

As Amended by Senate Committee

Session of 2011

SENATE BILL No. 54

By Committee on Federal and State Affairs

1-25

1 AN ACT concerning alcoholic beverages; relating to retailer's licenses
2 under the Kansas liquor control act; amending K.S.A. ~~41-304 and~~
3 41-713 **and 41-1101** and K.S.A. 2010 Supp. 41-102, 41-301, 41-
4 303, ~~41-310~~, 41-311, 41-313, ~~41-317~~, 41-326 and 79-4108 and
5 repealing the existing sections; also repealing K.S.A. 41-103, 41-
6 308 and 41-711.

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

9 New Section 1. (a) On and after July 1, 2011, the total number of
10 retailer's licenses issued by the director to sell alcoholic liquor shall not
11 exceed the number of such valid licenses issued as of June 30, 2011.

12 (b) From July 1, 2011, to December 31, ~~2011~~ **2016**, the director
13 may only issue a retailer's license to sell alcoholic liquor to a qualified
14 applicant if the issuance of such license would not cause the total
15 number of such valid licenses issued to exceed the number determined
16 pursuant to subsection (a).

17 ~~(c) From January 1, 2012, to December 31, 2014, the total number~~
18 ~~of retailer's class C licenses issued by the director shall not exceed the~~
19 ~~number determined pursuant to subsection (a).~~

20 New Sec. 2. (a) ~~On and after January 1, 2012, all retailer's~~
21 ~~licenses to sell alcoholic liquor issued by the director prior to such date~~
22 ~~shall be deemed to be retailer's class C licenses.~~

23 ~~(b)~~ A retailer's ~~class C~~ license shall allow the licensee to sell and
24 offer for sale at retail and deliver in the original package, as therein
25 prescribed, alcoholic liquor for use or consumption off of and away
26 from the premises specified in such license.

27 ~~(c)~~ **(b)** A retailer's ~~class C~~ license shall permit the sale and
28 delivery of alcoholic liquor only on the licensed premises and shall not
29 permit the sale of alcoholic liquor for resale in any form, except that the
30 licensee may:

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

33 (2) sell and deliver alcoholic liquor to a caterer or to the licensed

1 premises of a club or drinking establishment, if such premises are in the
2 county where the retailer's licensed premises are located or in an
3 adjacent county, for resale by such caterer, club or drinking
4 establishment.

5 ~~(c)~~ **(c) Except as provided in subsection (d),** a retailer's ~~class C~~
6 licensee may:

7 (1) Charge a delivery fee for delivery of alcoholic liquor to a
8 caterer, club or drinking establishment pursuant to subsection ~~(b)~~ **(a)**;

9 (2) sell lottery tickets and shares to the public in accordance with
10 the Kansas lottery act, if the licensee is selected as a lottery retailer;

11 (3) include in the sale of alcoholic liquor any goods included by
12 the manufacturer in packaging with the alcoholic liquor, subject to the
13 approval of the director;

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

19 (5) store alcoholic liquor in refrigerators, cold storage units, ice
20 boxes or other cooling devices, and sell such alcoholic liquor to
21 consumers in a chilled condition; and

22 (6) sell any other good or service on the licensed premises.

23 **(d) A licensee who holds a retailer's license on the effective date**
24 **of this act shall not sell any good or service that is permitted to be**
25 **sold on the licensed premises pursuant to subsection (c)(6). The**
26 **provisions of this subsection shall expire on December 31, 2016.**

27 New Sec. 3. (a) On and after January 1, 2012, any licensee
28 holding a valid retailer's ~~class C~~ license may transfer such license to
29 any person qualified to hold such license under the Kansas liquor
30 control act. The transferee's proposed premises to be licensed shall be
31 located in the same county as the licensed premises of the transferor.

32 (b) Any transfer of a license pursuant to this section shall be
33 approved by the director. The director may require the transferor, the
34 transferee, or both, to submit such information as the director deems
35 necessary in order to determine that the license transfer satisfies the
36 requirements of the Kansas liquor control act. Such information shall
37 be submitted in the manner and on such forms as prescribed by the
38 director, and may include, but shall not be limited to, such information
39 concerning the transferee that shows such transferee is qualified to hold

1 a retailer's ~~class C~~ license and a copy of the agreement to transfer the
2 license.

3 (c) On the effective date of the transfer of a license in accordance
4 with this section the director shall issue a retailer's ~~class C~~ license to the
5 transferee. Such license shall be issued for the premises of the
6 transferee as stated in the transfer agreement. The term of such license
7 shall be for the remainder of the term of the license held by the
8 transferor immediately prior to the effective date of the transfer. The
9 director shall not require the payment of any new or additional retailer's
10 ~~class C~~ license fee by the transferee. The transferee shall pay a transfer
11 fee in the amount of \$25 **and an application fee in the amount set**
12 **forth in K.S.A. 41-317, and amendments thereto**, which fee **fees** shall
13 be submitted to the director at the same time the request for approval of
14 the transfer is submitted to the director.

15 ~~New Sec. 4. (a) On and after January 1, 2012, the director may~~
16 ~~issue to qualified applicants a retailer's class A license. A retailer's class~~
17 ~~A license shall allow the licensee to sell and offer for sale at retail and~~
18 ~~deliver in the original package, as therein prescribed, beer for use or~~
19 ~~consumption off of and away from the premises specified in such~~
20 ~~license.~~

21 (b) ~~A retailer's class A license shall permit the sale and delivery of~~
22 ~~beer only on the licensed premises and shall not permit the sale of beer~~
23 ~~for resale in any form, except that the licensee may:~~

24 (1) ~~Sell beer to a temporary permit holder for resale by such~~
25 ~~temporary permit holder; and~~

26 (2) ~~sell and deliver beer to a caterer or to the licensed premises of~~
27 ~~a club or drinking establishment, if such premises are in the county~~
28 ~~where the retailer's licensed premises are located or in an adjacent~~
29 ~~county, for resale by such caterer, club or drinking establishment.~~

30 (e) ~~A retailer's class A licensee may:~~

31 (1) ~~Charge a delivery fee for delivery of beer to a caterer, club or~~
32 ~~drinking establishment pursuant to subsection (b);~~

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

35 (3) ~~include in the sale of beer any goods included by the~~
36 ~~manufacturer in packaging with the beer, subject to the approval of the~~
37 ~~director;~~

38 (4) ~~distribute to the public, without charge, consumer advertising~~
39 ~~specialities bearing advertising matter, subject to rules and regulations~~

1 of the secretary limiting the form and distribution of such specialities so
2 that they are not conditioned on or an inducement to the purchase of
3 beer;

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

7 ~~(6) sell any other good or service on the licensed premises.~~

8 New Sec. 5. (a) On and after January 1, 2012, the director may
9 issue to qualified applicants a retailer's class B license. A retailer's
10 class B license shall allow the licensee to sell and offer for sale at retail
11 and deliver in the original package, as therein prescribed, beer and wine
12 for use or consumption off of and away from the premises specified in
13 such license.

14 ~~(b) A retailer's class B license shall permit the sale and delivery of~~
15 ~~beer and wine only on the licensed premises and shall not permit the~~
16 ~~sale of beer and wine for resale in any form, except that the licensee~~
17 ~~may:~~

18 ~~(1) Sell beer and wine to a temporary permit holder for resale by~~
19 ~~such temporary permit holder; and~~

20 ~~(2) sell and deliver beer and wine to a caterer or to the licensed~~
21 ~~premises of a club or drinking establishment, if such premises are in the~~
22 ~~county where the retailer's licensed premises are located or in an~~
23 ~~adjacent county, for resale by such caterer, club or drinking~~
24 ~~establishment.~~

25 ~~(c) A retailer's class B licensee may:~~

26 ~~(1) Charge a delivery fee for delivery of beer and wine to a caterer,~~
27 ~~club or drinking establishment pursuant to subsection (b);~~

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

30 ~~(3) include in the sale of beer and wine any goods included by the~~
31 ~~manufacturer in packaging with the beer and wine, subject to the~~
32 ~~approval of the director;~~

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

38 ~~(5) store beer and wine in refrigerators, cold storage units, ice~~
39 ~~boxes or other cooling devices, and sell such beer and wine to~~

1 ~~consumers in a chilled condition; and~~

2 ~~(6) sell any other good or service on the licensed premises.~~

3 New Sec. ~~6~~ 4. On and after January 1, ~~2015~~ 2017, the director may
4 issue to qualified applicants a retailer's ~~class C~~ license. A holder of a
5 retailer's ~~class C~~ license shall have all the privileges granted to such
6 licensees as set forth in section 2, and amendments thereto.

7 ***New Sec. 5. Notwithstanding the provisions of K.S.A. 41-1101,***
8 ***and amendments thereto, a distributor may establish minimum order***
9 ***quantities or minimum order prices, or both, for alcoholic liquor***
10 ***distributed by the distributor to a retailer.***

11 New Sec. ~~7~~ 6. The provisions of sections 1 through ~~7~~ 6, and
12 amendments thereto, shall be a part of and supplemental to the Kansas
13 liquor control act.

14 ~~Sec. 8:~~ 7. K.S.A. 2010 Supp. 41-102 is hereby amended to read as
15 follows: 41-102. As used in this act, unless the context clearly requires
16 otherwise:

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

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

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

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

32 (e) "Cereal malt beverage" has the meaning provided by K.S.A.
33 41-2701, and amendments thereto.

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

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

38 (h) "Distributor" means the person importing or causing to be
39 imported into the state, or purchasing or causing to be purchased within

- 1 the state, alcoholic liquor for sale or resale to retailers licensed under
2 this act or cereal malt beverage for sale or resale to retailers licensed
3 under K.S.A. 41-2702, and amendments thereto.
- 4 (i) "Domestic beer" means beer which contains not more than 8%
5 alcohol by weight and which is manufactured in this state.
- 6 (j) "Domestic fortified wine" means wine which contains more
7 than 14%, but not more than 20% alcohol by volume and which is
8 manufactured in this state.
- 9 (k) "Domestic table wine" means wine which contains not more
10 than 14% alcohol by volume and which is manufactured without
11 rectification or fortification in this state.
- 12 (l) "Drinking establishment" has the meaning provided by K.S.A.
13 41-2601, and amendments thereto.
- 14 (m) "Farm winery" means a winery licensed by the director to
15 manufacture, store and sell domestic table wine and domestic fortified
16 wine.
- 17 (n) "Manufacture" means to distill, rectify, ferment, brew, make,
18 mix, concoct, process, blend, bottle or fill an original package with any
19 alcoholic liquor, beer or cereal malt beverage.
- 20 (o) (1) "Manufacturer" means every brewer, fermenter, distiller,
21 rectifier, wine maker, blender, processor, bottler or person who fills or
22 refills an original package and others engaged in brewing, fermenting,
23 distilling, rectifying or bottling alcoholic liquor, beer or cereal malt
24 beverage.
- 25 (2) "Manufacturer" does not include a microbrewery or a farm
26 winery.
- 27 (p) "Microbrewery" means a brewery licensed by the director to
28 manufacture, store and sell domestic beer.
- 29 (q) "Minor" means any person under 21 years of age.
- 30 (r) "Nonbeverage user" means any manufacturer of any of the
31 products set forth and described in K.S.A. 41-501, and amendments
32 thereto, when the products contain alcohol or wine, and all laboratories
33 using alcohol for nonbeverage purposes.
- 34 (s) "Original package" means any bottle, flask, jug, can, cask,
35 barrel, keg, hogshead or other receptacle or container whatsoever, used,
36 corked or capped, sealed and labeled by the manufacturer of alcoholic
37 liquor, to contain and to convey any alcoholic liquor. Original container
38 does not include a sleeve.
- 39 (t) "Person" means any natural person, corporation, partnership,

1 trust or association.

2 (u) "Primary American source of supply" means the manufacturer,
3 the owner of alcoholic liquor at the time it becomes a marketable
4 product or the manufacturer's or owner's exclusive agent who, if the
5 alcoholic liquor cannot be secured directly from such manufacturer or
6 owner by American wholesalers, is the source closest to such
7 manufacturer or owner in the channel of commerce from which the
8 product can be secured by American wholesalers.

9 (v) (1) "Retailer" means a person who sells at retail, or offers for
10 sale at retail, alcoholic liquors.

11 (2) "Retailer" does not include a microbrewery or a farm winery.

12 (w) ~~(1)~~ "Retailer's license" means a license to sell at retail
13 alcoholic liquor in the original package issued pursuant to the Kansas
14 liquor control act.

15 ~~(2) On and after January 1, 2012, the term "retailer's license"~~
16 ~~means a retailer's class A, class B or class C license, or other license to~~
17 ~~sell at retail alcoholic liquor in the original package, issued pursuant to~~
18 ~~the Kansas liquor control act.~~

19 ~~(w)~~ (x) "Sale" means any transfer, exchange or barter in any
20 manner or by any means whatsoever for a consideration and includes
21 all sales made by any person, whether principal, proprietor, agent,
22 servant or employee.

23 ~~(x)~~ (y) "Salesperson" means any natural person who:

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

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

33 ~~(y)~~ (z) "Secretary" means the secretary of revenue.

34 ~~(z)~~ (aa) (1) "Sell at retail" and "sale at retail" refer to and mean
35 sales for use or consumption and not for resale in any form and sales to
36 clubs, licensed drinking establishments, licensed caterers or holders of
37 temporary permits.

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

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

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

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

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

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

15 ~~(ee)~~ (ff) "Temporary permit" has the meaning provided by K.S.A.
16 41-2601, and amendments thereto.

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

22 ~~Sec. 9. 8.~~ On and after January 1, 2012, K.S.A. 2010 Supp. 41-301
23 is hereby amended to read as follows: 41-301. ~~(a) Except as provided~~
24 ~~by subsection (b), the director shall issue to qualified applicants, who~~
25 ~~have filed the bond and paid the registration and license fees required~~
26 ~~by this act, licenses to sell at retail alcoholic liquor in the original~~
27 ~~package on premises within the corporate limits of cities and outside~~
28 ~~the corporate limits of any city.~~

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

1 such license, whichever period of time is shorter. If such period of time
2 expires before the expiration of the term for which the retailer's license
3 was issued, the licensee shall be entitled to a refund of the license fee
4 for the unexpired portion of the license period which remains, in
5 accordance with rules and regulations adopted by the secretary.

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

14 Sec. ~~10~~ 9. On and after January 1, 2012, K.S.A. 2010 Supp. 41-
15 303 is hereby amended to read as follows: 41-303. (a) ~~The director may~~
16 ~~issue to qualified applicants licenses to sell at retail alcoholic liquor in~~
17 ~~the original package on premises not located in an incorporated city for~~
18 ~~use or consumption off the premises. No such license shall be issued to~~
19 ~~any applicant unless the applicant possesses all the qualifications~~
20 ~~required of other applicants for retailers' licenses except the~~
21 ~~qualification of residency within a city.~~

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

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

36 (e) (b) Any ~~retail~~ *retailer's* license issued prior to the effective date
37 of this act for premises not located in an incorporated city shall
38 continue to be valid and such premises shall continue to be eligible for
39 licensure if the board of county commissioners of the county in which

1 the premises are located has adopted a resolution approving the
2 issuance of such license. A certified copy of such resolution shall
3 accompany the application for a *such* license ~~authorized by this~~
4 ~~subsection.~~ .

5 Sec. 11. ~~On and after January 1, 2012, K.S.A. 41-304 is hereby~~
6 ~~amended to read as follows: 41-304. Licenses issued by the director~~
7 ~~shall be of the following classes: (a) Manufacturer's license; (b) spirits~~
8 ~~distributor's license; (c) wine distributor's license; (d) beer distributor's~~
9 ~~license; (e) retailer's class A license; (f) retailer's class B license; (g)~~
10 ~~retailer's class C license; (f) (h) (f) microbrewery license; (g) (i) (g)~~
11 ~~farm winery license; and (h) (j) (h) nonbeverage user's license.~~

12 Sec. 12. ~~K.S.A. 2010 Supp. 41-310 is hereby amended to read as~~
13 ~~follows: 41-310. (a) At the time application is made to the director for a~~
14 ~~license of any class, the applicant shall pay the fee provided by this~~
15 ~~section.~~

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

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

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

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

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

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

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

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

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

27 ~~As used in this subsection, "daily capacity" means the average daily~~
28 ~~barrel production for the previous 12 months of manufacturing~~
29 ~~operation. If no basis for comparison exists, the licensee shall pay in~~
30 ~~advance for operation during the first term of the license a fee of~~
31 ~~\$2,000.~~

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

34 ~~(e) (1) The fee for a microbrewery license or a farm winery license~~
35 ~~shall be \$500.~~

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

37 ~~(3) The fee for a microbrewery packaging and warehousing~~
38 ~~facility license shall be \$200.~~

39 ~~(f) The fee for a spirits distributor's license for the first and each~~

- 1 additional distributing place of business operated in this state by the
2 licensee and wholesaling and jobbing spirits shall be \$2,000.
- 3 ~~(g) The fee for a wine distributor's license for the first and each~~
4 ~~additional distributing place of business operated in this state by the~~
5 ~~licensee and wholesaling and jobbing wine shall be \$2,000.~~
- 6 ~~(h) The fee for a beer distributor's license, for the first and each~~
7 ~~additional wholesale distributing place of business operated in this state~~
8 ~~by the licensee and wholesaling or jobbing beer and cereal malt~~
9 ~~beverage shall be \$2,000.~~
- 10 ~~(i) The fee for a nonbeverage user's license shall be:~~
- 11 ~~(1) For class 1, \$20.~~
- 12 ~~(2) For class 2, \$100.~~
- 13 ~~(3) For class 3, \$200.~~
- 14 ~~(4) For class 4, \$400.~~
- 15 ~~(5) For class 5, \$1,000.~~
- 16 ~~(j) In addition to the license fees prescribed by subsections (b), (c),~~
17 ~~(d), (f), (g), (h) and (i):~~
- 18 ~~(1) Any city in which the licensed premises are located may levy~~
19 ~~and collect a biennial occupation or license tax on the licensee in an~~
20 ~~amount not exceeding the amount of the license fee required to be paid~~
21 ~~under this act to obtain the license, but no city shall impose an~~
22 ~~occupation or privilege tax on the licensee in excess of that amount;~~
23 ~~and~~
- 24 ~~(2) any township in which the licensed premises are located may~~
25 ~~levy and collect a biennial occupation or license tax on the licensee in~~
26 ~~an amount not exceeding the amount of the license fee required to be~~
27 ~~paid under this act to obtain the license, but no township shall impose~~
28 ~~an occupation or privilege tax on the licensee in excess of that amount;~~
29 ~~the township board of the township is authorized to fix and impose the~~
30 ~~tax and the tax shall be paid by the licensee to the township treasurer,~~
31 ~~who shall issue a receipt therefor to the licensee and shall cause the tax~~
32 ~~paid to be placed in the general fund of the township.~~
- 33 ~~(k) (1) Except as provided in paragraph (2), The fee for a~~
34 ~~retailer's license shall be \$500.~~
- 35 ~~(2) On and after January 1, 2012, the fee for a retailer's license~~
36 ~~shall be:~~
- 37 ~~(A) For class A, \$100;~~
- 38 ~~(B) for class B, \$300;~~
- 39 ~~(C) for class C, \$500.~~

1 ~~(1) In addition to the license fee prescribed by subsection (k):~~
2 ~~(1) Any city in which the licensed premises are located may levy~~
3 ~~and collect a biennial occupation or license tax on the licensee in an~~
4 ~~amount not less than \$200 nor more than \$600, but no other occupation~~
5 ~~or excise tax or license fee shall be levied by any city against or~~
6 ~~collected from the licensee; and~~
7 ~~(2) any township in which the licensed premises are located may~~
8 ~~levy and collect a biennial occupation or license tax on the licensee in~~
9 ~~an amount not less than \$200 nor more than \$600; the township board~~
10 ~~of the township is authorized to fix and impose the tax and the tax shall~~
11 ~~be paid by the licensee to the township treasurer, who shall issue a~~
12 ~~receipt therefor to the licensee and shall cause the tax paid to be placed~~
13 ~~in the general fund of the township.~~
14 ~~(m) The license term for a license shall commence on the date the~~
15 ~~license is issued by the director and shall end two years after that date.~~
16 ~~The director may, at the director's sole discretion and after examination~~
17 ~~of the circumstances, extend the license term of any license for not~~
18 ~~more than 30 days beyond the date such license would expire pursuant~~
19 ~~to this section. Any extension of the license term by the director~~
20 ~~pursuant to this section shall automatically extend the due date for~~
21 ~~payment by the licensee of any occupation or license tax levied by a~~
22 ~~city or township pursuant to this section by the same number of days~~
23 ~~the director has extended the license term.~~
24 Sec. 13. *10.* K.S.A. 2010 Supp. 41-311 is hereby amended to read
25 as follows: 41-311. (a) No license of any kind shall be issued pursuant
26 to the liquor control act to ~~a person an individual~~ **a natural person:**
27 (1) Who has not been a citizen of the United States for at least 10
28 years, except that the spouse of a deceased retail licensee may receive
29 and renew a retail license notwithstanding the provisions of this
30 subsection (a)(1) if such spouse is otherwise qualified to hold a retail
31 license and is a United States citizen or becomes a United States citizen
32 within one year after the deceased licensee's death;
33 (2) who has been convicted of a felony under the laws of this state,
34 any other state or the United States;
35 (3) who has had a license revoked for cause under the provisions
36 of the liquor control act, the beer and cereal malt beverage keg
37 registration act or who has had any license issued under the cereal malt
38 beverage laws of any state revoked for cause except that a license may
39 be issued to a person whose license was revoked for the conviction of a

- 1 misdemeanor at any time after the lapse of 10 years following the date
2 of the revocation;
- 3 (4) who has been convicted of being the keeper or is keeping a
4 house of prostitution or has forfeited bond to appear in court to answer
5 charges of being a keeper of a house of prostitution;
- 6 (5) who has been convicted of being a proprietor of a gambling
7 house, pandering or any other crime opposed to decency and morality
8 or has forfeited bond to appear in court to answer charges for any of
9 those crimes;
- 10 (6) who is not at least 21 years of age;
- 11 (7) who, other than as a member of the governing body of a city or
12 county, appoints or supervises any law enforcement officer, who is a
13 law enforcement official or who is an employee of the director;
- 14 (8) who intends to carry on the business authorized by the license
15 as agent of another;
- 16 (9) who at the time of application for renewal of any license issued
17 under this act would not be eligible for the license upon a first
18 application, except as provided by subsection (a)(12);
- 19 (10) who is the holder of a valid and existing license issued under
20 article 27 of chapter 41 of the Kansas Statutes Annotated, *and*
21 *amendments thereto*, unless the person agrees to and does surrender the
22 license to the officer issuing the same upon the issuance to the person
23 of a license under this act, except that a retailer licensed pursuant to
24 K.S.A. 41-2702, and amendments thereto, shall be eligible to receive a
25 retailer's license under the Kansas liquor control act;
- 26 (11) who does not own the premises for which a license is sought,
27 or does not, at the time of application, have a written lease thereon;
- 28 (12) whose spouse would be ineligible to receive a license under
29 this act for any reason other than citizenship, residence requirements or
30 age, except that this subsection (a)(12) shall not apply in determining
31 eligibility for a renewal license;
- 32 (13) whose spouse has been convicted of a felony or other crime
33 which would disqualify a person from licensure under this section and
34 such felony or other crime was committed during the time that the
35 spouse held a license under this act; or
- 36 (14) who does not provide any data or information required by
37 K.S.A. 2010 Supp. 41-311b, and amendments thereto.
- 38 (b) (1) *Except as provided in paragraph (2)*, no retailer's license
39 shall be issued to:

- 1 ~~(1)~~ (A) A person who is not a resident of this state;
- 2 ~~(2)~~ (B) a person who has not been a resident of this state for at
3 least four years immediately preceding the date of application;
- 4 ~~(3)~~ (C) a person who has a beneficial interest in a manufacturer,
5 distributor, farm winery or microbrewery licensed under this act, except
6 that the spouse of an applicant for a retailer's license may own and hold
7 a farm winery license, microbrewery license, or both, if the spouse does
8 not hold a retailer's license issued under this act;
- 9 ~~(4)~~ (D) a person who has a beneficial interest in any other retail
10 establishment licensed under this act, except that the spouse of a
11 licensee may own and hold a retailer's license for another retail
12 establishment;
- 13 ~~(5)~~ (E) a copartnership, unless all of the copartners are qualified to
14 obtain a license;
- 15 ~~(6)~~ (F) a corporation; or
- 16 ~~(7)~~ (G) a trust, if any grantor, beneficiary or trustee would be
17 ineligible to receive a license under this act for any reason, except that
18 the provisions of subsection (a)(6) shall not apply in determining
19 whether a beneficiary would be eligible for a license.
- 20 (2) *On and after January 1, 2012, the provisions of paragraph (1)*
21 *shall have no force and effect, and on and after such date, no retailer's*
22 *license shall be issued:*
- 23 (A) *To a person who has a beneficial interest in a manufacturer,*
24 *distributor, farm winery or microbrewery licensed under this act,*
25 *except that the spouse of an applicant for a retailer's license may own*
26 *and hold a farm winery license, microbrewery license, or both, if the*
27 *spouse does not hold a retailer's license issued under this act;*
- 28 (B) *to a corporation, if any officer or member of the board of*
29 *directors or governing body thereof, or the manager of the licensed*
30 *premises, would be ineligible to receive a retailer's license for any*
31 *reason specified in subsection (a) other than citizenship*
32 *requirements;*
- 33 (C) *to a corporation, if any officer or member of the board of*
34 *directors or governing body thereof, or the manager of the licensed*
35 *premises, has been an officer, manager or member of the board of*
36 *directors or governing body of a corporation which has had a license*
37 *revoked under the provisions of the Kansas liquor control act;*
- 38 (D) *to a person who is not engaged in business as a liquor store,*
39 *a convenience store or a grocery store. As used herein: (i) "Liquor*

1 *store" means a store whose primary business is the retail sale of*
2 *alcoholic liquor in the original and unopened container and not for*
3 *consumption on the premises and it includes stores classified under*
4 *the North American industry classification system (NAICS) on the*
5 *effective date of this act as NAICS 445310; (ii) "convenience store"*
6 *means a retail business with primary emphasis placed on providing*
7 *the public a convenient location to quickly purchase from a wide*
8 *array of consumable products (predominantly food or food and*
9 *gasoline) and services, and includes stores classified on the effective*
10 *date of this act as either NAICS 44512, convenience stores, or NAICS*
11 *447110, gasoline stations with convenience stores; and (iii) "grocery*
12 *store" means a store established primarily for the retail sale of food,*
13 *and includes stores classified on the effective date of this act as*
14 *NAICS 445110;*

15 *(E) to a partnership, unless all of the partners are qualified to*
16 *obtain a license; and*

17 *(F) to a trust, if any grantor, beneficiary or trustee thereof would*
18 *be ineligible to receive a retailer's license for any reason specified in*
19 *subsection (a) other than the age and citizenship requirements.*

20 (c) No manufacturer's license shall be issued to:

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

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

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

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

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

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

39 (d) No distributor's license shall be issued to:

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

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

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

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

37 (e) No nonbeverage user's license shall be issued to a corporation,
38 if any officer, manager or director of the corporation or any stockholder
39 owning in the aggregate more than 25% of the stock of the corporation

1 would be ineligible to receive a nonbeverage user's license for any
2 reason other than citizenship and residence requirements.

3 (f) No microbrewery license or farm winery license shall be issued
4 to a:

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

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

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

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

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

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

23 (7) a trust, if any grantor, beneficiary or trustee would be ineligible
24 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 (g) The provisions of subsections ~~(b)(1), (b)(2)~~ **(b)(1)(A), (b)(1)**
28 **(B)**, (c)(3), (c)(4), (d)(3), (f)(1), (f)(2) and K.S.A. 2010 Supp. 41-311b,
29 and amendments thereto, shall not apply in determining eligibility for
30 the 10th, or a subsequent, consecutive renewal of a license if the
31 applicant has appointed a citizen of the United States who is a resident
32 of Kansas as the applicant's agent and filed with the director a duly
33 authenticated copy of a duly executed power of attorney, authorizing
34 the agent to accept service of process from the director and the courts
35 of this state and to exercise full authority, control and responsibility for
36 the conduct of all business and transactions within the state relative to
37 alcoholic liquor and the business licensed. The agent must be
38 satisfactory to and approved by the director, except that the director
39 shall not approve as an agent any person who:

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

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

8 (3) has been convicted of being the keeper or is keeping a house of
9 prostitution or has forfeited bond to appear in court to answer charges
10 of being a keeper of a house of prostitution;

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

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

16 ~~Sec. 14.~~ **II.** On and after January 1, 2012, K.S.A. 2010 Supp. 41-
17 313 is hereby amended to read as follows: 41-313. (a) No corporation,
18 either organized under the laws of this state, any other state or a foreign
19 country, shall be issued a *retailer's*, manufacturer's, distributor's,
20 microbrewery or farm winery license unless the corporation has first
21 ~~procured a certificate of authority from~~ ***filed a formation document***
22 ***with*** the secretary of state to do business in this state as provided by
23 law, appointed a citizen of the United States, and resident of Kansas, as
24 its ***resident*** agent and ~~filed with the director a duly authenticated copy~~
25 ~~of a duly executed power of attorney~~, authorizing the agent to accept
26 service of process from the director and the courts of this state and to
27 exercise full authority of the corporation and full authority, control and
28 responsibility for the conduct of all business and transactions of the
29 corporation within the state relative to alcoholic liquor and the business
30 licensed. ~~The agent must be satisfactory to and approved by the director~~
31 ~~with respect to the agent's character.~~ The agent shall at all times be
32 maintained by the corporation.

33 ~~In addition, any corporation organized under the laws of any other~~
34 ~~state or foreign country, as a condition precedent to the issuance to it of~~
35 ~~any license, shall file with the secretary of state of the state of Kansas, a~~
36 ~~duly authorized and executed power of attorney, authorizing the~~
37 ~~secretary of state to accept service of process from the director and the~~
38 ~~courts of this state and to accept service of any notice or order provided~~
39 ~~for in this act, and all such acts by the secretary of state shall be fully~~

1 ~~binding upon the corporation.~~

2 (b) Every nonresident applicant on applying for a license or permit
3 under this act, and as a condition precedent to obtaining such license or
4 permit, shall file with the secretary of state of this state its written
5 consent, irrevocable, that any action or garnishment proceeding may be
6 commenced against such applicant in the proper court of any county in
7 this state in which the cause of action shall arise or in which the
8 plaintiff may reside by the service of process on the resident agent
9 specified in subsection (a), and stipulating and agreeing that such
10 service shall be taken and held in all courts to be as valid and binding
11 as if due service had been made upon the applicant. The written consent
12 shall state that the courts of this state have jurisdiction over the person
13 of such applicant and are the proper and convenient forum for such
14 action and shall waive the right to request a change of jurisdiction or
15 venue to a court outside this state and that all actions arising under this
16 act and commenced by the applicant shall be brought in this state's
17 courts as the proper and convenient forum. Such consent shall be
18 executed by the applicant and if a corporation, by the president and
19 secretary of the corporate applicant, and shall be accompanied by a
20 duly certified copy of the order or resolution of the board of directors,
21 trustees or managers authorizing the president and secretary to execute
22 the same.

23 ~~Sec. 15. — K.S.A. 2010 Supp. 41-317 is hereby amended to read as~~
24 ~~follows: 41-317. (a) Applications for all licenses under this act shall be~~
25 ~~completed and submitted to the director in a manner prescribed by the~~
26 ~~director. Each applicant shall submit an application fee of \$50 for each~~
27 ~~initial application and \$10 for each renewal application to defray the~~
28 ~~cost of processing the application.~~

29 ~~(b) Each applicant shall submit to the division of alcoholic~~
30 ~~beverage control the full amount of the application fee and:~~

31 ~~(1) The full amount of the license fee required to be paid for the~~
32 ~~kind of license specified in the application; or~~

33 ~~(2) one-half of the full amount of the license fee required to be~~
34 ~~paid for the kind of license specified in the application.~~

35 ~~(c) If the applicant elects to pay only one-half of the license fee~~
36 ~~pursuant to subsection (b)(2), the remaining one-half of the license fee~~
37 ~~plus 10% of such remaining balance shall be due and payable one year~~
38 ~~from the date of issuance of the license. Notwithstanding any other~~
39 ~~provision of law, failure to pay the full amount due under this~~

1 paragraph on the date it is due shall result in the automatic cancellation
2 of such license for the remainder of the license term. The director may,
3 at the director's sole discretion and after examination of the
4 circumstances, extend the date payment is due pursuant to this
5 paragraph for not more than 30 days beyond the date such payment is
6 originally due.

7 (d) Any license fee paid by an applicant shall be returned to the
8 applicant if the application is denied.

9 (e) Payment of all fees required to be paid pursuant to this section
10 may be made by personal, certified or cashier's check, United States
11 post office money order, debit or credit card or cash, or by electronic
12 payment authorized by the applicant in a manner prescribed by the
13 director.

14 (f) All fees received by the director pursuant to this section shall
15 be remitted by the director to the state treasurer in accordance with the
16 provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt
17 of each such remittance, the state treasurer shall deposit the entire
18 amount in the state treasury to the credit of the state general fund.

19 (g) Every applicant for a manufacturer's, distributor's,
20 nonbeverage user's, microbrewery, farm winery, retailer's or special
21 order shipping license shall file with the application a joint and several
22 bond on a form prescribed by the director and executed by good and
23 sufficient corporate sureties licensed to do business within the state of
24 Kansas to the director, in the following amounts:

25 (1) For a manufacturer, \$25,000;

26 (2) for a spirits distributor, \$15,000 or an amount equal to the
27 highest monthly liability of the distributor for taxes imposed by the
28 Kansas liquor control act for any of the 12 months immediately prior to
29 renewal of the distributor's license, whichever amount is greater;

30 (3) for a beer or wine distributor, \$5,000 or an amount equal to the
31 highest monthly liability of the distributor for taxes imposed by the
32 Kansas liquor control act for any of the 12 months immediately prior to
33 renewal of the distributor's license, whichever amount is greater;

34 (4) (A) except as provided in subparagraph (B), For a retailer,
35 \$2,000;

36 (B) on and after January 1, 2012, for a retailer, \$500 for class A,
37 \$1,000 for class B and \$2,000 for class C;

38 (5) for nonbeverage users, \$200 for class 1, \$500 for class 2,
39 \$1,000 for class 3, \$5,000 for class 4 and \$10,000 for class 5;

1 ~~(6) for a microbrewery or a farm winery, \$2,000; and~~
2 ~~(7) for a winery holding a special order shipping license, \$750,~~
3 ~~unless the winery has already complied with subsection (g)(6).~~

4 ~~If a distributor holds or applies for more than one distributor's~~
5 ~~license, only one bond for all such licenses shall be required, which~~
6 ~~bond shall be in an amount equal to the highest applicable bond.~~

7 ~~(h) All bonds required by this section shall be conditioned on the~~
8 ~~licensee's compliance with the provisions of this act and payment of all~~
9 ~~taxes, fees, fines and forfeitures which may be assessed against the~~
10 ~~licensee.~~

11 ~~Sec. 16. 12.~~ K.S.A. 2010 Supp. 41-326 is hereby amended to read
12 as follows: 41-326. *Except as otherwise provided by law, a license shall*
13 *be purely a personal privilege, valid for not to exceed two years after*
14 *issuance, except as otherwise provided by law, unless sooner suspended*
15 *or revoked, and shall not constitute property, nor shall it be subject to*
16 *attachment, garnishment or execution, nor shall it be alienable or*
17 *transferable, voluntarily or involuntarily, or subject to being*
18 *encumbered or hypothecated. A license shall not descend by the laws of*
19 *testate or intestate devolution but shall cease and expire upon the death*
20 *of the licensee except that executors, administrators or representatives*
21 *of the estate of any deceased licensee and the trustee of any insolvent or*
22 *bankrupt licensee, when such estate consists in part of alcoholic liquor,*
23 *may continue the business of the sale, distribution or manufacture of*
24 *alcoholic liquor under order of the appropriate court and may exercise*
25 *the privilege of the deceased, insolvent or bankrupt licensee after the*
26 *death of such decedent, or after such insolvency or bankruptcy, until the*
27 *expiration of such license but not longer than one year after the death,*
28 *bankruptcy or insolvency of such licensee.*

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

39 ~~Sec. 17. 13.~~ On and after January 1, 2012, K.S.A. 41-713 is hereby

1 amended to read as follows: 41-713. It shall be unlawful for a retailer
2 of alcoholic liquor: (1) To permit any person to mix drinks in or on the
3 licensed premises; (2) to ~~employ any person under the age of twenty-~~
4 ~~one (21) years in connection with the operation of such retail~~
5 ~~establishment; or (3) to employ any person in connection with the~~
6 ~~operation of such retail establishment who has been adjudged guilty of~~
7 ~~a felony. authorize or allow any person under the age of 18 years to sell~~
8 ~~at retail any beer or wine; (3) to authorize or allow any person under~~
9 ~~the age of 21 years to sell at retail any spirits or any other alcoholic~~
10 ~~liquor other than beer or wine, or to stock or otherwise handle any~~
11 **alcoholic liquor; or (4) (3) to authorize or allow any person who has**
12 **been adjudged guilty of a felony to sell at retail any alcoholic liquor.**

13 ***Sec. 14. On and after January 1, 2012, K.S.A. 41-1101 is hereby***
14 ***amended to read as follows: 41-1101. (a) No distributor licensed***
15 ***under this act shall purchase any alcoholic liquor from any***
16 ***manufacturer, owner of alcoholic liquor at the time it becomes a***
17 ***marketable product, exclusive agent of such manufacturer or owner,***
18 ***microbrewery, farm winery or distributor of alcoholic liquor bottled***
19 ***in a foreign country either within or without this state, unless the***
20 ***manufacturer, owner, exclusive agent, microbrewery, farm winery or***
21 ***distributor files with the director a written statement sworn to by the***
22 ***manufacturer, owner, exclusive agent, microbrewery, farm winery or***
23 ***distributor or, in case of a corporation, one of its principal officers,***
24 ***agreeing to sell any of the brands or kinds of alcoholic liquor***
25 ***manufactured or distributed by the manufacturer, owner, exclusive***
26 ***agent, microbrewery, farm winery or distributor to any distributor***
27 ***licensed in this state and having a franchise to distribute the***
28 ***alcoholic liquor pursuant to K.S.A. 41-410, and amendments thereto,***
29 ***and to make such sales to all such licensed distributors in this state at***
30 ***the same current price and without discrimination. Each***
31 ***manufacturer, owner, exclusive agent, microbrewery or farm winery***
32 ***shall provide to each distributor written notice not less than 45 days***
33 ***before any change in the current price of any spirits or wine which***
34 ***such manufacturer, owner, exclusive agent, microbrewery or farm***
35 ***winery sells to such distributor. If any manufacturer, owner,***
36 ***exclusive agent, microbrewery, farm winery or distributor making the***
37 ***agreement violates the agreement by refusing to sell such alcoholic***
38 ***liquor to any such franchised licensed distributor in this state or***
39 ***discriminates in current prices among such franchised licensed***

1 *distributors making or attempting to make purchases of alcoholic*
2 *liquor from the manufacturer, owner, exclusive agent, microbrewery,*
3 *farm winery or distributor, the director shall notify, by registered*
4 *mail, each such franchised licensed distributor in this state of the*
5 *violation. Thereupon, it shall be unlawful for a franchised licensed*
6 *distributor in this state to purchase any alcoholic liquor from the*
7 *manufacturer, owner, exclusive agent, microbrewery, farm winery or*
8 *distributor. If thereafter such a franchised licensed distributor*
9 *purchases any alcoholic liquor from the manufacturer, owner,*
10 *exclusive agent, microbrewery, farm winery or distributor, such*
11 *franchised distributor's license shall be revoked by the director. If*
12 *any manufacturer, owner, exclusive agent, microbrewery, farm*
13 *winery or distributor of alcoholic liquor bottled in a foreign country,*
14 *making any agreement hereunder, does not have a sufficient supply*
15 *of alcoholic liquor of any of the brands or kinds which the*
16 *manufacturer, owner, exclusive agent, microbrewery, farm winery or*
17 *distributor manufactures or distributes to supply the demands of all*
18 *licensed distributors having a franchise to distribute such alcoholic*
19 *liquor, the manufacturer, owner, exclusive agent, microbrewery, farm*
20 *winery or distributor may ration such alcoholic liquor and apportion*
21 *the available supply among such franchised licensed distributors*
22 *purchasing or attempting to purchase it, in accordance with a plan*
23 *which shall be subject to the approval of the director.*

24 *(b) Except as otherwise provided in section 5, and amendments*
25 *thereto, no retailer licensed under this act shall purchase any*
26 *alcoholic liquor from any distributor licensed under this act unless*
27 *the distributor files with the director a written statement sworn to by*
28 *the distributor, or in case of a corporation by one of its principal*
29 *officers, agreeing to sell any of the brands or kinds of alcoholic*
30 *liquor distributed by the distributor and to provide service in*
31 *connection therewith to any licensed retailer whose licensed premises*
32 *are located within the geographic territory of the distributor's*
33 *franchise for the alcoholic liquor, unless written approval to do*
34 *otherwise is obtained from the director, and to make such sales to all*
35 *such licensed retailers at the same current bottle, sleeve and case*
36 *price and without discrimination. For purposes of this subsection the*
37 *"same current bottle, sleeve and case price" for spirits and wine*
38 *means a price effective for a specified period as designated by the*
39 *distributor on or before the first day of each month. If any distributor*

1 *making the agreement violates the agreement by refusing to sell or*
2 *provide service to any such licensed retailer in this state without*
3 *written approval of the director or discriminates in current prices*
4 *among such licensed retailers making or attempting to make*
5 *purchases of alcoholic liquor from the distributor, the director may*
6 *revoke the license of the distributor. If any licensed distributor*
7 *making any agreement hereunder does not have a sufficient supply of*
8 *alcoholic liquor of any of the brands or kinds which the distributor*
9 *distributes to supply the demands of all such licensed retailers, the*
10 *distributor may ration such alcoholic liquor and apportion the*
11 *available supply among such licensed retailers purchasing or*
12 *attempting to purchase the same, in accordance with a plan which*
13 *shall be subject to the approval of the director.*

14 *(c) No club or drinking establishment licensed in this state shall*
15 *purchase any wine or beer from any distributor licensed under this*
16 *act unless the distributor files with the director a written statement*
17 *sworn to by the distributor, or in case of a corporation by one of its*
18 *principal officers, agreeing to sell any of the brands or kinds of wine*
19 *or beer distributed by the distributor to those clubs and drinking*
20 *establishments to which the distributor is authorized to sell such wine*
21 *or beer and to which the distributor desires to sell such wine or beer,*
22 *unless written approval to do otherwise is obtained from the director*
23 *and to make such sales to all such licensed clubs or drinking*
24 *establishments at the same current bottle and case price and without*
25 *discrimination. If any distributor making the agreement violates the*
26 *agreement by refusing to sell to any such licensed club or drinking*
27 *establishment in this state without written approval of the director or*
28 *discriminates in current prices among such licensed clubs or*
29 *drinking establishments making or attempting to make purchases of*
30 *wine or beer from the distributor, the director may revoke the license*
31 *of the distributor. If any licensed distributor making any agreement*
32 *hereunder does not have a sufficient supply of wine or beer of any of*
33 *the brands or kinds which the distributor distributes to supply the*
34 *demands of all such licensed clubs or drinking establishments, the*
35 *distributor may ration such wine or beer and apportion the available*
36 *supply among such licensed clubs or drinking establishments*
37 *purchasing or attempting to purchase the same, in accordance with a*
38 *plan which shall be subject to the approval of the director.*

39 *For the purposes of this subsection, a delivery charge shall not be*

1 *considered a part of the price of wine or beer sold by a distributor.*

2 *(d) No retailer licensed under K.S.A. 41-2701 et seq., and*
3 *amendments thereto, shall purchase any cereal malt beverage from*
4 *any distributor licensed under this act unless the distributor files with*
5 *the director a written statement sworn to by the distributor, or in case*
6 *of a corporation by one of its principal officers, agreeing to sell any*
7 *of the brands or kinds of cereal malt beverage distributed by the*
8 *distributor to those retailers to which the distributor is authorized to*
9 *sell such cereal malt beverage, unless written approval to do*
10 *otherwise is obtained from the director, and to make such sales to all*
11 *such licensed retailers at the same current price and without*
12 *discrimination. If any distributor making the agreement violates the*
13 *agreement by refusing to sell to any such licensed retailer in this state*
14 *without written approval of the director or discriminates in current*
15 *prices among such licensed retailers making or attempting to make*
16 *purchases of cereal malt beverage from the distributor, the director*
17 *may revoke the license of the distributor. If any licensed distributor*
18 *making any agreement hereunder does not have a sufficient supply of*
19 *cereal malt beverage of any of the brands or kinds which the*
20 *distributor distributes to supply the demands of all such licensed*
21 *retailers, the distributor may ration such cereal malt beverage and*
22 *apportion the available supply among such licensed retailers*
23 *purchasing or attempting to purchase the same, in accordance with a*
24 *plan which shall be subject to the approval of the director.*

25 *(e) No distributor shall sell alcoholic liquor or cereal malt*
26 *beverage to a retailer licensed under the Kansas liquor control act, to*
27 *a club, drinking establishment or caterer licensed under the club and*
28 *drinking establishment act or to a retailer licensed under K.S.A. 41-*
29 *2702, and amendments thereto, at a discount for multiple case lots.*

30 ~~Sec. 15.~~ *15. K.S.A. 2010 Supp. 79-4108 is hereby amended to*
31 *read as follows: 79-4108. All revenue collected or received by the*
32 *director of taxation from taxes imposed by K.S.A. 79-4101 to 79-4105,*
33 *and amendments thereto, shall be remitted to the state treasurer in*
34 *accordance with the provisions of K.S.A. 75-4215, and amendments*
35 *thereto. Upon receipt of each such remittance, the state treasurer shall*
36 *deposit the entire amount in the state treasury to the credit of the state*
37 *general fund, except that 3% of the revenue remitted to the state*
38 *treasurer during the prior calendar year quarter and deposited in the*
39 *state treasury shall be credited to the local cereal malt beverage sales*

1 *tax fund, which is hereby created in the state treasury. Moneys credited*
2 *to the local cereal malt beverage sales tax fund shall be distributed*
3 *quarterly as part of the January, April, July and October sales tax*
4 *distribution to each city and county which levied a local retailers' sales*
5 *tax. The amount to be distributed to each city and county shall be*
6 *determined by the department of revenue based on a weighted*
7 *population average. The weighted population average shall be*
8 *computed by multiplying the total tax rate in effect for the city or*
9 *county by the population of such city or county. The weighted*
10 *population average for each city and county shall then be divided by*
11 *the total Kansas population. The resulting quotient is the percentage of*
12 *distribution for such city or county. The population data shall be*
13 *updated annually with the issuance of the certified population data*
14 *through the division of the budget. The state treasurer shall transfer any*
15 *moneys remaining in the county and city alcoholic liquor control*
16 *enforcement fund on the effective date of this act to the state general*
17 *fund.*

18 ~~Sec. 19: 16.~~ K.S.A. 2010 Supp. 41-102, ~~41-310~~, 41-311, ~~41-317~~,
19 41-326 and 79-4108 are hereby repealed.

20 ~~Sec. 20: 17.~~ On January 1, 2012, K.S.A. 41-103, ~~41-304~~, 41-308,
21 41-711 ~~and~~, 41-713 ~~and 41-1101~~ and K.S.A. 2010 Supp. 41-301, 41-
22 303 and 41-313 are hereby repealed.

23 ~~Sec. 21: 18.~~ This act shall take effect and be in force from and
24 after its publication in the statute book.