{As Amended by House Committee of the Whole}

Session of 2021

HOUSE BILL No. 2137

By Committee on Federal and State Affairs

1-26

1 AN ACT concerning alcoholic beverages; authorizing the issuance of a 2 license to an individual whose spouse is a law enforcement officer; 3 relating to the sale of cereal malt beverages; authorizing certain 4 licensees under the Kansas liquor control act and the club and drinking 5 establishment act to sell and serve cereal malt beverages; amending K.S.A. 41-2604 and 41-2619 and K.S.A. 2020 Supp. 41-308, 41-311, 6 7 41-1201, 41-1202, 41-1203, 41-1204, 41-2601, 41-2608, 41-2610, 41-2611, 41-2613, 41-2614, 41-2623, 41-2637, 41-2641, 41-2642, 41-8 9 2643, 41-2653{, as amended by section 1 of 2021 Senate Bill No. 14}, 10 41-2655, 41-2658 and 41-2659 and repealing the existing sections.

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

Section 1. K.S.A. 2020 Supp. 41-308 is hereby amended to read as follows: 41-308. (a) Except as provided in K.S.A. 2020 Supp. 41-308d, and amendments thereto, a retailer's license shall allow the licensee to sell and offer for sale at retail and deliver in the original package, as therein prescribed, alcoholic liquor and cereal malt beverage for use or consumption off and away from the premises specified in such license.

(b) A retailer's license shall permit sale and delivery of alcoholic
liquor and cereal malt beverage only on the licensed premises and shall not
permit sale of alcoholic liquor and cereal malt beverage for resale in any
form, except that a licensed retailer may:

(1) Sell alcoholic liquor and cereal malt beverage to a temporary
 permit holder for resale by such permit holder; and

(2) sell and deliver alcoholic liquor and cereal malt beverage to a
caterer or to the licensed premises of a public venue, club or drinking
establishment, if such premises are in the county where the retailer's
premises are located or in an adjacent county, for resale by such public
venue, club, establishment or caterer; and

(3) sell and deliver cereal malt beverage and beer containing not
more than 6% alcohol by volume to the licensed premises of a cereal malt
beverage retailer, as defined in K.S.A. 41-2701, and amendments thereto,
who is licensed for on-premises consumption, if such cereal malt beverage
premises are located in the same county, or an adjacent county to the

county where the retailer's premises are located, for resale by such cereal
 malt beverage retailer.

3 (c) A retailer may:

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4 (1) Charge a delivery fee for delivery of alcoholic liquor and cereal 5 malt beverage to a public venue, club, drinking establishment or caterer 6 pursuant to subsection (b)(2);

(2) charge a delivery fee for delivery of cereal malt beverage and
beer containing not more than 6% alcohol by volume to a cereal malt
beverage retailer pursuant to subsection (b)(3);

10 *(3)* sell lottery tickets and shares to the public in accordance with the 11 Kansas lottery act, if the retailer is selected as a lottery retailer;

12 (3)(4) include in the sale of alcoholic liquor and cereal malt beverage
13 any goods included by the manufacturer in packaging with the alcoholic
14 liquor or cereal malt beverage, subject to the approval of the director;

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

(5)(6) store alcoholic liquor and cereal malt beverage in refrigerators,
 cold storage units, ice boxes or other cooling devices, and the licensee may
 sell such alcoholic liquor and cereal malt beverage to consumers in a
 chilled condition; and

24 (6)(7) sell any other good or service on the licensed premises, except 25 that the gross sales of other goods and services, excluding fees derived 26 from the sale of lottery tickets and revenues from sales of cigarettes and 27 tobacco products, shall not exceed 20% of the retailer's total gross sales.

(d) All alcoholic liquor, cereal malt beverage and nonalcoholic malt
 beverage sold by a holder of a retail license shall be subject to the liquor
 enforcement tax imposed by K.S.A. 79-4101, and amendments thereto.

31 Sec. 2. K.S.A. 2020 Supp. 41-311 is hereby amended to read as 32 follows: 41-311. (a) No license of any kind shall be issued pursuant to 33 the liquor control act to a person:

(1) Who is not a citizen of the United States;

35 (2) who has been convicted of a felony under the laws of this state,
36 any other state or the United States;

37 (3) who has had a license revoked for cause under the provisions of 38 the liquor control act, the beer and cereal malt beverage keg registration 39 act or who has had any license issued under the cereal malt beverage 40 laws of any state revoked for cause except that a license may be issued to 41 a person whose license was revoked for the conviction of a misdemeanor 42 at any time after the lapse of 10 years following the date of the 43 revocation;

1 (4) who has been convicted of being the keeper or is keeping any 2 property, whether real or personal, where sexual relations are being sold 3 or offered for sale by a person who is 18 years of age or older or has 4 forfeited bond to appear in court to answer charges of being a keeper of 5 any property, whether real or personal, where sexual relations are being 6 sold or offered for sale by a person who is 18 years of age or older;

7 (5) who has been convicted of being a proprietor of a gambling 8 house, pandering or any other crime opposed to decency and morality or 9 has forfeited bond to appear in court to answer charges for any of those 10 crimes;

(6) who is not at least 21 years of age;

(7) who, other than as a member of the governing body of a city or
county, appoints or supervises any law enforcement officer, who is a law
enforcement official or who is an employee of the director;

(8) who intends to carry on the business authorized by the license
as agent of another;

(9) who at the time of application for renewal of any license issued
under this act would not be eligible for the license upon a first
application, except as provided by subsection (a)(12);

(10) who is the holder of a valid and existing license issued under article 27 of chapter 41 of the Kansas Statutes Annotated, and amendments thereto, unless the person agrees to and does surrender the license to the officer issuing the same upon the issuance to the person of a license under this act, except that a retailer licensed pursuant to K.S.A. 41-2702, and amendments thereto, shall be eligible to receive a retailer's license under the Kansas liquor control act;

(11) who does not own the premises for which a license is sought,
or does not, at the time of application, have a written lease thereon;

(12) whose spouse would be ineligible to receive a license under this act for any reason other than citizenship, residence requirements or age, except that this subsection (a)(12) shall not apply in determining eligibility for a renewal license or to a person whose spouse is a law enforcement officer in a county other than the county in which the premises for which the license is sought is located;

(13) 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;

39 (14) who does not provide any data or information required by
40 K.S.A. 2020 Supp. 41-311b, and amendments thereto; or

(15) who, after a hearing before the director, has been found to
have held an undisclosed beneficial interest in any license issued
pursuant to the liquor control act which was obtained by means of fraud

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or any false statement made on the application for such license. 1 2

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

(1) A person who is not a resident of this state;

4 (2) a person who has not been a resident of this state for at least four years immediately preceding the date of application; 5

6 (3) a person who has a beneficial interest in a manufacturer, 7 distributor, farm winery or microbrewery licensed under this act, except that the spouse of an applicant for a retailer's license may own and hold 8 a farm winery license, microbrewery license, or both, if the spouse does 9 not hold a retailer's license issued under this act; 10

(4) a person who has a beneficial interest in any other retail 11 establishment licensed under this act, except that the spouse of a 12 licensee may own and hold a retailer's license for another retail 13 14 establishment:

(5) a copartnership, unless all of the copartners are qualified to 15 16 obtain a license;

(6) a corporation; or

18 (7) a trust, if any grantor, beneficiary or trustee would be ineligible 19 to receive a license under this act for any reason, except that the 20 provisions of subsection (a)(6) shall not apply in determining whether a 21 beneficiary would be eligible for a license.

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

23 (1) A corporation, if any officer or director thereof, or any stockholder owning in the aggregate more than 25% of the stock of the 24 25 corporation would be ineligible to receive a manufacturer's license for any reason other than citizenship and residence requirements; 26

(2) a copartnership, unless all of the copartners shall have been 27 residents of this state for at least five years immediately preceding the 28 29 date of application and unless all the members of the copartnership would be eligible to receive a manufacturer's license under this act; 30

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;

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

36 (5) an individual who has not been a resident of this state for at 37 least five years immediately preceding the date of application; or

38 (6) a person who has a beneficial interest in a distributor, retailer, 39 farm winery or microbrewery licensed under this act, except as provided in K.S.A. 41-305, and amendments thereto. 40

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

(1) A corporation, if any officer, director or stockholder of the 42 43 corporation would be ineligible to receive a distributor's license for any

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

27 (2) a copartnership, unless all of the copartners are eligible to 28 receive a distributor's license;

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

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

(e) No nonbeverage user's license shall be issued to a corporation,
if any officer, manager or director of the corporation or any stockholder
owning in the aggregate more than 25% of the stock of the corporation
would be ineligible to receive a nonbeverage user's license for any
reason other than citizenship and residence requirements.

40 *(f)* No microbrewery license, microdistillery license or farm winery 41 license shall be issued to a:

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

43 (2) person who has a beneficial interest in a manufacturer or

distributor licensed under this act, except as provided in K.S.A. 41-305,
 and amendments thereto;

3 (3) person, copartnership or association which has a beneficial 4 interest in any retailer licensed under this act or under K.S.A. 41-2702, 5 and amendments thereto, except that the spouse of an applicant for a 6 microbrewery or farm winery license may own and hold a retailer's 7 license if the spouse does not hold a microbrewery or farm winery 8 license issued under this act;

9 (4) copartnership, unless all of the copartners are qualified to 10 obtain a license;

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

15 (6) a trust, if any grantor, beneficiary or trustee would be ineligible 16 to receive a license under this act for any reason, except that the 17 provisions of subsection (a)(6) shall not apply in determining whether a 18 beneficiary would be eligible for a license.

19 (g) The provisions of subsections (b)(1), (b)(2), (c)(3), (c)(4), (d)(3), (f)(1) and K.S.A. 2020 Supp. 41-311b, and amendments thereto, shall 20 not apply in determining eligibility for the 10th, or a subsequent, 21 22 consecutive renewal of a license if the applicant has appointed a citizen of the United States who is a resident of Kansas as the applicant's agent 23 and filed with the director a duly authenticated copy of a duly executed 24 power of attorney, authorizing the agent to accept service of process 25 from the director and the courts of this state and to exercise full 26 authority, control and responsibility for the conduct of all business and 27 transactions within the state relative to alcoholic liquor and the business 28 licensed. The agent must be satisfactory to and approved by the director, 29 except that the director shall not approve as an agent any person who: 30

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

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

(3) has been convicted of being the keeper or is keeping any
property, whether real or personal, where sexual relations are being sold
or offered for sale by a person who is 18 years of age or older or has
forfeited bond to appear in court to answer charges of being a keeper of
any property, whether real or personal, where sexual relations are being
sold or offered for sale by a person who is 18 years of age or older;

1 (4) has been convicted of being a proprietor of a gambling house, 2 pandering or any other crime opposed to decency and morality or has 3 forfeited bond to appear in court to answer charges for any of those 4 crimes; or

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(5) is less than 21 years of age.

6 Sec.-2. 3. K.S.A. 2020 Supp. 41-1201 is hereby amended to read as 7 follows: 41-1201. (a) A temporary permit shall allow the permit holder to 8 offer for sale, sell and serve alcoholic liquor or cereal malt beverage for 9 consumption on licensed or unlicensed premises, or on premises that are 10 otherwise subject to a separate temporary permit, that may be open to the public, subject to the terms of such permit. A temporary permit shall also 11 12 authorize the permit holder to sell, in accordance with rules and 13 regulations adopted by the secretary, alcoholic liquor at a charitable 14 auction, or one or more limited issue porcelain containers containing 15 alcoholic liquor.

(b) A temporary permit holder may charge a fee for entrance into thepremises described in the permit, or any portion thereof.

18 (c) The director may issue a temporary permit to any one or more 19 persons or organizations applying for such a permit, in accordance with 20 rules and regulations of the secretary. The permit shall be issued in the 21 names of the persons or organizations to which it is issued.

22 (d) Applications for temporary permits shall be required to be filed 23 with the director not less than 14 days before the event for which the 24 permit is sought, unless the director waives such requirement for good 25 cause. The application shall be upon a form prescribed by the director. 26 Each application shall be electronically submitted and accompanied by a 27 non-refundable permit fee of \$25 for each day for which the permit is 28 issued, and such fee shall be paid by a check or credit card in the full amount thereof. All permit fees collected by the director pursuant to this 29 30 section shall be remitted to the state treasurer in accordance with the 31 provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of 32 each such remittance, the state treasurer shall deposit the entire amount in 33 the state treasury to the credit of the state general fund.

34 (e) Each application for a temporary permit shall specify the premises 35 for which they are issued, including a diagram of the premises covered by 36 the temporary permit. The diagram shall clearly show the boundaries of 37 the premises, entrances to and exits from the premises and the area in 38 which the service of alcoholic liquor or cereal malt beverage would take 39 place. A temporary permit shall be issued only for premises where the city, 40 county or township zoning code allows the use for which the permit is 41 issued. No temporary permit shall be issued for premises that are not 42 located in a county where the qualified electors of the county:

43 (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

3 (B) have approved a proposition to allow the sale of liquor by the 4 individual drink in public places within the county at an election pursuant 5 to K.S.A. 41-2646, and amendments thereto; and

6 (2) have not approved a proposition to prohibit such sales of alcoholic 7 liquor in such places at a subsequent election pursuant to K.S.A. 41-2646, 8 and amendments thereto.

9 (f) (1) A temporary permit may be issued for the consumption of alcoholic liquor or cereal malt beverage on a city, county or township 10 street, alley, road, sidewalk or highway for an event if: (A) Such street, 11 alley, road, sidewalk or highway is closed to motor vehicle traffic by the 12 governing body of such city, county or township for such event; (B) a 13 written request for such consumption and possession of such alcoholic 14 liquor or cereal malt beverage has been made to the local governing body; 15 16 and (C) the event has been approved by the governing body of such city, 17 county or township by ordinance or resolution.

The boundaries of any such event shall be clearly marked by signs, a posted map or other means which reasonably identify the area in which alcoholic liquor *or cereal malt beverage* may be possessed or consumed at such event.

22 (2) Drinking establishments that are immediately adjacent to, or 23 located within the licensed premises of an event, for which a temporary 24 permit has been issued and the consumption of alcoholic liquor *or cereal* 25 *malt beverage* on public property has been approved, may request that the 26 drinking establishment's licensed premises be extended into and made a 27 part of the licensed premises of the event, for the duration of the temporary 28 permit issued for such event.

(3) Each licensee selling alcoholic liquor *or cereal malt beverage* for
consumption on the premises of an 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 *or cereal malt beverage*.

(4) Each temporary permit holder selling alcoholic liquor *or cereal malt beverage* for consumption on the permit premises shall be liable for
 all violations of laws governing the sale and consumption of alcoholic
 liquor *and cereal malt beverage* that occur in areas covered by multiple
 temporary permits.

(g) (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. An
applicant may not be issued more than four temporary permits in a
calendar year.

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(2) The director may issue a sufficient number of temporary permits

1 as required by the state fair board, valid for the entire period of time of the

2 Kansas state fair, which that authorizes the sale of wine in its original, unopened container and the serving by the drink of wine-or, beer, or both 3 4 cereal malt beverage, or any combination thereof, on the state fairgrounds 5 on premises specified in the temporary permit, by a person who has 6 entered into an agreement with the state fair board for that purpose subject 7 to the conditions imposed by the state fair board. Nothing in this paragraph 8 shall be construed to limit the number of temporary permits the director may issue for the sale of wine-or, beer, or both cereal malt beverage, or 9 10 any combination thereof, on the state fairgrounds consistent with the requirements of the state fair board. 11

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

17 (h) An application for a temporary permit may be rejected by the 18 director if:

(1) The applicant has been granted four permits in the currentcalendar year;

(2) the application was not filed with the director at least 14 daysprior to the event;

(3) the applicant, or any officer, director, partner, registered agent, trustee, manager or owner of the applicant has previously owned or operated any entity holding a temporary permit, club, drinking establishment or caterer's license, had such permit or license surrendered, and at the time such permit or license was surrendered had been ordered to appear and show cause why the permit or license should not be revoked or suspended;

(4) the applicant has designated an area for an event that was the
subject of the order to appear and show cause as set forth in paragraph (3),
and it appears that the new application for a temporary permit covering the
premises is an attempt to avoid any possible remedial action taken by the
director against the former permit or license holder; or

(5) the applicant has had a license or permit revoked under the club
and drinking establishment act, or has been convicted of a violation of the
Kansas liquor control act, the club and drinking establishment act, the
Kansas cereal malt beverage act or the provisions of K.S.A. 79-41a01 et
seq., and amendments thereto.

40 (i) (1) A temporary permit holder may purchase and possess alcoholic
41 liquor *or cereal malt beverage* for resale for a period of three days prior to
42 the first day of sale of such alcoholic liquor *or cereal malt beverage*. A
43 distributor may, without any further permission from the director, deliver

1 such alcoholic liquor *or cereal malt beverage* to the permit premises.

2 (2) If a licensee has sold alcoholic liquor *or cereal malt beverage* to a 3 temporary permit holder, and a distributor directly delivers such alcoholic 4 liquor *or cereal malt beverage* to such temporary permit holder, but such 5 licensee's normal hours of operation make immediate payment to the 6 distributor impossible, the licensee may pay the retailer and the retailer 7 may pay the distributor for such alcoholic liquor *or cereal malt beverage* 8 within 48 hours of the sale.

9 (3) Within three business days after the end of an event conducted 10 pursuant to a temporary permit, the temporary permit holder may sell back 11 to the retailer or farm winery from whom alcoholic liquor *or cereal malt* 12 *beverage* was purchased any alcoholic liquor *or cereal malt beverage* sold 13 to the temporary permit holder for such event.

14 (4) Upon written permission from the director and after four business 15 days after the end of an event conducted pursuant to a temporary permit, 16 the temporary permit holder may sell back to the licensee from whom 17 alcoholic liquor *or cereal malt beverage* was purchased any alcoholic 18 liquor *or cereal malt beverage* sold to the temporary permit holder for 19 such event.

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

(k) Each temporary permit holder shall not employ or use the servicesof any person:

(1) Who is under the age of 18 years to serve alcoholic liquor or
 cereal malt beverage;

(2) who is under the age of 21 years to mix or dispense drinks
containing alcoholic liquor *or cereal malt beverage*;

(3) who is under the age of 21 and not supervised by the temporarypermit holder or an employee who is at least 21 years of age;

(4) who has been convicted of a felony or of any crime involving a
morals charge to dispense, mix or serve alcoholic liquor *or cereal malt beverage*; or

(5) who has been convicted within the previous two years of a
violation of any intoxicating liquor law of this state, any other state or the
United States, to dispense, mix or serve alcoholic liquor *or cereal malt beverage*.

Sec. <u>3.</u> 4. K.S.A. 2020 Supp. 41-1202 is hereby amended to read as
follows: 41-1202. (a) A temporary permit holder shall only purchase
alcoholic liquor *or cereal malt beverage* from a retailer or a farm winery
and may receive delivery of such alcoholic liquor *or cereal malt beverage*from a distributor.

(b) Temporary permit holders shall only purchase alcoholic liquor *or cereal malt beverage* from a retailer who possesses a federal wholesaler's
basic permit and who has a sign on display at the licensed premises that

1 states that the licensee is a "Wholesale Liquor Dealer Under Federal Law."

2 All alcoholic liquor *or cereal malt beverage* purchased on any one day 3 shall be removed from the licensed premises of the retailer or farm winery 4 within 48 hours. Temporary permit holders shall not warehouse any 5 alcoholic liquor *or cereal malt beverage* on the licensed premises of any 6 retailer or farm winery for more than 48 hours.

(c) Each temporary permit holder, when purchasing alcoholic liquo*or cereal malt beverage* from a retailer or farm winery, shall obtain and keep
for at least one year from the date of purchase a sales receipt that contains
the following information:

11 (1) The date of purchase;

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(2) the name and address of the retailer or farm winery;

(3) the name and address of the temporary permit holder as it appearson the temporary permit;

(4) the brand, size, proof and amount of all alcoholic liquor *or cereal malt beverage* purchased; and

(5) the subtotal of the cost of all alcoholic liquor *or cereal malt beverage* purchased, and the total cost of such purchase, including
 enforcement tax.

(d) Each temporary permit holder shall be responsible for all
violations of the club and drinking establishment act by the following
people while on the permit premises:

(1) An employee of the temporary permit holder, or of any person
 contracting with the temporary permit holder to provide services or food in
 connection with an event; or

26 (2) any individual dispensing, mixing or serving alcoholic liquor *or* 27 *cereal malt beverage* at an event.

(e) Except for a temporary permit holder who has obtained such 28 29 permit for the sale of alcoholic liquor at a charitable auction or for the sale of one or more limited issue porcelain containers containing alcoholic 30 31 liquor, no temporary permit holder shall sell alcoholic liquor or cereal 32 *malt beverage* for removal from or consumption off the licensed premises, 33 except that alcoholic liquor or cereal malt beverage may be removed to a 34 drinking establishment that has extended its premises into the event area in 35 accordance with K.S.A. 41-2608, and amendments thereto.

36 (f) The boundary of any premises covered by a temporary permit37 shall be marked by a line of demarcation.

38 Sec.<u>4</u>: 5. K.S.A. 2020 Supp. 41-1203 is hereby amended to read as 39 follows: 41-1203. (a) All alcoholic liquor *or cereal malt beverage* sold at 40 an event covered by a temporary permit shall be dispensed only from 41 original containers.

42 (b) An individual may carry an original container of alcoholic liquor 43 *or cereal malt beverage* onto the event premises with the approval of the 1 temporary permit holder and under the following conditions:

2 (1) The temporary permit holder shall not store any such containers
3 of alcoholic liquor *or cereal malt beverage* on the event premises; and

4 (2) each individual carrying any such container onto the event 5 premises shall remove such container when the individual exits the event 6 premises.

7 Sec.<u>5.</u> 6. K.S.A. 2020 Supp. 41-1204 is hereby amended to read as 8 follows: 41-1204. Notwithstanding any other provisions of the Kansas 9 liquor control act or the club and drinking establishment act to the 10 contrary, any person or entity who is issued a temporary permit may 11 provide samples of wine, beer, *cereal malt beverage* and distilled spirits on 12 the permit premises as follows:

(a) All wine, beer, *cereal malt beverage* and *distilled* spirits sampled
shall come from the inventory of the temporary permit holder. Except as
provided by paragraph (2) subsection (b), a person other than the
temporary permit holder, or such permit holder's agent or employee, may
not dispense or participate in the dispensing of alcoholic-beverages *liquor*or cereal malt beverage under this section.

19 (b) A supplier's permit holder, or such permit holder's agent or employee, may provide samples of wine, beer, cereal malt beverage and 20 21 distilled spirits on the permit premises, and may open, touch or pour such 22 alcoholic liquor or cereal malt beverage, make a presentation, or answer 23 questions at such sampling events. Any alcoholic liquor or cereal malt *beverage* sampled under this subsection must be purchased from a retailer 24 25 or the temporary permit holder on whose premises the sampling event is 26 held

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(c) No charge of any sort may be made for a sample serving.

(d) A person may be served more than one sample. Samples may not
be served to a minor. No samples may be removed from the permit
premises.

(e) The act of providing samples to consumers shall be exempt from
the requirement of holding a Kansas food service dealer license from the
department of agriculture under the provisions of chapter 65 of the Kansas
Statutes Annotated, and amendments thereto.

Sec. <u>6.</u> 7. K.S.A. 2020 Supp. 41-2601 is hereby amended to read as follows: 41-2601. As used in the club and drinking establishment act:

(a) The following terms-shall have the meanings mean the same as
provided by K.S.A. 41-102, and amendments thereto:

- 39 (1) "Alcoholic liquor";
- 40 (2) "director";
- 41 (3) "original package";
- 42 (4) "person";
- 43 (5) "sale"; and

1 (6) "to sell."

2 (b) "Beneficial interest" shall not include any interest a person may 3 have as owner, operator, lessee or franchise holder of a licensed hotel or 4 motel on the premises of which a club or drinking establishment is located.

5 (c) "Caterer" means an individual, partnership or corporation-which 6 *that* sells alcoholic liquor *or cereal malt beverage* by the individual drink, 7 and provides services related to the serving thereof, on unlicensed 8 premises-which *that* may be open to the public, but does not include a 9 holder of a temporary permit, selling alcoholic liquor *or cereal malt* 10 *beverage* in accordance with the terms of such permit.

11 (d) "Cereal malt beverage" has the meaning means the same as 12 provided by K.S.A. 41-2701, and amendments thereto.

(e) "Class A club" means a premises-which that is owned or leased by
a corporation, partnership, business trust or association and-which that is
operated thereby as a bona fide nonprofit social, fraternal or war veterans'
club, as determined by the director, for the exclusive use of the corporate
stockholders, partners, trust beneficiaries or associates (hereinafter referred
to as members) and their families and guests accompanying them.

19 (f) "Class B club" means a premises operated for profit by a 20 corporation, partnership or individual, to which members of such club may 21 resort for the consumption of food or alcoholic beverages and for 22 entertainment.

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(g) "Club" means a class A or class B club.

(h) "Drinking establishment" means premises which that may be
open to the general public, where alcoholic liquor *or cereal malt beverage*by the individual drink is sold. Drinking establishment includes a railway
car.

(i) "Food" means any raw, cooked or processed edible substance or
 ingredient, other than alcoholic liquor or cereal malt beverage, used or
 intended for use or for sale, in whole or in part, for human consumption.

(j) "Food service establishment" has the meaning means the same as
provided by K.S.A. 36-501, and amendments thereto.

(k) "Hotel"-has the meaning means the same as provided by K.S.A.
36-501, and amendments thereto.

(1) "Individual drink" means a beverage containing alcoholic liquor or
cereal malt beverage served to an individual for consumption by such
individual or another individual, but which is not intended to be consumed
by two or more individuals. The term "individual drink" includes
beverages containing not more than:

40 (1) Eight ounces of wine;

41 (2) thirty-two ounces of beer or cereal malt beverage; or

- 42 (3) four ounces of a single spirit or a combination of spirits.
- 43 (m) "Minibar" means a closed cabinet, whether nonrefrigerated or

wholly or partially refrigerated, access to the interior of which is restricted
 by means of a locking device-which *that* requires the use of a key,
 magnetic card or similar device.

4

(n) "Minor" means a person under 21 years of age.

5 (o) "Morals charge" means a charge involving the sale of sexual 6 relations; procuring any person; soliciting of a child under 18 years of age 7 for any immoral act involving sex; possession or sale of narcotics, 8 marijuana, amphetamines or barbiturates; rape; incest; gambling; illegal 9 cohabitation; adultery; bigamy; or a crime against nature.

(p) "Municipal corporation" means the governing body of any countyor city.

(q) "Public venue" means an arena, stadium, hall or theater, used
 primarily for athletic or sporting events, live concerts, live theatrical
 productions or similar seasonal entertainment events, not operated on a
 daily basis, and containing:

16

(1) Not-less *fewer* than 4,000 permanent seats; and

17 (2) not less *fewer* than two private suites, which *that* are enclosed or
18 semi-enclosed seating areas, having controlled access and separated from
19 the general admission areas by a permanent barrier.

(r) "Railway car" means a locomotive drawn conveyance used for the
transportation and accommodation of human passengers that is confined to
a fixed rail route and which derives from sales of food for consumption on
the railway car not less than 30% of its gross receipts from all sales of food
and beverages in a 12-month period.

25

(s) "Restaurant" means:

(1) In the case of a club, a licensed food service establishment-which *that*, as determined by the director, derives from sales of food for
consumption on the licensed club premises not less than 50% of its gross
receipts from all sales of food and beverages on such premises in a 12month period;

(2) in the case of a drinking establishment subject to a food sales requirement under K.S.A. 41-2642, and amendments thereto, a licensed food service establishment—which *that*, as determined by the director, derives from sales of food for consumption on the licensed drinking establishment premises not less than 30% of its gross receipts from all sales of food and beverages on such premises in a 12-month period; and

(3) in the case of a drinking establishment subject to no food sales
requirement under K.S.A. 41-2642, and amendments thereto, a licensed
food service establishment.

40 (t) "RV resort" means premises where a place to park recreational 41 vehicles, as defined in K.S.A. 75-1212, and amendments thereto, is offered 42 for pay, primarily to transient guests, for overnight or longer use while 43 such recreational vehicles are used as sleeping or living accommodations. 1 (u) "Sample" means a serving of alcoholic liquor *or cereal malt* 2 *beverage* that contains not more than:

3

(1) One-half ounce of distilled spirits;
 (2) one ounce of wine; or

4 5

(3) two ounces of beer or cereal malt beverage.

A sample of a mixed alcoholic beverage shall contain not more than ¹/₂
ounce of distilled spirits.

8

(v) "Secretary" means the secretary of revenue.

9 (w) "Temporary permit" means a temporary permit issued pursuant to 10 K.S.A. 2020 Supp. 41-1201, and amendments thereto.

Sec. <u>7</u>. 8. K.S.A. 41-2604 is hereby amended to read as follows: 41-2604. (a) Any person allowing consumption of alcoholic liquor or cereal malt beverage in violation of this act on any property owned, leased or otherwise under-his such person's control shall thereby subject-himself such person and the property on which said such illegal consumption takes place to the penalties hereinafter provided in this section.

17 (a)(b) The person allowing such consumption shall be guilty of a 18 misdemeanor and upon conviction thereof shall be subject to a fine not to 19 exceed five hundred dollars (\$500) \$500 or confinement in the county jail 20 not to exceed six (6) months, or both such fine and imprisonment.

21 (b)(c) The property on which the violation takes place is declared to 22 be a public nuisance, and as such is subject to abatement as provided for 23 any other liquor nuisance in K.S.A. 41-805, and amendments thereto.

Sec. $\underline{\$}$. 9. K.S.A. 2020 Supp. 41-2608 is hereby amended to read as follows: 41-2608. (a) Any public venue, club or drinking establishment license issued pursuant to this act shall be for one particular premises which *that* shall be stated in the application and in the license. Not more than one premises licensed under the club and drinking establishment act shall exist at a single legal address.

(b) No license shall be issued for a public venue, club or drinking
establishment unless the city, township or county zoning code allows a
club or drinking establishment at that location.

(c) The licensed premises of a license may be extend into a city,
 county or township street, alley, road, sidewalk or highway if:

(1) Such street, alley, road, sidewalk or highway is closed to motor
vehicle traffic by the governing body of such city, county or township at
any time during which alcoholic liquor *or cereal malt beverage* is to be
sold or consumed; and

39 (2) such extension has been approved by the city, county or township
40 by ordinance or resolution that specifies the exact times during which
41 alcoholic liquor *or cereal malt beverage* may be sold or consumed on the
42 street, alley, road, sidewalk or highway.

43 Sec.<u>9.</u> 10. K.S.A. 2020 Supp. 41-2610 is hereby amended to read as

follows: 41-2610. It shall be unlawful for any licensee or holder of atemporary permit under this act to:

3 (a) Employ any person under the age of 18 years in connection with 4 the serving of alcoholic liquor *or cereal malt beverage*.

5 (b) Employ knowingly or continue in employment any person in 6 connection with the dispensing or serving of alcoholic liquor *or cereal* 7 *malt beverage* or the mixing of drinks containing alcoholic liquor *or* 8 *cereal malt beverage* who has been adjudged guilty of a felony or of any 9 crime involving a morals charge in this or any other state, or of the United 10 States.

11 (c) Knowingly employ or continue to employ any person in connection with the dispensing or serving of alcoholic liquor or cereal 12 malt beverage, or the mixing of drinks containing alcoholic liquor or 13 cereal malt beverage, who has been adjudged guilty of two or more 14 violations of K.S.A. 2020 Supp. 21-5607, and amendments thereto, 15 furnishing alcoholic liquor or cereal malt beverage to minors or a similar 16 17 law of any other state, or of the United States, pertaining to furnishing 18 alcoholic liquor or cereal malt beverage to minors within the immediately 19 preceding five years, or who has been adjudged guilty of three or more 20 violations of any intoxicating liquor law of this or any other state, or of the 21 United States, not involving the furnishing of alcoholic liquor or cereal 22 *malt beverage* to minors within the immediately preceding five years.

(d) In the case of a club, fail to maintain at the licensed premises a
current list of all members and their residence addresses or refuse to allow
the director, any of the director's authorized agents or any law enforcement
officer to inspect such list.

(e) Purchase alcoholic liquor *or cereal malt beverage* from any
 person except from a person authorized by law to sell such alcoholic liquor
 or cereal malt beverage to such licensee or permit holder.

(f) Permit any employee of the licensee or permit holder who is under
 the age of 21 years to work on premises where alcoholic liquor *or cereal malt beverage* is sold by such licensee or permit holder at any time when
 not under the on-premises supervision of either the licensee or permit
 holder, or an employee who is 21 years of age or over.

(g) Employ any person under 21 years of age in connection with the
 mixing or dispensing of drinks containing alcoholic liquor *or cereal malt beverage*.

Sec.<u>10.</u> 11. K.S.A. 2020 Supp. 41-2611 is hereby amended to read as
 follows: 41-2611. The director may suspend, involuntarily cancel or
 revoke any license issued pursuant to the club and drinking establishment
 act for any one or more of the following reasons:

42 (a) The licensee has fraudulently obtained the license by giving false43 information in the application therefor or any hearing thereon.

1 (b) The licensee has violated any of the provisions of this act or any 2 rules or regulations adopted hereunder.

3 (c) The licensee has become ineligible to obtain a license or permit 4 under this act.

5 (d) The licensee's manager or employee has been intoxicated while 6 on duty.

7 (e) The licensee, or its manager or employee, has permitted any
8 disorderly person to remain on premises where alcoholic liquor *or cereal*9 *malt beverage* is sold by such licensee.

(f) There has been a violation of a provision of the laws of this state,
or of the United States, pertaining to the sale of intoxicating or alcoholic
liquors liquor or cereal malt beverages beverage, or any crime involving a
morals charge, on premises where alcoholic liquor or cereal malt beverage
is sold by such licensee.

(g) The licensee, or its managing officers or any employee, has
 purchased and displayed, on premises where alcoholic liquor *or cereal malt beverage* is sold by such licensee, a federal wagering occupational
 stamp issued by the United States treasury department.

(h) The licensee, or its managing officers or any employee, has
purchased and displayed, on premises where alcoholic liquor *or cereal malt beverage* is sold by such licensee, a federal coin operated gambling
device stamp for the premises issued by the United States treasury
department.

(i) The licensee holds a license as a class B club, drinking
establishment or caterer and has been found guilty of a violation of article
10 of chapter 44 of the Kansas Statutes Annotated, and amendments
thereto, under a decision or order of the Kansas human rights commission
which that has become final or such licensee has been found guilty of a
violation of K.S.A. 21-4003, prior to its repeal, or K.S.A. 2020 Supp. 216102, and amendments thereto.

(j) There has been a violation of K.S.A. 21-4106 or 21-4107, prior to
their repeal, or K.S.A. 2020 Supp. 21-6204, and amendments thereto, on
premises where alcoholic liquor *or cereal malt beverage* is sold by such
licensee.

35 Sec.<u>++</u>. 12. K.S.A. 2020 Supp. 41-2613 is hereby amended to read as 36 follows: 41-2613. The right of immediate entry to and inspection of any 37 premises licensed as a public venue, club or drinking establishment or any 38 premises where alcoholic liquor or cereal malt beverage is sold by a 39 holder of a temporary permit, or any premises subject to the control of any licensee or temporary permit holder, by any duly authorized officer or 40 agent of the director, or by any law enforcement officer, shall be a 41 condition on which every license or temporary permit is issued, and the 42 43 application for, and acceptance of, any license or temporary permit shall

conclusively be deemed to be the consent of the applicant and licensee or
 permit holder to such immediate entry and inspection. Such right of
 immediate entry and inspection shall be at any time when the premises are
 occupied and is not limited to hours when the club or drinking
 establishment is open for business. Such consent shall not be revocable
 during the term of the license or temporary permit. Refusal of such entry
 shall be grounds for revocation of the license or temporary permit.

8 Sec.<u>12.</u> 13. K.S.A. 2020 Supp. 41-2614 is hereby amended to read as 9 follows: 41-2614. (a) Except as provided by subsection (c), no public 10 venue, club or drinking establishment shall allow the serving, mixing or 11 consumption of alcoholic liquor *or cereal malt beverage* on its premises 12 between the hours of 2:00 a.m. and 6:00 a.m. on any day.

(b) No caterer shall allow the serving, mixing or consumption of
alcoholic liquor *or cereal malt beverage* between the hours of 2:00 a.m.
and 6:00 a.m. on any day at an event catered by such caterer.

16 (c) A hotel of which the entire premises are licensed as a drinking 17 establishment or as a drinking establishment caterer may allow at any time 18 the serving, mixing and consumption of alcoholic liquor and cereal malt 19 beverage from a minibar in a guest room by guests registered to stay in 20 such room, and guests of guests registered to stay in such room.

21 Sec.-13. 14. K.S.A. 41-2619 is hereby amended to read as follows: 22 41-2619. The existence of any place for which a license or temporary 23 permit has not been issued pursuant to this act and which purports, or is 24 held out to the public or to any person by the proprietors or their agents or 25 employees, to be a place where alcoholic liquor or cereal malt beverage is sold by the individual drink, shall be deemed to be sufficient probable 26 27 cause for any judge of the district court to issue a search warrant to any 28 law enforcement officer of the state or a subdivision of the state for the 29 purpose of searching such place for alcoholic liquor or cereal malt 30 beverage being sold, possessed or consumed in violation of this act, any 31 other law of the state or any ordinance of a municipal subdivision of the 32 state.

Sec.<u>14.</u> 15. K.S.A. 2020 Supp. 41-2623 is hereby amended to read as
 follows: 41-2623. (a) No license shall be issued under the provisions of
 this act to:

36 (1) Any person described in K.S.A. 41-311(a)(1), (2), (4), (5), (6), 37 (7), (8), (9), (12), (13) or (15), and amendments thereto, except that the 38 provisions of subsection *K.S.A.* 41-311(a)(7) of such section, and 39 *amendments thereto*, shall not apply to nor prohibit the issuance of a 40 license for a class A club to an officer of a post home of a congressionally 41 chartered service or fraternal organization, or a benevolent association or 42 society thereof.

43 (2) A person who has had the person's license revoked for cause

1 under the provisions of this act.

2 (3) A person who has not been a resident of this state for a period of 3 at least one year immediately preceding the date of application.

4 (4) A person who has a beneficial interest in the manufacture, 5 preparation or wholesaling or the retail sale of alcoholic-liquors *liquor or* 6 *cereal malt beverage* or a beneficial interest in any other club, drinking 7 establishment or caterer licensed hereunder, except that:

8 (A) A license for premises located in a hotel may be granted to a 9 person who has a beneficial interest in one or more other clubs or drinking 10 establishments licensed hereunder if such other clubs or establishments are 11 located in hotels.

(B) A license for a club or drinking establishment which that is a
restaurant may be issued to a person who has a beneficial interest in other
clubs or drinking establishments which that are restaurants.

15 (C) A caterer's license may be issued to a person who has a beneficial 16 interest in a club or drinking establishment and a license for a club or 17 drinking establishment may be issued to a person who has a beneficial 18 interest in a caterer.

(D) A license for a class A club may be granted to an organization of
 which an officer, director or board member is a distributor or retailer
 licensed under the liquor control act if such distributor or retailer sells no
 alcoholic liquor to such club.

(E) Any person who has a beneficial interest in a microbrewery,
 microdistillery or farm winery licensed pursuant to the Kansas liquor
 control act may be issued any or all of the following: (1) Class B club
 license; (2) drinking establishment license; and (3) caterer's license.

(5) A copartnership, unless all of the copartners are qualified toobtain a license.

(6) A corporation, if any officer, manager or director thereof, or any
stockholder owning in the aggregate more than 5% of the common or
preferred stock of such corporation would be ineligible to receive a license
hereunder for any reason other than citizenship and residence
requirements.

(7) A corporation, if any officer, manager or director thereof, or any
stockholder owning in the aggregate more than 5% of the common or
preferred stock of such corporation, has been an officer, manager or
director, or a stockholder owning in the aggregate more than 5% of the
common or preferred stock, of a corporation-which that:

39 (A) Has had a license revoked under the provisions of the club and40 drinking establishment act; or

41 (B) has been convicted of a violation of the club and drinking 42 establishment act or the cereal malt beverage laws of this state.

43 (8) A corporation organized under the laws of any state other than this

1 state.

2 (9) A trust, if any grantor, beneficiary or trustee would be ineligible to
3 receive a license under this act for any reason, except that the provisions of
4 K.S.A. 41-311(a)(6), and amendments thereto, shall not apply in
5 determining whether a beneficiary would be eligible for a license.

6 (b) No club or drinking establishment license shall be issued under 7 the provisions of the club and drinking establishment act to:

8 (1) A person who does not own the premises for which a license is 9 sought, or does not, at the time the application is submitted, have a written 10 lease thereon, except that an applicant seeking a license for a premises 11 which *that* is owned by a city or county, or is a stadium, arena, convention 12 center, theater, museum, amphitheater or other similar premises may 13 submit an executed agreement to provide alcoholic beverage services at 14 the premises listed in the application in lieu of a lease.

15 (2) A person who is not a resident of the county in which the 16 premises sought to be licensed are located.

17 Sec.<u>15.</u> 16. K.S.A. 2020 Supp. 41-2637 is hereby amended to read as 18 follows: 41-2637. (a) A license for a class A club shall allow the licensee 19 to: (1) Offer for sale, sell and serve alcoholic liquor *or cereal malt* 20 *beverage* for consumption on the licensed premises by members and their 21 families, and guests accompanying them; and (2) serve samples of 22 alcoholic liquor *or cereal malt beverage* free of charge for consumption by 23 members and their families and guests accompanying them.

No charge of any sort may be made for a sample serving. Samples may not be served to a minor. No samples may be removed from the licensed premises. No consideration shall be requested or required for entry onto the premises, participation in any event taking place on the premises or to remain on the premises.

29 (b) (1) Subject to the provisions of subsection (b)(2), any two or more 30 class A or class B clubs may permit, by an agreement filed with and 31 approved by the director, the members of each such club to have access to all other clubs-which that are parties to such agreement. The privileges 32 33 extended to the visiting members of other clubs under such an agreement 34 shall be determined by the agreement and, if the agreement so provides, 35 any club-which that is a party to such agreement may sell, offer for sale 36 and serve, to any person who is a member of another club-which that is a 37 party to such agreement, alcoholic liquor or cereal malt beverage for 38 consumption on the licensed premises by such person and such person's 39 family, and guests accompanying them.

40 (2) A class B club may enter into a reciprocal agreement authorized 41 by subsection (b)(1) only if the class B club is a restaurant.

42 (c) A licensee may store on its premises wine sold to a customer for 43 consumption at a later date on its premises in the unopened container. Such 1 wine must be kept separate from all other alcohol stock and in a secure

locked area separated by customer. Such wine shall not be removed fromthe licensed premises in its unopened condition.

4 Sec. 16. 17. K.S.A. 2020 Supp. 41-2641 is hereby amended to read as 5 follows: 41-2641. (a) A license for a class B club shall allow the licensee 6 to: (1) Offer for sale, sell and serve alcoholic liquor or cereal malt 7 beverage for consumption on the licensed premises by members of such 8 club and guests accompanying them; and (2) serve samples of alcoholic 9 liquor or cereal malt beverage free of charge on the licensed premises for 10 consumption by such members and their families and guests accompanying them. 11

No charge of any sort may be made for a sample serving. Samples may not be served to a minor. No samples may be removed from the licensed premises. Providing samples is prohibited for any licensee who charges a cover charge or entry fee at any time during the business day. No consideration shall be requested or required for entry onto the premises, participation in any event taking place on the premises or to remain on the premises.

19 (b) (1) Subject to the provisions of subsection (b)(2), any two or more class A or class B clubs may permit, by an agreement filed with and 20 21 approved by the director, the members of each such club to have access to 22 all other clubs which that are parties to such agreement. The privileges 23 extended to the visiting members of other clubs under such an agreement 24 shall be determined by the agreement and, if the agreement so provides, 25 any club-which that is a party to such agreement may sell, offer for sale 26 and serve, to any person who is a member of another club-which that is a 27 party to such agreement, alcoholic liquor or cereal malt beverage for 28 consumption on the licensed premises by such person and such person's 29 family, and guests accompanying them.

30 (2) A class B club may enter into a reciprocal agreement authorized
31 by subsection (b)(1) only if the class B club is a restaurant.

32 (c) Except as provided by subsection (d), an applicant for
 33 membership in a class B club shall, before becoming a member of such
 34 club:

35 36

(1) Be screened by the club for good moral character; and

(2) pay an annual membership fee of not less than \$10.

37 (d) Notwithstanding the membership fee requirement of subsection38 (c):

(1) Any class B club located on the premises of a hotel or RV resort
may establish rules whereby a guest, who registered at the hotel or RV
resort and who is not a resident of the county in which the club is located,
may file application for temporary membership in such club. The
membership, if granted, shall be valid only for the period of time that the

guest is a bona fide registered guest at the hotel or RV resort and such
 temporary membership shall not be subject to the fee requirement of this
 section.

4 (2) Any class B club located on property-which *that* is owned or operated by a municipal airport authority and upon which consumption of alcoholic liquor *or cereal malt beverage* is authorized by law may establish rules whereby an air traveler who is a holder of a current airline ticket may file application for temporary membership in such club for the day such air traveler's ticket is valid, and such temporary membership shall not be subject to the fee requirement of this section.

(3) Any class B club may establish rules whereby military personnel 11 12 of the armed forces of the United States on temporary duty and housed at 13 or near any military installation located within the exterior boundaries of the state of Kansas may file application for temporary membership in such 14 15 club. The membership, if granted, shall be valid only for the period of the 16 training, not to exceed 20 weeks. Any person wishing to make application 17 for temporary membership in a class B club under this subsection (d)(3)18 *paragraph* shall present the temporary duty orders to the club. Temporary 19 membership issued under this subsection (d)(3) paragraph shall not be 20 subject to the fee requirements of this section.

21 (4) Any class B club may enter into a written agreement with a hotel 22 or RV resort whereby a guest who is registered at the hotel or RV resort 23 and who is not a resident of the county in which the club is located may 24 file application for temporary membership in such club. The temporary 25 membership, if granted, shall be valid only for the period of time that the 26 guest is a bona fide registered guest at the hotel or RV resort and shall not 27 be subject to the fee requirement of this section. A club may enter into a 28 written agreement with a hotel or RV resort pursuant to this provision only 29 if: (A) The hotel or RV resort is located in the same county as the club; (B) 30 there is no class B club located on the premises of the hotel or RV resort; 31 and (C) no other club has entered into a written agreement with the hotel 32 or RV resort pursuant to this section.

(5) Any class B club located in a racetrack facility where races with parimutuel wagering are conducted under the Kansas parimutuel racing act may establish rules whereby persons attending such races may file an application for temporary membership in such club for the day such person is attending such races, and such temporary membership shall not be subject to the fee requirement of this section.

(e) A licensee may store on its premises wine sold to a customer for
consumption at a later date on its premises in the unopened container. Such
wine must be kept separate from all other alcohol stock and in a secure
locked area separated by customer. Such wine shall not be removed from
the licensed premises in its unopened condition.

1 Sec. 17. 18. K.S.A. 2020 Supp. 41-2642 is hereby amended to read as 2 follows: 41-2642. (a) A license for a drinking establishment shall allow the licensee to offer for sale, sell and serve alcoholic liquor or cereal malt 3 4 beverage for consumption on the licensed premises which may be open to 5 the public, and to serve samples of alcoholic liquor or cereal malt 6 beverage free of charge on licensed premises subject to the requirements 7 of subsection (c), but only if such premises are located in a county where 8 the qualified electors of the county:

9 (1) (A) Approved, by a majority vote of those voting thereon, the 10 proposition to amend section 10 of article 15 of the constitution of the state 11 of Kansas at the general election in November 1986; or (B) have approved 12 a proposition to allow sales of alcoholic liquor by the individual drink in 13 public places within the county at an election pursuant to K.S.A. 41-2646, 14 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 drinking establishment shall be required to derive from sales of
food for consumption on the licensed premises not less than 30% of all the
establishment's gross receipts from sales of food and beverages on such
premises unless the licensed premises are located in a county 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) No charge of any sort may be made for a sample serving. Samples may not be served to a minor. No samples may be removed from the licensed premises. Providing samples is prohibited for any licensee who charges a cover charge or entry fee at any time during the business day. No consideration shall be requested or required for entry onto the premises, participation in any event taking place on the premises or to remain on the premises.

(d) A drinking establishment shall specify in the application for a
license or renewal of a license the premises to be licensed, which may
include all premises which are in close proximity and are under the control
of the applicant or licensee.

42 (e) Notwithstanding any other provision of law to the contrary, any 43 hotel of which the entire premises are licensed as a drinking establishment or as a drinking establishment caterer may sell alcoholic liquor or cereal
 malt beverage by means of minibars located in guest rooms of such hotel,
 subject to the following:

4 (1) The key, magnetic card or other device required to attain access to 5 a minibar in a guest room shall be provided only to guests who are 6 registered to stay in such room and who are 21 or more years of age;

7 (2) containers or packages of spirits or wine sold by means of a 8 minibar shall hold not less than 50 nor more than 200 milliliters; and

9 (3) a minibar shall be restocked with alcoholic liquor or cereal malt 10 beverage only during hours when the hotel is permitted to sell alcoholic 11 liquor and cereal malt beverage as a drinking establishment.

(f) A drinking establishment may store on its premises wine sold to a customer for consumption at a later date on its premises in the unopened container. Such wine must be kept separate from all other alcohol stock and in a secure locked area separated by customer. Such wine shall not be removed from the licensed premises in its unopened condition.

Sec.<u>18.</u> **19.** K.S.A. 2020 Supp. 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 *or cereal malt beverage* 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 *or cereal malt beverage* 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

42 (2) have not approved a proposition to prohibit such sales of alcoholic43 liquor in such places at a subsequent election pursuant to K.S.A. 41-2646,

1 and amendments thereto.

2 (c) Each caterer shall maintain the caterer's principal place of 3 business in a county in this state where the caterer is authorized by this 4 section to sell alcoholic liquor by the individual drink in a public place. All 5 records of the caterer relating to the caterer's licensed business and the 6 caterer's license shall be kept at such place of business. The caterer's 7 principal place of business shall be stated in the application for a caterer's 8 license and the caterer shall notify the director of any change in its location 9 within 10 days after such change.

10 (d) Except as otherwise provided herein, a caterer shall provide electronic notification to the director at least 48 hours prior to any event at 11 12 which the caterer will sell alcoholic liquor or cereal malt beverage by the individual drink. The director shall make the electronic notification 13 available to local law enforcement. Notice shall consist of the time. 14 15 location and the names of the contracting parties of the event. For events 16 where-alcohol alcoholic liquor or cereal malt beverage is served, a 17 licensee shall retain all documents for a period of three years for inspection by the director. The documents retained shall include 18 19 agreements, receipts, employees assigned to the event and records of 20 alcohol alcoholic liquor and cereal malt beverage purchased. Notification 21 shall not be required for weddings, funerals, events sponsored by religious 22 institutions, or for business, industry or trade sponsored meetings, 23 including, but not limited to, awards presentations and retirement 24 celebrations.

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

29 Sec. 19. K.S.A. 2020 Supp. 41-2653 is hereby amended to read as-30 follows: 41-2653. (a) In addition to the rights of a licensee pursuant to-31 provisions of K.S.A. 41-2637, 41-2641 or 41-2642, and amendments-32 thereto, a class A club license, class B club license or drinking-33 establishment license shall allow the licensee to allow legal patrons of the 34 elub or drinking establishment to remove from the licensed premises one 35 or more opened containers of alcoholic liquor or cereal malt beverage, 36 subject to the following conditions:

37 (1) It must be legal for the licensee to sell the alcoholic liquor or 38 cereal malt beverage in its original container;

39 (2) the alcoholic liquor *or cereal malt beverage* must be in its original
 40 container;

41 (3) each container of alcoholic liquor *or cereal malt beverage* must
 42 have been purchased by a patron and the alcoholic liquor *or cereal malt*.
 43 *beverage* in each container must have been partially consumed on the

1 licensed premises;

2 (4) the licensee or the licensee's employee must provide the patron 3 with a dated receipt for the unfinished container or containers of alcoholie
 4 liquor or cereal malt beverage; and

5 (5) before the container of alcoholic liquor *or cereal malt beverage* is 6 removed from the licensed premises, the licensee or the licensee's-7 employee must securely reseal each container, place the container in a 8 tamper-proof, transparent bag which *that* is sealed in a manner that makes 9 it visibly apparent if the bag is subsequently tampered with or opened.

(b) (1) In addition to the rights of a licensee pursuant to provisions of
 K.S.A. 41-2637, 41-2641 or 41-2642, and amendments thereto, and the
 provisions of subsection (a), a class A club license, class B club license or
 drinking establishment license shall allow the licensee to allow legal
 patrons of the club or drinking establishment to remove from the licensed
 premises one or more containers of alcoholic liquor that is not in the
 original container, subject to the following conditions:

17

(A) It must be legal for the licensee to sell the alcoholic liquor;

(B) each container of alcoholic liquor must have been purchased by a
 patron on the licensed premises;

(C) the licensee or the licensee's employee must provide the patron
 with a dated receipt for the alcoholic liquor; and

(D) before the container of alcoholic liquor is removed from the licensed premises, the licensee or the licensee's employee must place the container in a transparent bag that is sealed in a manner that makes itvisibly apparent if the bag is subsequently tampered with or opened.

26 (2) The provisions of this subsection shall expire on January 26, 27 2021.

(c) This section shall be *a* part of and supplemental to the club and
 drinking establishment act.

30 {Sec. 19. 20. K.S.A. 2020 Supp. 41-2653, as amended by section 1 31 of 2021 Senate Bill No. 14, is hereby amended to read as follows: 41-32 2653. (a) In addition to the rights of a licensee pursuant to provisions 33 of K.S.A. 41-2637, 41-2641 or 41-2642, and amendments thereto, a 34 class A club license, class B club license or drinking establishment 35 license shall allow the licensee to allow legal patrons of the club or 36 drinking establishment to remove alcoholic liquor or cereal malt 37 beverage from the licensed premises in one or more-opened containers 38 of alcoholic liquor or cereal malt beverage, including in the original 39 unopened container, subject to the following conditions:

40 (1) It must be *otherwise* legal for the licensee to sell the alcoholic
 41 liquor or cereal malt beverage <u>in its original container;</u>

42 (2) <u>the alcoholic liquor or cereal malt beverage must be in its original</u>
 43 <u>container;</u>

(3)—each container of alcoholic liquor or cereal malt beverage must
 have been purchased by a patron<u>and the alcoholic liquor or cereal malt</u>
 beverage in each container must have been partially consumed on of the
 licensed premises;

5 (4)(3) the licensee or the licensee's employee must provide the
 6 patron with a dated receipt for the <u>unfinished container or containers of</u>
 7 alcoholic liquor or cereal malt beverage; and

8 (5)(4) before<u>the</u> any container of alcoholic liquor or cereal malt 9 beverage is removed from the licensed premises, the licensee or the 10 licensee's employee must securely reseal<u>each container</u> any opened 11 containers, and place the container in a tamper-proof, transparent bag 12 which that is sealed in a manner that makes it visibly apparent if the 13 bag is subsequently tampered with or opened;

(5) no original unopened containers of spirits may be removed from
 the licensed premises; and

- 16 (6) no alcoholic liquor or cereal malt beverage may be removed 17 from the licensed premises after 11:00 p.m. unless such alcoholic liquor 18 is wine that was purchased and partially consumed on the licensed 19 premises.
- 20 (b) (1) In addition to the rights of a licensee pursuant to provisions of 21 K.S.A. 41-2637, 41-2641 or 41-2642, and amendments thereto, and the 22 provisions of subsection (a), a class A club license, class B club license or drinking establishment license shall allow the licensee to allow legal-23 24 patrons of the club or drinking establishment to remove from the licensed 25 premises one or more containers of alcoholic liquor or cereal malt-26 beverage that is not in the original container or is in the original unopened 27 container, subject to the following conditions: 28 (A) It must be legal for the licensee to sell the alcoholic liquor or 29 cereal malt beverage: 30 (B) each container of alcoholic liquor or cereal malt beverage must 31 have been purchased by a patron on the licensed premises; 32 (C) the licensee or the licensee's employee must provide the patron with a dated receipt for the alcoholic liquor or cereal malt beverage; and 33 34 (D) if the alcoholic liquor or cereal malt beverage is not in the 35 original unopened container, before the container of alcoholic liquor or cereal malt beverage is removed from the licensed premises, the licensee 36 37 or the licensee's employee must place the container in a transparent bag 38 that is sealed in a manner that makes it visibly apparent if the bag is-39 subsequently tampered with or opened. 40 (2) The provisions of this subsection shall expire on March 31, 2021 No licensee shall allow any alcoholic liquor or cereal malt beverage to be 41 removed from the licensed premises pursuant to this subsection after 11-42
- 43 <u>p.m.</u>

2

(3) Beer, cereal malt beverage and wine in the original unopened

container and mixed drinks not in the original container that are sold

pursuant to this subsection shall not be subject to any drink size-3 4 requirements of this act. Any other alcoholic liquor or cereal malt-5 beverage that is not in the original unopened container shall comply with 6 all drink size requirements and be sold in a durable sealable container. 7 (\underline{e}) (b) This section shall be a part of and supplemental to the club 8 and drinking establishment act.} 9 Sec.<u>20.</u> 21. K.S.A. 2020 Supp. 41-2655 is hereby amended to read as follows: 41-2655. (a) A license for a public venue shall allow the licensee 10 11 to:

(1) Offer for sale, sell and serve alcoholic liquor *or cereal malt beverage* by the individual drink for consumption on the licensed
 premises;

(2) offer for sale, sell and serve unlimited drinks for a fixed price indesignated areas of the licensed premises;

(3) offer for sale and sell-all inclusive all-inclusive packages-which
 that include unlimited drinks in designated areas of the licensed premises;

(4) offer for sale, sell and serve alcoholic liquor *or cereal malt beverage* in the original container for consumption on the licensed
premises in private suites, which that are enclosed or semi-enclosed
seating areas, having controlled access and separated from the general
admission areas by a permanent barrier;

(5) store, in each private suite, which that is an enclosed or semi enclosed seating area, having controlled access and separated from the
 general admission areas by a permanent barrier, alcoholic liquor *or cereal malt beverage* sold in the original container to a customer in that private
 suite; and

(6) with the approval of the retailer or distributor, return for a full refund of the original purchase price unopened containers of alcoholic liquor *or cereal malt beverage* to the retailer or distributor from whom such items were purchased upon the conclusion of an event if the next scheduled event for that premises is more than 90 days from the date of the concluded event.

(b) An applicant or public venue licensee shall specify in the application for a license, or renewal of a license, the premises to be licensed. No public venue licensee may offer for sale, sell or serve any alcoholic liquor *or cereal malt beverage* in any area not included in the licensed premises.

40 (c) The term "designated areas" for purposes of this section-shall-41 mean means an area identified in the license application, which may 42 include suites, that has controlled access and is separated from the general 43 admission by a barrier. 1 (d) The provisions of this section shall take effect and be in force-2 from and after July 1, 2012.

3 (e)(d) All rules and regulations adopted on and after July 1, 2012, and 4 prior to July 1, 2013, to implement this section shall continue to be 5 effective and shall be deemed to be duly adopted rules and regulations of 6 the secretary until revised, amended, revoked or nullified pursuant to law.

7 (f)(e) This section shall be a part of and supplemental to the club and 8 drinking establishment act.

9 Sec.<u>21.</u> 22. K.S.A. 2020 Supp. 41-2658 is hereby amended to read as follows: 41-2658. (a) Alcoholic liquor *or cereal malt beverage* shall be dispensed only from original containers, except any drinking establishment licensee or its agent or employee, may dispense:

(1) Alcoholic liquor *or cereal malt beverage* from a machine or
 container used to mix alcoholic liquor *or cereal malt beverage* with other
 liquids or solids intended for human consumption;

(2) alcoholic liquor *or cereal malt beverage* from a machine or
 container used to chill alcoholic liquor, which *or cereal malt beverage that*</sub>
 may contain additional liquids or solids intended for human consumption;
 or

(3) infused alcoholic liquor *or cereal malt beverage* from a container
used to infuse alcoholic liquor *or cereal malt beverage* with other
substances intended for human consumption.

(b) A drinking establishment licensee, or its agent or employee, shall
 not refill any original container with any alcoholic liquor *or cereal malt beverage* or any other substance.

(c) Any drinking establishment licensee, or its agent or employee,
 may infuse alcoholic liquor *or cereal malt beverage* with spices, herbs,
 fruits, vegetables, candy or other substances intended for human
 consumption if no additional fermentation occurs during the process.

30

(d) As used in this section:

(1) "Dispense" means to portion out servings of alcoholic liquor *or cereal malt beverage* for consumption. This term-shall include *includes* the
pouring of drinks of alcoholic liquor *or cereal malt beverage* and opening
original containers of alcoholic liquor *or cereal malt beverage* by the
licensee or licensee's employee for consumption by customers, and shall
not include any self-dispensing by a customer.

37 (2) "Infuse" means to add flavor or scent to a liquid by steeping38 additional ingredients in the liquid.

(e) This section shall be *a* part of and supplemental to the club anddrinking establishment act.

41 Sec.<u>22.</u> 23. K.S.A. 2020 Supp. 41-2659 is hereby amended to read as 42 follows: 41-2659. (a) (1) A city or a county may establish one or more 43 common consumption areas within the limits of the city or within the

unincorporated portion of the county, as applicable, by ordinance or 1 2 resolution, respectively, and authorize the possession and consumption of alcoholic liquor or cereal malt beverage within the common consumption 3 4 area. The ordinance or resolution shall designate the boundaries of any 5 common consumption area and prescribe the times during which alcoholic 6 liquor or cereal malt beverage may be consumed therein. The ordinance or 7 resolution shall require that any public street or roadway that lies within a 8 common consumption area shall be blocked from motorized traffic during 9 the hours in which-alcohol alcoholic liquor or cereal malt beverage is 10 consumed.

(2) The city or county shall immediately notify the director of the
division of alcoholic beverage control of the establishment of a common
consumption area and submit a copy of the ordinance or resolution along
with such notice.

(b) A common consumption area permit shall allow the consumption of alcoholic liquor *or cereal malt beverage* in any area designated by such permit. The director may issue common consumption area permits to the city or county or any one person who shall be a resident of Kansas or an organization that has its principal place of business in Kansas and that has been approved by the respective city or county, in accordance with rules and regulations adopted by the secretary of revenue.

(c) Applications for common consumption area permits shall besubmitted to the director, subject to the following:

A copy of any ordinance or resolution promulgated in accordance
 with subsection (a) shall accompany any application for a common
 consumption area permit.

27 (2) Each application shall be accompanied by a non-refundable 28 permit fee of \$100. All permit fees collected by the director pursuant to 29 this section shall be remitted to the state treasurer in accordance with the 30 provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of 31 each such remittance, the state treasurer shall deposit the entire amount in 32 the state treasury to the credit of the state general fund.

(3) A common consumption area permit shall be issued for a period
 of not to exceed one year. A common consumption area permit shall not be
 transferable or assignable.

(d) Any licensee immediately adjacent to, or located within a
common consumption area may request that the licensee's licensed
premises participate in the common consumption area for the duration of
the common consumption area permit. Such a request shall be made upon
forms prescribed by the director.

41 (e) (1) Any licensee who has requested and received permission to 42 participate in the common consumption area may allow its legal patrons to 43 remove alcoholic liquor *or cereal malt beverage* purchased from the licensee into the premises described by the common consumption area
 permit. All alcoholic-beverages *liquor and cereal malt beverage* removed
 from a licensed premises in such fashion shall be served in a container that
 displays the licensee's trade name or logo or other identifying mark that is
 unique to the licensee.

6 (2) In addition to their licensed premises, one or more licensees that 7 have requested and received permission to participate in a common consumption area may offer for sale, sell and serve alcoholic liquor or 8 cereal malt beverage for consumption from one non-contiguous service 9 10 area within the common consumption area, as designated and approved by the common consumption area permit holder. The licensee shall 11 prominently display a copy of its drinking establishment license and the 12 approval of the common consumption area permit holder at its non-13 14 contiguous service area.

(f) (1) Each licensee within a common consumption area shall be
liable for violations of all liquor laws governing the sale and consumption
of alcoholic liquor *or cereal malt beverage* that occur on the licensee's
premises.

(2) Each common consumption area permit holder shall be liable for
 violations that occur off the licensee's premises, but within the common
 consumption area identified in the permit. No permit holder shall permit
 any person to remove any open container of alcoholic liquor *or cereal malt beverage* from the boundaries of the common consumption area.

24 (g) For the purposes of this section, "common consumption area" 25 shall mean means a defined indoor or outdoor area not otherwise subject to a license issued pursuant to the Kansas liquor control act or the club and 26 27 drinking establishment act where the possession and consumption of 28 alcoholic liquor or cereal malt beverage is allowed pursuant to a common consumption area permit. The boundaries of any common consumption 29 30 area must be clearly marked using a physical barrier or any apparent line 31 of demarcation.

(h) The secretary shall adopt rules and regulations to implement thissection.

(i) This section shall be a part of and supplemental to the club anddrinking establishment act.

Sec. 23. 24. K.S.A. 41-2604 and 41-2619 and K.S.A. 2020 Supp. 41-308, 41-311, 41-1201, 41-1202, 41-1203, 41-1204, 41-2601, 41-2608, 41-2610, 41-2611, 41-2613, 41-2614, 41-2623, 41-2637, 41-2641, 41-2642, 41-2643, 41-2653 (as amended by section 1 of 2021 Senate Bill No. 14), 41-2655, 41-2658 and 41-2659 are hereby repealed.

41 Sec.-<u>24.</u> 25. This act shall take effect and be in force from and after 42 its publication in the<u>statute book</u> *Kansas register*.