

**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; ~~sunset of the fee~~; amending K.S.A. ~~2016~~ **2017**  
5 Supp. 41-317 and 41-2606 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. ~~The alcohol beverage control modernization fee~~  
20 ~~shall expire on June 30, 2022.~~

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

34 Sec. 2. K.S.A. ~~2016~~ **2017** Supp. 41-317 is hereby amended to read as

1 follows: 41-317. (a) Applications for all licenses under this act shall be  
2 completed and submitted to the director in a manner prescribed by the  
3 director. ~~Except as provided further,~~ Each applicant shall submit an  
4 application fee of ~~\$50~~ \$30 for each initial application and \$10 for each  
5 renewal application to defray the cost of processing the application. ~~On~~  
6 ~~and after July 1, 2022, the application fee for each initial application~~  
7 ~~shall be \$50.~~

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

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

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

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

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

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

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

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

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

42 (2) for a spirits distributor, \$15,000 or an amount equal to the highest  
43 monthly liability of the distributor for taxes imposed by the Kansas liquor

1 control act for any of the 12 months immediately prior to renewal of the  
2 distributor's license, whichever amount is greater;

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

7 (4) for a retailer, \$2,000;

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

10 (6) for a microbrewery, microdistillery or a farm winery, \$2,000; and

11 (7) for a winery holding a special order shipping license, \$750, unless  
12 the winery has already complied with subsection (g)(6).

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

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

20 Sec. 3. K.S.A. ~~2016~~ 2017 Supp. 41-2606 is hereby amended to read  
21 as follows: 41-2606. (a) Applications for all licenses under this act shall be  
22 completed and submitted to the director in a manner prescribed by the  
23 director. ~~Except as provided further,~~ Each applicant shall submit an  
24 application fee of \$50, \$30 for each initial application; and \$10; for each  
25 renewal application; to defray the cost of processing such application. ~~On~~  
26 ~~and after July 1, 2022, the application fee for each initial application~~  
27 ~~shall be \$50.~~

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

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

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

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

37 (d) If the applicant elects to pay only one-half of the license fee  
38 pursuant to subsection (c)(2), the remaining one-half of the license fee plus  
39 10% of such remaining balance shall be due and payable one year from the  
40 date of issuance of the license. Notwithstanding any other provision of  
41 law, failure to pay the full amount due under this ~~paragraph~~ subsection on  
42 the date it is due shall result in the automatic cancellation of such license  
43 for the remainder of the license term. The director may, at the director's

1 sole discretion and after examination of the circumstances, extend the date  
2 payment is due pursuant to this ~~paragraph~~ *subsection* for not more than 30  
3 days beyond the date such payment is originally due.

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

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

10 (g) All fees collected by the director pursuant to this section shall be  
11 remitted to the state treasurer in accordance with the provisions of K.S.A.  
12 75-4215, and amendments thereto. Upon receipt of each such remittance,  
13 the state treasurer shall deposit the entire amount in the state treasury to  
14 the credit of the state general fund.

15 Sec. 4. K.S.A. ~~2016~~ **2017** Supp. 41-317 and 41-2606 are hereby  
16 repealed.

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