

HOUSE BILL No. 2362

By Committee on Appropriations

2-13

1 AN ACT concerning the department of revenue; relating to the division of
2 alcoholic beverage control; fees; establishing the alcoholic beverage
3 control modernization fee and the alcoholic beverage control
4 modernization fund; amending K.S.A. 2016 Supp. 41-317 and 41-2606
5 and repealing the existing sections.
6

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

8 New Section 1. (a) In addition to any initial application or renewal
9 application fee prescribed pursuant to K.S.A. 41-317 and 41-2606, and
10 amendments thereto, each applicant for an initial application or a renewal
11 application of a license shall pay at the time of application or renewal a
12 non-refundable alcoholic beverage control modernization fee in the
13 amount of \$20. All revenue from the alcoholic beverage control
14 modernization fee collected and remitted to the director of alcoholic
15 beverage control shall be remitted to the state treasurer in accordance with
16 the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt
17 of each such remittance, the state treasurer shall deposit the entire amount
18 into the state treasury to the credit of the alcoholic beverage control
19 modernization fund.

20 (b) There is hereby created in the state treasury the alcoholic
21 beverage control modernization fund. All moneys credited to the alcoholic
22 beverage control modernization fund shall be used by the department of
23 revenue only for the purpose of funding the replacement of the work
24 processes, computer hardware and software and related equipment
25 associated with the division of alcoholic beverage control's functions
26 related to licensing, permitting and case management and supporting
27 administrative processes, including maintenance, operation, repair and
28 upgrade of such computer hardware, software and related equipment. All
29 expenditures from the alcoholic beverage control modernization fund shall
30 be made in accordance with appropriation acts upon warrants of the
31 director of accounts and reports issued pursuant to vouchers approved by
32 the director of alcoholic beverage control or the director's designee.

33 Sec. 2. K.S.A. 2016 Supp. 41-317 is hereby amended to read as
34 follows: 41-317. (a) Applications for all licenses under this act shall be
35 completed and submitted to the director in a manner prescribed by the
36 director. Each applicant shall submit an application fee of ~~\$50~~ \$30 for each

1 initial application and \$10 for each renewal application to defray the cost
2 of processing the application.

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

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

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

9 (c) If the applicant elects to pay only one-half of the license fee
10 pursuant to subsection (b)(2), the remaining one-half of the license fee
11 plus 10% of such remaining balance shall be due and payable one year
12 from the date of issuance of the license. Notwithstanding any other
13 provision of law, failure to pay the full amount due under this ~~paragraph~~
14 *subsection* on the date it is due shall result in the automatic cancellation of
15 such license for the remainder of the license term. The director may, at the
16 director's sole discretion and after examination of the circumstances,
17 extend the date payment is due pursuant to this ~~paragraph~~ *subsection* for
18 not more than 30 days beyond the date such payment is originally due.

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

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

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

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

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

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

41 (3) for a beer or wine distributor, \$5,000 or an amount equal to the
42 highest monthly liability of the distributor for taxes imposed by the Kansas
43 liquor control act for any of the 12 months immediately prior to renewal of

- 1 the distributor's license, whichever amount is greater;
- 2 (4) for a retailer, \$2,000;
- 3 (5) for nonbeverage users, \$200 for class 1, \$500 for class 2, \$1,000
- 4 for class 3, \$5,000 for class 4 and \$10,000 for class 5;
- 5 (6) for a microbrewery, microdistillery or a farm winery, \$2,000; and
- 6 (7) for a winery holding a special order shipping license, \$750, unless
- 7 the winery has already complied with subsection (g)(6).

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

11 (h) All bonds required by this section shall be conditioned on the
 12 licensee's compliance with the provisions of this act and payment of all
 13 taxes, fees, fines and forfeitures ~~which~~ *that* may be assessed against the
 14 licensee.

15 Sec. 3. K.S.A. 2016 Supp. 41-2606 is hereby amended to read as
 16 follows: 41-2606. (a) Applications for all licenses under this act shall be
 17 completed and submitted to the director in a manner prescribed by the
 18 director. Each applicant shall submit an application fee of ~~\$50~~, \$30 for
 19 each initial application; and \$10; for each renewal application; to defray
 20 the cost of processing such application.

21 (b) Each application for licensure as a club shall be accompanied by a
 22 copy of the current bylaws and rules of the club and a current list of the
 23 officers of the club.

24 (c) Each applicant shall submit to the division of alcoholic beverage
 25 control the full amount of the application fee and:

- 26 (1) The full amount of the license fee required to be paid for the kind
- 27 of license specified in the application; or
- 28 (2) one-half of the full amount of the license fee required to be paid
- 29 for the kind of license specified in the application.

30 (d) If the applicant elects to pay only one-half of the license fee
 31 pursuant to subsection (c)(2), the remaining one-half of the license fee plus
 32 10% of such remaining balance shall be due and payable one year from the
 33 date of issuance of the license. Notwithstanding any other provision of
 34 law, failure to pay the full amount due under this ~~paragraph~~ *subsection* on
 35 the date it is due shall result in the automatic cancellation of such license
 36 for the remainder of the license term. The director may, at the director's
 37 sole discretion and after examination of the circumstances, extend the date
 38 payment is due pursuant to this ~~paragraph~~ *subsection* for not more than 30
 39 days beyond the date such payment is originally due.

40 (e) Any license fee paid by an applicant shall be returned to the
 41 applicant if the application is denied.

42 (f) Payment of all fees required to be paid pursuant to this section
 43 may be made by personal, certified or cashier's check, United States post

1 office money order, debit or credit card or cash, or by electronic payment
2 authorized by the applicant in a manner prescribed by the director.

3 (g) All fees collected by the director pursuant to this section shall be
4 remitted to the state treasurer in accordance with the provisions of K.S.A.
5 75-4215, and amendments thereto. Upon receipt of each such remittance,
6 the state treasurer shall deposit the entire amount in the state treasury to
7 the credit of the state general fund.

8 Sec. 4. K.S.A. 2016 Supp. 41-317 and 41-2606 are hereby repealed.

9 Sec. 5. This act shall take effect and be in force from and after its
10 publication in the statute book.