

CONFERENCE COMMITTEE REPORT

MADAM PRESIDENT and MR. SPEAKER: Your committee on conference on Senate amendments to **HB 2223** submits the following report:

The House accedes to all Senate amendments to the bill, and your committee on conference further agrees to amend the bill as printed with Senate Committee amendments, as follows:

On page 7, in line 12, after "venue" by inserting a comma; in line 33, after "(e)" by inserting "(1) A public venue, club or drinking establishment may offer customer self-service of wine from automated devices on licensed premises so long as the licensee monitors and has the ability to control the dispensing of such wine from the automated devices.

(2) The secretary may adopt rules and regulations as necessary to implement the provisions of this subsection.

(f)";

And by redesignating subsections, paragraphs, subparagraphs and clauses accordingly;

On page 18, in line 40, after "event" by inserting "or catered event"; in line 43, after the first "event" by inserting "or when the caterer's licensee has provided the required notification pursuant to K.S.A. 41-2643, and amendments thereto"; also in line 43, by striking "Such" and inserting "Any";

On page 19, in line 4, by striking "such"; also in line 4, after "event" by inserting "or catered event"; in line 7, after "township" by inserting ", or the boundaries of the catered event"; also in line 7, by striking "such" and inserting "a"; in line 34, by striking "or"; in line 37, after "thereto" by inserting "; or

(6) on the premises of an unlicensed business as authorized pursuant to subsection (i)";

On page 21, following line 2, by inserting:

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

Also on page 21, in line 25, after "(i)" by inserting "(1) An unlicensed business may authorize patrons or guests of such business to consume alcoholic liquor on the premises of such business provided:

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

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

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

(D) no charge of any sort may be made by the business for the privilege of possessing or consuming alcoholic liquor on the premises, or for mere entry onto the premises.

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

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

(j)";

And by redesignating subsections, paragraphs, subparagraphs and clauses accordingly;

On page 28, following line 3, by inserting:

"New Sec. 25. (a) Any person engaged in business as a vineyard with not less than 100 vines may apply to the director for an annual vineyard permit.

(b) A vineyard permit shall authorize the sale in the original, unopened container and the serving by the drink of wine on the premises specified in the permit. A vineyard permit also shall authorize the permit holder to conduct wine tastings in accordance with K.S.A. 2014 Supp. 41-308d, and amendments thereto, on the premises specified in the permit. All wine sold or served by the permit holder shall be produced, in whole or in part, using grapes grown by the permit holder and shall be manufactured by a farm winery.

(c) Any wine not consumed on the premises shall be disposed of by the permit holder or, prior to its removal from the property, securely resealed and placed in a tamper-proof, transparent bag which is sealed in a manner that makes it visibly apparent if the bag is subsequently opened.

(d) Permits issued under this section shall be valid for one year from the date of issuance.

(e) The annual fee for a vineyard permit shall be \$100.

(f) The secretary may adopt rules and regulations as necessary to implement the provisions of this section.

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

Sec. 26. K.S.A. 41-2643 is hereby amended to read as follows: 41-2643. (a) A caterer's license shall allow the licensee to offer for sale, sell and serve alcoholic liquor for consumption on unlicensed premises, which may be open to the public, but only if such premises are located in a county where the qualified electors of the county:

(1) (A) Approved, by a majority vote of those voting thereon, the proposition to amend

section 10 of article 15 of the constitution of the state of Kansas at the general election in November, 1986; or (B) have approved a proposition to allow sales of alcoholic liquor by the individual drink in public places within the county at an election pursuant to K.S.A. 41-2646, and amendments thereto; and

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

(b) A caterer shall be required to derive from sales of food at catered events not less than 30% of the caterer's gross receipts from all sales of food and beverages at catered events in a 12-month period unless the caterer offers for sale, sells and serves alcoholic liquor only in counties where the qualified electors of the county:

(1) Have approved, at an election pursuant to K.S.A. 41-2646, and amendments thereto, a proposition to allow sales of alcoholic liquor by the individual drink in public places within the county without a requirement that any portion of their gross receipts be derived from the sale of food; and

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

(c) Each caterer shall maintain the caterer's principal place of business in a county in this state where the caterer is authorized by this section to sell alcoholic liquor by the individual drink in a public place. All records of the caterer relating to the caterer's licensed business and the caterer's license shall be kept at such place of business. The caterer's principal place of business shall be stated in the application for a caterer's license and the caterer shall notify the director of any change in its location within 10 days after such change.

~~(d) A caterer shall notify the director at least 10 days prior to any event at which the caterer will sell alcoholic liquor by the individual drink unless the director waives the 10-day~~

requirement for good cause shown. In addition, prior to the event, the caterer shall notify:

(1) ~~The police chief of the city where the event will take place, if the event will take place within the corporate limits of a city; or~~

(2) ~~the county sheriff of the county where the event will take place, if the event will be outside the corporate limits of any city~~ Except as otherwise provided herein, a caterer shall provide electronic notification to the director at least 48 hours prior to any event at which the caterer will sell alcoholic liquor by the individual drink. The director shall make the electronic notification available to local law enforcement. Notice shall consist of the time, location and the names of the contracting parties of the event. For events where alcohol is served, a licensee shall retain all documents for a period of three years for inspection by the director. The documents retained shall include agreements, receipts, employees assigned to the event and records of alcohol purchased. Notification shall not be required for weddings, funerals, events sponsored by religious institutions, or for business, industry or trade sponsored meetings, including, but not limited to, awards presentations and retirement celebrations.

(e) A caterer may rebate a portion of the caterer's receipts from the sale of alcoholic liquor at an event to the person or organization contracting with the caterer to sell alcoholic liquor at such event.

Sec. 27. K.S.A. 2014 Supp. 41-710 is hereby amended to read as follows: 41-710. (a) No retailer's license shall be issued for premises unless such premises comply with all applicable zoning regulations.

(b) No microbrewery license, microdistillery license or farm winery license shall be issued for premises which are zoned for any purpose except agricultural, commercial or business purposes.

(c) No retailer's, microbrewery, microdistillery or farm winery license shall be issued

for premises which:

(1) Are located within 200 feet of any public or parochial school or college or church, except that if any such school, college or church is established within 200 feet of any licensed premises after the premises have been licensed, the premises shall be an eligible location for retail licensing; or

(2) do not conform to all applicable building regulations.

(d) Any city, by ordinance, may allow a retailer, microbrewery, microdistillery or farm winery to be located within a core commercial district as defined by K.S.A. 2014 Supp. 12-17,122, and amendments thereto, which does not meet the distance requirements established by subsection (c)(1).

Sec. 28. K.S.A. 2014 Supp. 41-2645 is hereby amended to read as follows: 41-2645. (a) A temporary permit shall allow the permit holder to offer for sale, sell and serve alcoholic liquor for consumption on unlicensed premises, which may be open to the public, subject to the terms of such permit.

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

(c) Applications for temporary permits shall be required to be filed with the director not less than 14 days before the event for which the permit is sought unless the director waives such requirement for good cause. Each application shall state the purposes for which the proceeds of the event will be used. The application shall be upon a form prescribed and furnished by the director and shall be filed with the director in duplicate. Each application shall be accompanied by a permit fee of \$25 for each day for which the permit is issued, which fee shall be paid by a

certified or cashier's check of a bank within this state, United States post office money order or cash in the full amount thereof. All permit fees collected by the director pursuant to this section shall be remitted to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury to the credit of the state general fund.

(d) Temporary permits shall specify the premises for which they are issued and shall be issued only for premises where the city, county or township zoning code allows use for which the permit is issued. No temporary permit shall be issued for premises which are not located in a county where the qualified electors of the county:

(1) (A) Approved, by a majority vote of those voting thereon, to adopt the proposition amending section 10 of article 15 of the constitution of the state of Kansas at the general election in November, 1986; or (B) have approved a proposition to allow the sale of liquor by the individual drink in public places within the county at an election pursuant to K.S.A. 41-2646, and amendments thereto; and

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

(e) (1) A temporary permit may be issued for the consumption of alcoholic liquor on a city, county or township street, alley, road, sidewalk or highway for a special event; provided, that such street, alley, road, sidewalk or highway is closed to motor vehicle traffic by the governing body of such city, county or township for such special event, a written request for such consumption and possession of such alcoholic liquor has been made to the local governing body and the special event is approved by the governing body of such city, county or township by ordinance or resolution. The boundaries of such special event shall be clearly marked by signs, a posted map or other means which reasonably identify the area in which alcoholic liquor may be

possessed or consumed at such special event.

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

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

(4) For the purposes of this section, "special event" shall have the same meaning given that term in K.S.A. 41-719, and amendments thereto.

(f) (1) Except as otherwise provided in this subsection, a temporary permit shall be issued for a period of time not to exceed three consecutive days, the dates and hours of which shall be specified in the permit. Not more than four temporary permits may be issued to any one applicant in a calendar year.

(2) (A) On or before June 30, 2016, the director may issue one temporary permit, valid for the entire period of time of the Kansas state fair, which authorizes the sale of wine in its original, unopened container and the serving by the drink of only wine or beer, or both, on the state fairgrounds on premises specified in the temporary permit, by a person who has entered into an agreement with the state fair board for that purpose;

(B) On and after July 1, 2016, the director may issue a sufficient number of temporary permits as required by the state fair board, valid for the entire period of time of the Kansas state fair, which authorizes the sale of wine in its original, unopened container and the serving by the



drink of wine or beer, or both, on the state fairgrounds on premises specified in the temporary permit, by a person who has entered into an agreement with the state fair board for that purpose subject to the conditions imposed by the state fair board. Nothing in this subsection (f)(2)(B) shall be construed to limit the number of temporary permits the director may issue for the sale of wine or beer, or both, on the state fairgrounds consistent with the requirements of the state fair board.

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

(g) All proceeds from an event for which a temporary permit is issued shall be used only for the purposes stated in the application for such permit.

(h) Upon written permission from the director and within three business days after the end of an event conducted pursuant to a temporary permit, the holder of a temporary permit may sell back to the licensee from whom alcoholic liquor was purchased any alcoholic liquor sold to the holder of the temporary permit for such event.

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

(j) The director may refuse to issue a temporary permit to any person or organization which has violated any provision of the Kansas liquor control act, the drinking establishment act or K.S.A. 79-41a01 et seq., and amendments thereto.

Sec. 29. K.S.A. 2014 Supp. 41-351 is hereby amended to read as follows: 41-351. (a) Notwithstanding any other provisions of the Kansas liquor control act, the club and drinking establishment act or the Kansas cereal malt beverage act, any person who is licensed to sell wine pursuant to K.S.A. 41-308a, and amendments thereto, may apply to the director for an annual

~~bona fide~~ farmers' market sales permit. Such permit shall authorize the licensee, a member of the licensee's family or an employee of the licensee to sell wine in the original unopened container produced and bottled by the licensee ~~at a bona fide farmers' market located at a site approved by the director~~ markets.

(b) An application submitted pursuant to this section shall be accompanied by an application fee of \$25. Permits issued under this section shall be valid for one year from the date of issuance. ~~A licensee shall not hold more than one bona fide farmers' market sales permit at any one time.~~

(c) ~~The licensee may only sell wine at a single bona fide farmers' market on one day of the week.~~ The location ~~locations~~ of the ~~bona fide farmers' market~~ markets at which wine shall be sold shall be specified in the application submitted to the director. If the licensee elects to sell wine at a farmers' market, the location of which was not reported to the director in the application, such licensee shall notify the director of the location before any wine may be sold at that location. The director shall notify the city, county and applicable law enforcement agency where ~~the bona fide farmers' market is~~ markets are to be held and of the issuance of a permit under this section for the sale of wine at such ~~bona fide farmers' market~~ markets.

(d) For the purposes of this section, ~~"bona fide farmers' market"~~ means any ~~location held out to be a farmers' market that is subject to inspection by the department of agriculture~~ common facility or area where producers or growers gather on a regular, recurring basis to sell fruits, vegetables, meats and other farm products directly to consumers.

(e) The secretary may adopt rules and regulations as necessary to implement the provisions of this section.

(f) This section shall be a part of and supplemental to the Kansas liquor control act.";

Also on page 28, in line 4, by striking "and" and inserting a comma; in line 5, after

"2633a" by inserting "and 41-2643"; in line 6, after "41-328," by inserting "41-351, 41-710,"; also in line 6, by striking "and" and inserting a comma; also in line 6, after "41-2640" by inserting "and 41-2645";

And by renumbering sections accordingly;

On page 1, in the title, in line 1, by striking "the dispensing of"; in line 2, by striking the first "and" and inserting a comma; also in line 2, after "41-2633a" by inserting "and 41-2643"; in line 4, after "41-328," by inserting "41-351, 41-710,"; also in line 4, by striking the first "and" and inserting a comma; also in line 4, after "41-2640" by inserting "and 41-2645";

And your committee on conference recommends the adoption of this report.

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Conferees on part of Senate

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Conferees on part of House