

REPORTS OF STANDING COMMITTEES

MR. SPEAKER:

The Committee on **Federal and State Affairs** recommends **SB 269**, as amended by Senate Committee, be amended on page 1, following line 36, by inserting:

"(c) The holder of a retailer's license or such licensee's employees, managers or agents shall not, directly or indirectly, have any financial interest in a club, drinking establishment, farm winery, microbrewery, caterer or holder of a temporary license, except as provided in K.S.A. 41-2623, and amendments thereto. When the spouse of the holder of a retailer's license applies for a club or drinking establishment license or a caterer's license, each spouse must file with the director an affidavit of no financial interest.";

And by redesignating subsections accordingly;

On page 2, by striking all in lines 33 through 37;

And by renumbering paragraphs accordingly;

On page 3, following line 4, by inserting:

"Sec. 3. K.S.A. 2011 Supp. 41-2623 is hereby amended to read as follows: 41-2623. (a)

No license shall be issued under the provisions of this act to:

(1) Any person described in subsection (a)(1), (2), (4), (5), (6), (7), (8), (9), (12) or (13) of K.S.A. 41-311, and amendments thereto, except that the provisions of subsection (a)(7) of such section shall not apply to nor prohibit the issuance of a license for a class A club to an officer of a post home of a congressionally chartered service or fraternal organization, or a benevolent association or society thereof.

(2) A person who has had the person's license revoked for cause under the provisions of

this act.

(3) A person who has not been a resident of this state for a period of at least one year immediately preceding the date of application.

(4) A person who has a beneficial interest in the manufacture, preparation or wholesaling or the retail sale of alcoholic liquors or a beneficial interest in any other club, drinking establishment or caterer licensed hereunder, except that:

(A) A license for premises located in a hotel may be granted to a person who has a beneficial interest in one or more other clubs or drinking establishments licensed hereunder if such other clubs or establishments are located in hotels.

(B) A license for a club or drinking establishment which is a restaurant may be issued to a person who has a beneficial interest in other clubs or drinking establishments which are restaurants.

(C) A caterer's license may be issued to a person who has a beneficial interest in a club or drinking establishment and a license for a club or drinking establishment may be issued to a person who has a beneficial interest in a caterer.

(D) A license for a class A club may be granted to an organization of which an officer, director or board member is a distributor or retailer licensed under the liquor control act if such distributor or retailer sells no alcoholic liquor to such club.

(E) Any person who has a beneficial interest in a microbrewery or farm winery licensed pursuant to the Kansas liquor control act may be issued any or all of the following: (1) Class B club license; (2) drinking establishment license; and (3) caterer's license.

(F) The spouse of a retailer's license may be issued any or all of the following: (i) Drinking establishment license; and

(ii) caterer's license.

(5) A copartnership, unless all of the copartners are qualified to obtain a license.

(6) A corporation, if any officer, manager or director thereof, or any stockholder owning in the aggregate more than 5% of the common or preferred stock of such corporation would be ineligible to receive a license hereunder for any reason other than citizenship and residence requirements.

(7) A corporation, if any officer, manager or director thereof, or any stockholder owning in the aggregate more than 5% of the common or preferred stock of such corporation, has been an officer, manager or director, or a stockholder owning in the aggregate more than 5% of the common or preferred stock, of a corporation which:

(A) Has had a license revoked under the provisions of the club and drinking establishment act;

or

(B) has been convicted of a violation of the club and drinking establishment act or the cereal malt beverage laws of this state.

(8) A corporation organized under the laws of any state other than this state.

(9) A trust, if any grantor, beneficiary or trustee would be ineligible to receive a license under this act for any reason, except that the provisions of subsection (a)(6) of K.S.A. 41-311, and amendments thereto shall not apply in determining whether a beneficiary would be eligible for a license.

(b) No club or drinking establishment license shall be issued under the provisions of the club and drinking establishment act to:

(1) A person who does not own the premises for which a license is sought, or does not, at the time the application is submitted, have a written lease thereon, except that an applicant seeking a license for a premises which is owned by a city or county, or is a stadium, arena, convention center, theater, museum, amphitheater or other similar premises may submit an executed agreement to provide alcoholic beverage services at the premises listed in the application in lieu of a lease.

(2) A person who is not a resident of the county in which the premises sought to be licensed

are located.

Sec. 4. K.S.A. 2011 Supp. 41-305 is hereby amended to read as follows: 41-305. (a) A manufacturer's license shall allow the manufacture and storage of alcoholic liquor and cereal malt beverage and the sale of alcoholic liquor and cereal malt beverage to distributors and nonbeverage users licensed in this state and to such persons outside this state as permitted by law.

(b) A manufacturer's license also shall allow the serving free of charge on the licensed premises of samples of alcoholic liquor manufactured by the licensee, provided the premises are located in a county where the sale of alcoholic liquor is permitted by law in licensed drinking establishments. Samples shall be served by the licensee, or an employee or agent thereof. No sample shall be served to an individual who is a minor. No individual shall remove all or any portion of a sample from the licensed premises. Nothing in this subsection shall be construed to permit the licensee to sell any alcoholic liquor for consumption on the premises.

(c) A person holding a farm winery license issued pursuant to K.S.A. 41-308a, and amendments thereto, may also be issued a manufacturer's license; provided, that no alcoholic liquor or cereal malt beverage manufactured by such licensee shall be sold by such licensee at its licensed premises or at any of such licensee's winery outlets.";

And by renumbering sections accordingly;

Also on page 3, in line 5, by striking "is" and inserting "and K.S.A. 2011 Supp. 41-305 and 41-2623 are";

On page 1, in the title, in line 2, after "41-308" by inserting "and K.S.A. 2011 Supp. 41-305 and 41-2623"; in line 3, by striking "section" and inserting "sections"; and the bill be passed as amended.

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Chairperson