~located in an incorporated city for use or consumption off the premises. No~~
16 ~~such license shall be issued to any applicant unless the applicant possesses~~
17 ~~all the qualifications required of other applicants for retailers' licenses~~
18 ~~except the qualification of residency within a city.~~

19 ~~No such~~ *No retailer's* license shall be issued to any applicant under this
20 section *for premises not located in an incorporated city* unless the board of
21 county commissioners of the county in which the premises for which
22 licensure is sought are located adopts a resolution approving the issuance
23 of such license. A certified copy of such resolution shall accompany the
24 application for a *such* license authorized by this section.

25 (b) ~~If a license has been issued under the provisions of this section in~~
26 ~~the unincorporated area of a county and thereafter the premises so licensed~~
27 ~~are annexed to a city wherein retail liquor licenses may be issued, such~~
28 ~~license shall continue to be valid and may be renewed at the appropriate~~
29 ~~time even though the licensee does not reside in the city to which the area~~
30 ~~is annexed if the licensee otherwise is qualified and resides in the township~~
31 ~~in which the premises were located prior to annexation or in the city to~~
32 ~~which the premises have been annexed.~~

33 (e) ~~Any retail~~ *retailer's* license issued prior to the effective date of
34 this act for premises not located in an incorporated city shall continue to be
35 valid and such premises shall continue to be eligible for licensure if the
36 board of county commissioners of the county in which the premises are
37 located has adopted a resolution approving the issuance of such license. A
38 certified copy of such resolution shall accompany the application for a
39 *such* license authorized by this subsection.

40 ~~Sec. 10. 11. K.S.A. 2014 Supp. 41-304 is hereby amended to read as~~
41 ~~follows: 41-304. Licenses issued by the director shall be of the following~~
42 ~~classes: (a) Manufacturer's license; (b) spirits distributor's license; (c) wine~~
43 ~~distributor's license; (d) beer distributor's license; (e) retailer's class A~~

1 license; (f) *retailer's class B license*; (g) microbrewery license; ~~(g)~~ (h)
2 microdistillery license; ~~(h)~~ (i) farm winery license; and ~~(i)~~ (j) nonbeverage
3 user's license.

4 Sec. ~~11~~ 12. K.S.A. 2014 Supp. 41-308 is hereby amended to read as
5 follows: 41-308. (a) *On or before June 30, 2018*:

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

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

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

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

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

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

31 ~~(3)~~ (C) include in the sale of alcoholic liquor any goods included by
32 the manufacturer in packaging with the alcoholic liquor, subject to the
33 approval of the director; ~~and~~

34 ~~(4)~~ (D) distribute to the public, without charge, consumer advertising
35 specialties bearing advertising matter, subject to rules and regulations of
36 the secretary limiting the form and distribution of such specialties so that
37 they are not conditioned on or an inducement to the purchase of alcoholic
38 liquor; and

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

42 ~~(e)~~ (3) No licensed retailer shall furnish any entertainment in such
43 premises or permit any pinball machine or game of skill or chance to be

1 located in or on such premises.

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

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

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

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

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

17 (B) *sell and deliver alcoholic liquor to a caterer or to the licensed*
18 *premises of a public venue, club or drinking establishment, if such*
19 *premises are in the county where the retailer's premises are located or in*
20 *an adjacent county, for resale by such public venue, club, establishment or*
21 *caterer. **If there is no liquor store within a county that makes or***
22 **intends to make sales for resale as described in this paragraph or if the**
23 **transfer of a license as provided in this act has eliminated a liquor**
24 **store that made sales for resale as described in this paragraph and**
25 **there is no other liquor store in the county that makes or intends to**
26 **make such sales for resale, the director may authorize a grocery store**
27 **that is a holder of a class B license to make sales for resale as**
28 **described in this paragraph.**

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

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

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

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

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

43 (E) *store alcoholic liquor in refrigerators, cold storage units, ice*

1 *boxes or other cooling devices, and the licensee may sell such alcoholic*
2 *liquor to consumers in a chilled condition; and*

3 *(F) sell any other good or service on the licensed premises, except*
4 **that a liquor store may sell any other good or service on and after**
5 **January 1, 2018.**

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

8 *(d) A retailer's class B license shall be subject to the provisions of*
9 *K.S.A. 41-1101, and amendments thereto, prohibiting a retailer from*
10 *purchasing alcoholic liquor from a distributor who has not filed with the*
11 *director a sworn statement agreeing to sell to all retailers in the*
12 *distributor's franchised territory at the same unit price and prohibiting a*
13 *distributor from selling alcoholic liquor to a retailer at a discount for*
14 *multiple case lots. A retailer's class B license also shall be subject to the*
15 *provisions of K.S.A. 41-729, and amendments thereto, prohibiting the sale*
16 *of alcoholic liquor at less than the acquisition cost thereof.*

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

21 ~~Sec. 12. 13.~~ K.S.A. 2014 Supp. 41-308d is hereby amended to read as
22 follows: 41-308d. (a) Notwithstanding any other provisions of the Kansas
23 liquor control act to the contrary, ~~any person or entity who is licensed to~~
24 ~~sell alcoholic liquor in the original package at retail~~ **a liquor store** *issued*
25 *a retailer's class B license may conduct wine, beer and distilled spirit*
26 *tastings on the licensed premises, or adjacent premises, monitored and*
27 *regulated by the division of alcoholic beverage control, as follows:*

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

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

1 agent to withdraw or purchase an alcoholic beverage from the holder of a
2 distributor's permit or provide an alcoholic beverage for tasting on a
3 ~~retailer's licensee's~~ premises that is not purchased from the ~~retailer-~~
4 ~~licensee.~~

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

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

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

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

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

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

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

23 ~~Sec. 13.~~ **14.** K.S.A. 2014 Supp. 41-310 is hereby amended to read as
24 follows: 41-310. (a) At the time application is made to the director for a
25 license of any class, the applicant shall pay the fee provided by this
26 section.

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

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

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

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

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

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

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

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

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

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

42 (d) The fee for a manufacturer's license to manufacture wine shall be
43 \$1,000.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

43 (3) *The fee for a retailer's class B license issued for a premises*

1 *engaged in business as a liquor store shall be \$500.*

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

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

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

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

25 ~~Sec. 14.~~ **15.** K.S.A. 2014 Supp. 41-311 is hereby amended to read as
26 follows: 41-311. (a) No license of any kind shall be issued pursuant to the
27 liquor control act to a person:

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

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

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

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

43 (5) who has been convicted of being a proprietor of a gambling

1 house, pandering or any other crime opposed to decency and morality or
 2 has forfeited bond to appear in court to answer charges for any of those
 3 crimes;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 ~~(5)~~ a copartnership, unless all of the copartners are qualified to obtain
2 a license; **or**

3 ~~(6) (E)~~ a corporation; ~~or, if any officer, manager or director thereof,~~
4 ~~or any natural person owning in the aggregate more than 25% of the~~
5 ~~common or preferred stock of such corporation would be ineligible to~~
6 ~~receive a license hereunder for any reason other than citizenship and~~
7 ~~residence requirements;~~

8 ~~(F)~~ a corporation, ~~if any officer, manager or director thereof, or any~~
9 ~~natural person owning in the aggregate more than 25% of the common or~~
10 ~~preferred stock of such corporation, has been an officer, manager or~~
11 ~~director, or a natural person owning in the aggregate more than 25% of~~
12 ~~the common or preferred stock, of a corporation which:~~

13 ~~(i) Has had a license revoked under the provisions of the Kansas~~
14 ~~liquor control act; or~~

15 ~~(ii) has been convicted of a violation of the Kansas liquor control~~
16 ~~act; or~~

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

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

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

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

28 **(ii) a corporation, if any officer, manager or director thereof, or**
29 **any natural person owning in the aggregate more than 5% of the**
30 **common or preferred stock of such corporation, has been an officer,**
31 **manager or director, or a natural person owning in the aggregate**
32 **more than 5% of the common or preferred stock, of a corporation**
33 **which:**

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

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

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

42 ~~(3) (C)~~ **(C)** *No retailer's class B license shall be issued to a person who is*
43 *not engaged in business as a liquor 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 liquor store or grocery store.*

3 **(c) No retailer's class B license shall be issued to any person who**
4 **does not in good faith actually carry on or intend to carry on a bona**
5 **fide business for the retail sale of alcoholic beverages, and the**
6 **secretary may revoke any class B license when the licensee fails for a**
7 **period of 180 days to actively and in good faith engage in the retail**
8 **business and shall revoke any class B license held by any person who**
9 **fails to comply with this section. Upon a showing of good cause, the**
10 **secretary may extend the inactive period an additional 180 days. Upon**
11 **revocation, any such license shall become available for sale by public**
12 **auction to persons eligible to hold a class B license in the county of**
13 **origin. The license shall be sold at public auction by the secretary and**
14 **the proceeds of the sale shall first be applied to the payment of any**
15 **enforcement taxes due, and the remainder shall be deposited in the**
16 **state general fund. The transfer fee shall be due in addition thereto as**
17 **provided in section 2, and amendments thereto.**

18 ~~(e)~~ **(d)** No manufacturer's license shall be issued to:

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

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

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;

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

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

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

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

38 (1) A corporation, if any officer, director or stockholder of the
39 corporation would be ineligible to receive a distributor's license for any
40 reason. It shall be unlawful for any stockholder of a corporation licensed
41 as a distributor to transfer any stock in the corporation to any person who
42 would be ineligible to receive a distributor's license for any reason, and
43 any such transfer shall be null and void, except that: (A) If any stockholder

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

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

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

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

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

35 ~~(f)~~ **(g)** No microbrewery license, microdistillery license or farm
36 winery license shall be issued to a:

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

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

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

43 (4) person, copartnership or association which has a beneficial

1 interest in any retailer licensed under this act or under K.S.A. 41-2702, and
2 amendments thereto, except that the spouse of an applicant for a
3 microbrewery or farm winery license may own and hold a retailer's license
4 if the spouse does not hold a microbrewery or farm winery license issued
5 under this act;

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

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

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

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

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

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

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

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

1 crimes; or

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

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

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

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

1 accompanied by a duly certified copy of the order or resolution of the
2 board of directors, trustees or managers authorizing the president and
3 secretary to execute the same.

4 ~~Sec. +6. 17.~~ K.S.A. 2014 Supp. 41-326 is hereby amended to read as
5 follows: 41-326. A license shall be purely a personal privilege, *and shall*
6 *not constitute property. A license shall be valid for not to exceed two years*
7 *after issuance, ~~except as otherwise provided by law,~~ unless sooner*
8 *suspended or revoked, ~~and shall not constitute property, nor shall it. A~~*
9 *license shall not be subject to attachment, garnishment or execution, ~~nor~~*
10 *shall it. A license shall not be alienable or transferable, voluntarily or*
11 *involuntarily, ~~or except as provided by law. A license shall not be~~ subject to*
12 *being encumbered or hypothecated. A license shall not descend by the*
13 *laws of testate or intestate devolution but shall cease and expire upon the*
14 *death of the licensee except that executors, administrators or*
15 *representatives of the estate of any deceased licensee and the trustee of any*
16 *insolvent or bankrupt licensee, when such estate consists in part of*
17 *alcoholic liquor, may continue the business of the sale, distribution or*
18 *manufacture of alcoholic liquor under order of the appropriate court and*
19 *may exercise the privilege of the deceased, insolvent or bankrupt licensee*
20 *after the death of such decedent, or after such insolvency or bankruptcy,*
21 *until the expiration of such license but not longer than one year after the*
22 *death, bankruptcy or insolvency of such licensee.*

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

33 ~~Sec. +7. 18.~~ K.S.A. 2014 Supp. 41-713 is hereby amended to read as
34 follows: 41-713. (a) It shall be unlawful for a retailer of alcoholic liquor:

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

37 ~~(2) to employ any person under the age of 21 years in connection~~
38 ~~with the operation of such retail establishment authorize or allow any~~
39 ~~person under the age of 18 years to sell at retail any alcoholic liquor at~~
40 ~~the point of sale; ~~or~~~~

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

1 ~~or~~

2 (4) ~~to permit any employee of the licensee who~~ a person licensed as
3 a class B retailer which employee is under the age of 21 years to sell,
4 stock or handle alcoholic liquor; or

5 (5) to permit any employee of a person licensed as a class A
6 retailer which employee is under the age of 21 years to work on the
7 premises where alcoholic liquor is sold by such licensee at any time when
8 not under the on-premises supervision of either the licensee or an
9 employee of the licensee ~~who~~ which employee is 21 years of age or older.

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

14 ~~Sec. 18.~~ 19. K.S.A. 2014 Supp. 79-4108 is hereby amended to read as
15 follows: 79-4108. All revenue collected or received by the director of
16 taxation from taxes imposed by K.S.A. 79-4101 to 79-4105, and
17 amendments thereto, shall be remitted to the state treasurer in accordance
18 with the provisions of K.S.A. 75-4215, and amendments thereto. *Except as*
19 *otherwise provided in section 6, and amendments thereto,* upon receipt of
20 each such remittance, the state treasurer shall deposit the entire amount in
21 the state treasury to the credit of the state general fund. The state treasurer
22 shall transfer any moneys remaining in the county and city alcoholic liquor
23 control enforcement fund on the effective date of this act to the state
24 general fund.

25 ~~Sec. 19.~~ 20. K.S.A. 41-103 and 41-711 and K.S.A. 2014 Supp. 41-
26 102, 41-301, 41-303, 41-304, 41-308, 41-308d, 41-310, 41-311, 41-313,
27 41-326, 41-713 and 79-4108 are hereby repealed.

28 ~~Sec. 20.~~ 21. This act shall take effect and be in force from and after
29 its publication in the statute book.