Session of 2021

## SENATE BILL No. 256

By Committee on Federal and State Affairs

2-16

AN ACT concerning alcoholic liquor; restricted hours and days of sales;
 authorizing issuance of cereal malt beverage retailers' licenses to
 producers; sale in retail liquor stores; relating to the sale of cereal malt
 beverage in the original package; amending K.S.A. 2020 Supp. 41-712,
 41-2703, 41-2704 and 41-2911 and repealing the existing sections.

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

8 Section 1. K.S.A. 2020 Supp. 41-712 is hereby amended to read as 9 follows: 41-712. (a) Within any city where the days of sale at retail of 10 alcoholic liquor in the original package have not been expanded as 11 provided by K.S.A. 2020 Supp. 41-2911, and amendments thereto, or have 12 been so expanded and subsequently restricted as provided by K.S.A. 2020 13 Supp. 41-2911, and amendments thereto, and within any township where 14 the days of sale at retail of alcoholic liquor in the original package have 15 not been expanded as provided by K.S.A. 2020 Supp 41-2911, and-16 amendments thereto, or have been so expanded and subsequently restricted 17 as provided by K.S.A. 2020 Supp. 41-2911, and amendments thereto, no 18 person shall sell at retail any alcoholic liquor in the original package: (1) 19 On Sunday; (2) on Memorial Day, Independence Day, Labor Day, 20 Thanksgiving Day or Christmas Day; or (3) before 9 a.m. or after 11 p.m. 21 on any day when the sale is permitted. The governing body of any city by 22 ordinance may require the closing of premises prior to 11 p.m., but such 23 ordinance shall not require closing prior to 8 p.m.

24 (b) Within any city where the days of sale at retail of alcoholic liquor 25 in the original package have been expanded as provided by K.S.A. 2020 26 Supp. 41-2911, and amendments thereto, and have not been subsequently 27 restricted as provided by K.S.A. 2020 Supp. 41-2911, and amendments 28 thereto, and within any township where the days of sale at retail of 29 alcoholic liquor in the original package have been expanded as provided 30 by K.S.A. 2020 Supp. 41-2911, and amendments thereto, and have not been subsequently restricted as provided by K.S.A. 2020 Supp. 41-2911, 31 32 and amendments thereto, no person shall sell at retail alcoholic liquor in 33 the original package: (1) On Sunday-before 12 noon or after not earlier 34 than 10 a.m. and not later than 8 p.m.; (2) on Easter Sunday, Thanksgiving Day or Christmas Day; or (3) before 9 a.m. or after 11 p.m. on any day 35 36 when the sale is permitted. The governing body of any city by ordinance

1 may require the closing of premises prior to 11 p.m., but such ordinance2 shall not require closing prior to 8 p.m.

Sec. 2. K.S.A. 2020 Supp. 41-2703 is hereby amended to read as follows: 41-2703. (a) After examination of an application for a retailer's license, the board of county commissioners or the director shall, if they approve the same, issue a license to the applicant. The governing body of the city shall, if the applicant is qualified as provided by law, issue a license to such applicant.

9

(b) No retailer's license shall be issued to:

10 (1) A person who is not a resident of the county in which the place of 11 business covered by the license is located, has not been a resident of such 12 county for at least six months or has not been a resident in good faith of 13 the state of Kansas.

14 (2) A person who has not been a resident of this state for at least one 15 year immediately preceding application for a retailer's license.

16 (3) A person who is not of good character and reputation in the 17 community in which the person resides.

18

(4) A person who is not a citizen of the United States.

(5) A person who, within two years immediately preceding the date of application approval, has been convicted of, released from incarceration for or released from probation or parole for a felony or any crime involving moral turpitude, drunkenness, driving a motor vehicle while under the influence of intoxicating liquor or violation of any other intoxicating liquor law of any state or of the United States.

(6) A partnership, unless all the members of the partnership areotherwise qualified to obtain a license.

(7) A corporation, if any manager, officer or director thereof, or any
stockholder owning in the aggregate more than 25% of the stock of such
corporation, would be ineligible to receive a license hereunder for any
reason other than the citizenship and residency requirements.

(8) A person whose place of business is conducted by a manager or
 agent unless the manager or agent possesses all the qualifications of a
 licensee.

(9) A person whose spouse would be ineligible to receive a retailer's
license for any reason other than citizenship, residence requirements or
age, except that this subsection (b)(9) shall not apply in determining
eligibility for a renewal license.

(10) A person whose spouse has been convicted of a felony or other
 crime which would disqualify a person from licensure under this section
 and such felony or other crime was committed during the time that the
 spouse held a license under this act.

42 (c) After examination of an application for a retailer's license, the 43 board of county commissioners or the governing body of a city may deny a license to a person, partnership or corporation if any manager, officer or
 director thereof, or any stockholder owning in the aggregate more than
 25% of the stock of such corporation, has been an officer, manager,
 director or a stockholder owning in the aggregate more than 25% of the
 stock, of a corporation which that has:

6 (1) Had a retailer's license revoked under K.S.A. 41-2708, and 7 amendments thereto; or

8 (2) been convicted of a violation of the club and drinking 9 establishment act or the cereal malt beverage laws of this state.

10 (d) If an applicant has been issued a producer's license pursuant to 11 K.S.A. 41-355, and amendments thereto, an application for a retailers' 12 license shall be approved by the board of county commissioners or the 13 director, subject to the requirements of subsections (b) and (c).

(e) Retailers' licenses shall be issued either on an annual basis or for
 the calendar year. If such licenses are issued on an annual basis, the board
 of county commissioners or the governing body of the city shall notify the
 distributors supplying the county or city on or before April 1 of the year if
 a retailer's license is not renewed.

19 (e)(f) In addition to, and consistent with the requirements of K.S.A. 20 41-2701 et seq., and amendments thereto, the board of county 21 commissioners of any county or the governing body of any city may 22 provide by resolution or ordinance for the issuance of a special event 23 retailers' permit-which *that* shall allow the permit holder to offer for sale, 24 sell and serve cereal malt beverage for consumption on unpermitted 25 premises<del>, which *that*</del> may be open to the public, subject to the following:

26 (1) A special event retailers' permit shall specify the premises for 27 which the permit is issued;

(2) a special event retailers' permit shall be issued for the duration of
 the special event, the dates and hours of which shall be specified in the
 permit;

31 (3) nonot more than four special event retailers' permits may be 32 issued to any one applicant in a calendar year; and

33 (4) a special event retailers' permit shall not be transferable or34 assignable.

35 (f)(g) A special event retailers' permit holder shall not be subject to 36 the provisions of the beer and cereal malt beverage keg registration act, 37 K.S.A. 41-2901 et seq., and amendments thereto.

Sec. 3. K.S.A. 2020 Supp. 41-2704 is hereby amended to read as follows: 41-2704. (a) In addition to and consistent with the requirements of the Kansas cereal malt beverage act, the board of county commissioners of any county or the governing body of any city may prescribe hours of closing, standards of conduct and rules and regulations concerning the moral, sanitary and health conditions of places licensed pursuant to this act 1 and may establish zones within which no such place may be located.

2 (b) Within any city where the days of sale at retail of cereal malt 3 beverage in the original package have not been expanded as provided by 4 K.S.A. 2020 Supp. 41-2911, and amendments thereto, or have been so 5 expanded and subsequently restricted as provided by K.S.A. 2020 Supp. 6 41-2911, and amendments thereto, and within any township where the 7 hours and days of sale at retail of cereal malt beverage in the original 8 package have not been expanded as provided by K.S.A. 2020 Supp. 41-9 2911, and amendments thereto, or have been so expanded and subsequently restricted as provided by K.S.A. 2020 Supp. 41-2911, and 10 amendments thereto, no cereal malt beverages or beer containing not more 11 12 than 6% alcohol by volume may be sold:

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(1) Between the hours of 12 midnight and 6 a.m.; or

(2) on Sunday, except in a place of business which is licensed to sell 14 cereal malt beverage for consumption on the premises, which derives not 15 16 less than 30% of its gross receipts from the sale of food for consumption 17 on the licensed premises and which is located in a county where such sales 18 on Sunday have been authorized by resolution of the board of county 19 commissioners of the county or in a city where such sales on Sunday have 20 been authorized by ordinance of the governing body of the city.

21 (c) Within any city where the days of sale at retail of cereal malt 22 beverage in the original package have been expanded as provided by 23 K.S.A. 2020 Supp. 41-2911, and amendments thereto, and have not been 24 subsequently restricted as provided in K.S.A. 2020 Supp. 41-2911, and 25 amendments thereto, and within any township where the days of sale at retail of cereal malt beverage in the original package have been expanded 26 27 as provided by K.S.A. 2020 Supp. 41-2911, and amendments thereto, and 28 have not been subsequently restricted as provided by K.S.A. 2020 Supp. 29 41-2911, and amendments thereto, no person shall sell at retail cereal malt 30 beverage or beer containing not more than 6% alcohol by volume:

31

(1) Between the hours of 12 midnight and 6 a.m.;

32 (2) in the original package before 12 noon or after not earlier than 10 33 a.m. and not later than 8 p.m. on Sunday;

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(3) on Easter Sunday; or

35 (4) for consumption on the licensed premises on Sunday, except in a 36 place of business which is licensed to sell cereal malt beverage for 37 consumption on the premises, which derives not less than 30% of its gross 38 receipts from the sale of food for consumption on the licensed premises 39 and which is located in a county where such sales on Sunday have been 40 authorized by resolution of the board of county commissioners of the county or in a city where such sales on Sunday have been authorized by 41 ordinance of the governing body of the city. 42

43 (d) No private rooms or closed booths shall be operated in a place of business, but this provision shall not apply if the licensed premises also are
 licensed as a club pursuant to the club and drinking establishment act.

3 (e) Each place of business shall be open to the public and to law 4 enforcement officers at all times during business hours, except that a 5 premises licensed as a club pursuant to the club and drinking establishment 6 act shall be open to law enforcement officers and not to the public.

7 (f) Except as otherwise provided by this subsection, no licensee shall 9 permit a person under the legal age for consumption of cereal malt 9 beverage or beer containing not more than 6% alcohol by volume to 10 consume or purchase any cereal malt beverage in or about a place of 11 business. A licensee's employee who is not less than 18 years of age may 12 dispense or sell cereal malt beverage or beer containing not more than 6% 13 alcohol by volume, if:

(1) The licensee's place of business is licensed only to sell at retail
cereal malt beverage or beer containing not more than 6% alcohol by
volume in the original package and not for consumption on the premises;
or

18 (2) the licensee's place of business is a licensed food service 19 establishment, as defined by K.S.A. 36-501, and amendments thereto, and 20 not less than 50% of the gross receipts from the licensee's place of 21 business is derived from the sale of food for consumption on the premises 22 of the licensed place of business.

(g) No person shall have any alcoholic liquor, except beer containing
 not more than 6% alcohol by volume, in such person's possession while in
 a place of business, unless the premises are currently licensed as a club or
 drinking establishment pursuant to the club and drinking establishment act.

(h) Cereal malt beverages may be sold on premises-which *that* are
licensed pursuant to both the Kansas cereal malt beverage act and the club
and drinking establishment act at any time when alcoholic liquor is
allowed by law to be served on the premises.

Sec. 4. K.S.A. 2020 Supp. 41-2911 is hereby amended to read as follows: 41-2911. (a) (1) The board of county commissioners of any county may, by resolution:

34 (A) Expand the days of sale at retail of cereal malt beverage in the 35 original package to allow such sale within the unincorporated area of the 36 county on any Sunday, except Easter, between the hours of 12 noon and 37 not earlier than 10 a.m. and not later than 8 p.m. as established in the 38 resolution and expand the days of sale at retail of alcoholic liquor in the 39 original package, if licensing of such sale of alcoholic liquor is authorized 40 within the unincorporated area of the county, to allow such sale within the unincorporated area of the county on any Sunday, except Easter, between 41 42 the hours of 12 noon and not earlier than 10 a.m. and not later than 8 p.m. 43 and on Memorial Day, Independence Day and Labor Day as established in

## 1 *the resolution*; or

(B) restrict the days of sale at retail of cereal malt beverage in the
original package to prohibit such sale within the unincorporated area of the
county on Sunday and restrict the days of sale at retail of alcoholic liquor
in the original package, if licensing of such sale of alcoholic liquor is
authorized within the unincorporated area of the county, to prohibit such
sale within the unincorporated area of the county on Sunday, Memorial
Day, Independence Day and Labor Day.

9 Such resolution shall be published once, within two weeks after its 10 adoption, in the official county newspaper. Such resolution shall not become effective earlier than 60 days following the date of its publication 11 12 or November 15, 2005, whichever is later. If, within 60 days following 13 publication of the resolution, a petition requesting that a proposition be submitted for approval by the voters is filed in accordance with subsection 14 15 (a)(2), such resolution shall not become effective until a proposition is 16 submitted to and approved at an election as provided by this subsection 17 (a).

18 (2) A petition to submit a proposition to the qualified voters of a 19 county pursuant to this subsection (a) shall be filed with the county 20 election officer. The petition shall be signed by qualified voters of the 21 county who reside within the unincorporated area of the county equal in 22 number to not less than 5% of the voters of the county residing within the 23 unincorporated area of the county who voted for the office of president of 24 the United States at the last preceding general election at which such office 25 was elected. The appropriate version of the following shall appear on the 26 petition:

27 (A) If licensing of sale at retail of alcoholic liquor in the original 28 package is not authorized within the unincorporated area of the county, the 29 petition shall read: "We request an election to determine whether sale at 30 retail of cereal malt beverage in the original package shall be (allowed on 31 any Sunday, except Easter, between the hours of 12 noon and not earlier 32 than 10 a.m. and not later than 8 p.m. as established in the petition) 33 (prohibited on Sunday) within the unincorporated area of 34 county."

35 (B) If licensing of sale at retail of alcoholic liquor is authorized 36 within the unincorporated area of the county, the petition shall read: "We 37 request an election to determine whether sale at retail of cereal malt 38 beverage in the original package shall be (allowed on any Sunday, except 39 Easter, between the hours of 12 noon and not earlier than 10 a.m. and not 40 later than 8 p.m. as established in the petition) (prohibited on Sunday) within the unincorporated area of county and whether sale at 41 retail of alcoholic liquor in the original package shall be (allowed on any 42 43 Sunday, except Easter, between the hours of 12 noon and not earlier than

1 10 a.m. and not later than 8 p.m.-and on Memorial Day, Independence

Day and Labor Day as established in the petition) (prohibited on Sunday,
 Memorial Day, Independence Day and Labor Day) within the
 unincorporated area of \_\_\_\_\_ county."

(3) Upon submission of a valid petition calling for an election 5 6 pursuant to this subsection (a), the county commission shall call a special 7 election to be held not later than 45 days after submission of the petition 8 unless a countywide primary or general election is to be held within 90 9 days after submission of the petition, in which case the proposition shall be submitted at such countywide election. Thereupon, the county election 10 officer shall cause the appropriate version of the following proposition to 11 12 be placed on the ballot in the unincorporated area of the county at such 13 election:

(A) If licensing of sale at retail of alcoholic liquor is not authorized
within the unincorporated area of the county, the following proposition
shall be placed on the ballot: "Within the unincorporated area of
<u>county</u> shall sale at retail of cereal malt beverage in the
original package be (allowed on any Sunday, except Easter, between the
hours of 12 noon and not earlier than 10 a.m. and not later than 8 p.m. as
established in the petition) (prohibited on Sunday)?"

(B) If licensing of sale at retail of alcoholic liquor is authorized
within the unincorporated area of the county, the following proposition
shall be placed on the ballot: "Within the unincorporated area of \_\_\_\_\_\_

24 county shall sale at retail of cereal malt beverage in the original package 25 be (allowed on any Sunday, except Easter, between the hours of 12 noon and not earlier than 10 a.m. and not later than 8 p.m. as established in the 26 27 *petition*) (prohibited on Sunday) and shall the sale at retail of alcoholic 28 liquor in the original package be (allowed on any Sunday, except Easter, 29 between the hours of 12 noon and not earlier than 10 a.m. and not later 30 than 8 p.m. and on Memorial Day, Independence Day and Labor Day as 31 established in the petition) (prohibited on Sunday, Memorial Day, 32 Independence Day and Labor Day)?"

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(b) (1) The governing body of any city may, by ordinance:

34 (A) Expand the days of sale at retail of cereal malt beverage in the 35 original package to allow such sale within the city on any Sunday, except 36 Easter, between the hours of 12 noon and not earlier than 10 a.m. and not 37 later than 8 p.m. as established in the ordinance and expand the days of 38 sale at retail of alcoholic liquor in the original package, if licensing of such 39 sale of alcoholic liquor is authorized within the city, to allow such sale 40 within the city on any Sunday, except Easter, between the hours of 12 noon 41 and not earlier than 10 a.m. and not later than 8 p.m.-and on Memorial 42 Day, Independence Day and Labor Day as established in the ordinance; or 43 (B) restrict the days of sale at retail of cereal malt beverage in the

original package to prohibit such sale within the city on Sunday and
 restrict the days of sale at retail of alcoholic liquor in the original package,
 if licensing of such sale of alcoholic liquor is authorized within the city, to
 prohibit such sale within the city on Sunday, Memorial Day, Independence
 Day and Labor Day.

6 Such ordinance shall be published at least once each week for two 7 consecutive weeks in the official city newspaper. Such ordinance shall not 8 become effective earlier than 60 days following the date of its publication 9 or November 15, 2005, whichever is later. If, within 60 days following 10 publication of the ordinance, a petition requesting that a proposition be submitted for approval by the voters is filed in accordance with subsection 11 12 (b)(2), such ordinance shall not become effective until a proposition is 13 submitted to and approved at an election as provided by this subsection 14 (b).

15 (2) A petition to submit a proposition to the qualified voters of a city 16 pursuant to this subsection (b) shall be filed with the county election 17 officer. The petition shall be signed by qualified voters of the city equal in 18 number to not less than 5% of the voters of the city who voted for the 19 office of president of the United States at the last preceding general 20 election at which such office was elected. The appropriate version of the 21 following shall appear on the petition:

(A) If licensing of sale at retail of alcoholic liquor in the original package is not authorized within the city, the petition shall read: "We request an election to determine whether sale at retail of cereal malt beverage in the original package shall be (allowed on any Sunday, except Easter, between the hours of 12 noon and not earlier than 10 a.m. and not later than 8 p.m. as established in the petition) (prohibited on Sunday) within the city of \_\_\_\_\_\_."

29 (B) If licensing of sale at retail of alcoholic liquor is authorized 30 within the city, the petition shall read: "We request an election to 31 determine whether sale at retail of cereal malt beverage in the original 32 package shall be (allowed on any Sunday, except Easter, between the hours 33 of 12 noon and not earlier than 10 a.m. and not later than 8 p.m. as 34 established in the petition) (prohibited on Sunday) within the city of 35 and whether sale at retail of alcoholic liquor in the original 36 package shall be (allowed on any Sunday, except Easter, between the hours 37 of 12 noon and not earlier than 10 a.m. and not later than 8 p.m.-and on

Memorial Day, Independence Day and Labor Day as established in the
 *petition*) (prohibited on Sunday, Memorial Day, Independence Day and
 Labor Day) within the city of \_\_\_\_\_."

41 (3) Upon submission of a valid petition calling for an election
42 pursuant to this subsection (b), the city governing body shall call a special
43 election to be held not later than 45 days after submission of the petition

unless a citywide primary or general election is to be held within 90 days
 after submission of the petition, in which case the proposition shall be
 submitted at such citywide election. Thereupon, the county election officer
 shall cause the appropriate version of the following proposition to be
 placed on the ballot in the city at such election:

(A) If licensing of sale at retail of alcoholic liquor is not authorized
within the city, the following proposition shall be placed on the ballot:
"Within the city of \_\_\_\_\_\_ shall sale at retail of cereal malt beverage
in the original package be (allowed on any Sunday, except Easter, between
the hours of 12 noon and not earlier than 10 a.m. and not later than 8 p.m.
as established in the petition) (prohibited on Sunday)?"

12 (B) If licensing of sale at retail of alcoholic liquor is authorized 13 within the city, the following proposition shall be placed on the ballot: 14 "Within the city of shall sale at retail of cereal malt beverage in the original package be (allowed on any Sunday, except Easter, between 15 16 the hours of 12 noon and not earlier than 10 a.m. and not later than 8 p.m. 17 as established in the petition) (prohibited on Sunday) and shall the sale at 18 retail of alcoholic liquor in the original package be (allowed on any 19 Sunday, except Easter, between the hours of 12 noon and not earlier than 20 10 a.m. and not later than 8 p.m. and on Memorial Day, Independence 21 Day and Labor Day as established in the petition) (prohibited on Sunday, 22 Memorial Day, Independence Day and Labor Day)?"

(c) The county election officer shall transmit to the director a copy ofthe results of an election pursuant to this section.

(d) An election provided for by this section shall be called and held inthe manner provided by the general bond law.

27 Sec. 5. K.S.A. 2020 Supp. 41-712, 41-2703, 41-2704 and 41-2911 are 28 hereby repealed.

Sec. 6. This act shall take effect and be in force from and after itspublication in the statute book.