

As Amended by House Committee

{As Amended by Senate Committee of the Whole}

Session of 2012

SENATE BILL No. 299

By Committee on Federal and State Affairs

1-18

1 AN ACT concerning alcoholic beverages; relating to the club and drinking
2 establishment act; creating a public venue license; amending K.S.A.
3 41-306, 41-306a, 41-307, 41-308, 41-701, 41-2608, 41-2613, 41-2614
4 and ~~{,} 41-2640~~, ~~79-4101, 79-4102, 79-4103, 79-41a01, 79-41a02, 79-~~
5 ~~41a04, 79-41a06, 79-41a07 and 79-41a08~~ and K.S.A. 2011 Supp. 41-
6 308a, 41-2601, 41-2622 and ~~{,} 41-2629~~ ~~{and 79-41a03}~~ and repealing
7 the existing sections.

8
9 *Be it enacted by the Legislature of the State of Kansas:*

10 New Section 1. (a) A license for a public venue shall allow the
11 licensee to:

12 (1) Offer for sale, sell and serve alcoholic liquor by the individual
13 drink for consumption on the licensed premises;

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

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

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

23 (5) store, in each private suite, which are enclosed or semi-enclosed
24 seating areas, having controlled access and separated from the general
25 admission areas by a permanent barrier, alcoholic liquor sold in the
26 original container to a customer in that private suite; and

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

32 (b) An applicant or public venue licensee shall specify in the
33 application for a license, or renewal of a license, the premises to be
34 licensed, ~~which may include all premises which are in close proximity and~~

1 ~~are under the control of the applicant or licensee.~~ No public venue
2 licensee may offer for sale, sell or serve any alcoholic liquor in any area
3 not included in the licensed premises.

4 **(c) The term "designated areas" for purposes of this section shall**
5 **mean an area identified in the license application, which may include**
6 **suites, that has controlled access and is separated from the general**
7 **admission by a barrier.**

8 Sec. 2. K.S.A. 41-306 is hereby amended to read as follows: 41-306.
9 A spirits distributor's license, shall allow:

10 (a) The wholesale purchase, importation and storage of spirits, but all
11 such spirits so purchased or imported which are manufactured in the
12 United States shall be purchased from the primary American source of
13 supply or from another licensed spirits distributor, except that a licensed
14 spirits distributor may purchase confiscated spirits at a sheriff's sale.

15 (b) The sale of spirits to:

16 (1) Spirits distributors licensed in this state;

17 (2) retailers licensed in this state, except that such distributor shall
18 sell a brand of spirits only to those retailers whose licensed premises are
19 located in the geographic territory within which such distributor is
20 authorized to sell such brand, as designated in the notice or notices filed
21 with the director pursuant to K.S.A. 41-410, and amendments thereto; and

22 (3) such persons located outside such territory or outside this state as
23 permitted by law.

24 (c) The purchase of spirits in barrels, casks or other bulk containers
25 and the bottling thereof before resale, but all bottles or containers filled
26 with such spirits shall be sealed, labeled and otherwise made to comply
27 with all laws and rules and regulations governing the preparation and
28 bottling of spirits by manufacturers and with all federal rules, regulations
29 and laws.

30 (d) The storage and delivery to a retailer licensed under the Kansas
31 liquor control act or a retailer licensed under K.S.A. 41-2702, and
32 amendments thereto, on the distributor's licensed premises, of alcoholic
33 liquor or cereal malt beverage of another licensed distributor authorized by
34 law to sell such alcoholic liquor or cereal malt beverage to such retailer, in
35 accordance with an agreement entered into with such other distributor and
36 approved by the director.

37 *(e) The storage and delivery to a public venue licensed under the*
38 *club and drinking establishment act of alcoholic liquor purchased by the*
39 *public venue licensee from a retailer authorized by law to sell such*
40 *alcoholic liquor to such public venue licensee.*

41 Sec. 3. K.S.A. 41-306a is hereby amended to read as follows: 41-
42 306a. A wine distributor's license shall allow:

43 (a) The wholesale purchase, importation and storage of wine, but all

1 wine so purchased or imported which is manufactured in the United States
2 shall be purchased from the primary American source of supply or from
3 another licensed wine distributor, except that a licensed wine distributor
4 may purchase confiscated wine at a sheriff's sale.

5 (b) The sale of wine to:

6 (1) Wine distributors licensed in this state;

7 (2) retailers licensed in this state, except that such distributor shall
8 sell a brand of wine only to those retailers whose licensed premises are
9 located in the geographic territory within which such distributor is
10 authorized to sell such brand, as designated in the notice or notices filed
11 with the director pursuant to K.S.A. 41-410, and amendments thereto; and

12 (3) such persons located outside such territory or outside this state as
13 permitted by law.

14 (c) The sale of wine, but only in barrels, casks and other bulk
15 containers, to:

16 (1) Licensed caterers; and

17 (2) *public venues*, clubs and drinking establishments licensed in this
18 state, except that such distributor shall sell a brand of wine only to such
19 *public venues*, clubs and drinking establishments the licensed premises of
20 which are located in the geographic territory within which such distributor
21 is authorized to sell such brand, as designated in the notice or notices filed
22 with the director pursuant to K.S.A. 41-410, and amendments thereto.

23 (d) The purchase of wine in barrels, casks or other bulk containers
24 and the bottling thereof before resale, but all bottles or containers filled
25 with such wine shall be sealed, labeled and otherwise made to comply with
26 all laws and rules and regulations governing the preparation and bottling of
27 wine by manufacturers and with all federal rules, regulations and laws.

28 (e) The storage and delivery to a retailer licensed under the Kansas
29 liquor control act or a retailer licensed under K.S.A. 41-2702, and
30 amendments thereto, on the distributor's licensed premises, of alcoholic
31 liquor or cereal malt beverage of another licensed distributor authorized by
32 law to sell such alcoholic liquor or cereal malt beverage to such retailer, in
33 accordance with an agreement entered into with such other distributor and
34 approved by the director.

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

37 Sec. 4. K.S.A. 41-307 is hereby amended to read as follows: 41-307.
38 A beer distributor's license shall allow:

39 (a) The wholesale purchase, importation and storage of beer.

40 (b) The sale of beer to:

41 (1) Licensed caterers;

42 (2) beer distributors licensed in this state;

43 (3) retailers, *public venues*, clubs and drinking establishments,

1 licensed in this state, except that such distributor shall sell a brand of beer
2 only to those retailers, *public venues*, clubs and drinking establishments of
3 which the licensed premises are located in the geographic territory within
4 which such distributor is authorized to sell such brand, as designated in the
5 notice or notices filed with the director pursuant to K.S.A. 41-410, and
6 amendments thereto; and

7 (4) such persons located outside such territory or outside this state as
8 permitted by law.

9 (c) The sale of cereal malt beverage to:

10 (1) Beer distributors licensed in this state;

11 (2) clubs and drinking establishments, licensed in this state, and
12 retailers licensed under K.S.A. 41-2702, and amendments thereto, except
13 that such distributor shall sell a brand of cereal malt beverage only to those
14 such clubs, drinking establishments and retailers of which the licensed
15 premises are located in the geographic territory within which such
16 distributor is authorized to sell such brand, as designated in the notice or
17 notices filed with the director pursuant to K.S.A. 41-410, and amendments
18 thereto; and

19 (3) such persons located outside such territory or outside this state as
20 permitted by law.

21 (d) The purchase of cereal malt beverage in kegs or other bulk
22 containers and the bottling or canning thereof in accordance with law.

23 (e) The storage and delivery to a retailer licensed under the Kansas
24 liquor control act or a retailer licensed under K.S.A. 41-2702, and
25 amendments thereto, on the distributor's licensed premises, of alcoholic
26 liquor or cereal malt beverage of another licensed distributor authorized by
27 law to sell such alcoholic liquor or cereal malt beverage to such retailer, in
28 accordance with an agreement entered into with such other distributor and
29 approved by the director.

30 (f) *The storage and delivery, with proper invoicing in accordance*
31 *with rules and regulations adopted by the secretary, on the premises of a*
32 *public venue licensee, of beer sold to or available for purchase by the*
33 *public venue during an event.*

34 Sec. 5. K.S.A. 41-308 is hereby amended to read as follows: 41-308.

35 (a) A retailer's license shall allow the licensee to sell and offer for sale at
36 retail and deliver in the original package, as therein prescribed, alcoholic
37 liquor for use or consumption off of and away from the premises specified
38 in such license. A retailer's license shall permit sale and delivery of
39 alcoholic liquor only on the licensed premises and shall not permit sale of
40 alcoholic liquor for resale in any form, except that a licensed retailer may:

41 (1) Sell alcoholic liquor to a temporary permit holder for resale by
42 such permit holder; and

43 (2) sell and deliver alcoholic liquor to a caterer or to the licensed

1 premises of a *public venue*, club or drinking establishment, if such
2 premises are in the county where the retailer's premises are located or in an
3 adjacent county, for resale by such *public venue*, club, establishment or
4 caterer.

5 (b) The holder of a retailer's license shall not sell, offer for sale, give
6 away or permit to be sold, offered for sale or given away in or from the
7 premises specified in such license any service or thing of value whatsoever
8 except alcoholic liquor in the original package, except that a licensed
9 retailer may:

10 (1) Charge a delivery fee for delivery to a *public venue*, club,
11 drinking establishment or caterer pursuant to subsection (a);

12 (2) sell lottery tickets and shares to the public in accordance with the
13 Kansas lottery act, if the retailer is selected as a lottery retailer;

14 (3) include in the sale of alcoholic liquor any goods included by the
15 manufacturer in packaging with the alcoholic liquor, subject to the
16 approval of the director; and

17 (4) distribute to the public, without charge, consumer advertising
18 specialities bearing advertising matter, subject to rules and regulations of
19 the secretary limiting the form and distribution of such specialities so that
20 they are not conditioned on or an inducement to the purchase of alcoholic
21 liquor.

22 (c) No licensed retailer shall furnish any entertainment in such
23 premises or permit any pinball machine or game of skill or chance to be
24 located in or on such premises.

25 (d) A retailer's license shall allow the licensee to store alcoholic
26 liquor in refrigerators, cold storage units, ice boxes or other cooling
27 devices, and the licensee may sell such alcoholic liquor to consumers in a
28 chilled condition.

29 Sec. 6. K.S.A. 2011 Supp. 41-308a is hereby amended to read as
30 follows: 41-308a. (a) A farm winery license shall allow:

31 (1) The manufacture of domestic table wine and domestic fortified
32 wine in a quantity not exceeding 100,000 gallons per year and the storage
33 thereof;

34 (2) the sale of wine, manufactured by the licensee, to licensed wine
35 distributors, retailers, *public venues*, clubs, drinking establishments,
36 holders of temporary permits as authorized by K.S.A. 41-2645, and
37 amendments thereto, and caterers;

38 (3) the sale, on the licensed premises in the original unopened
39 container to consumers for consumption off the licensed premises, of wine
40 manufactured by the licensee;

41 (4) the serving free of charge on the licensed premises and at special
42 events, monitored and regulated by the division of alcoholic beverage
43 control, of samples of wine manufactured by the licensee or imported

1 under subsection (f) (e), if the premises are located in a county where the
2 sale of alcoholic liquor is permitted by law in licensed drinking
3 establishments;

4 (5) if the licensee is also licensed as a club or drinking establishment,
5 the sale of domestic wine, domestic fortified wine and other alcoholic
6 liquor for consumption on the licensed premises as authorized by the club
7 and drinking establishment act;

8 (6) if the licensee is also licensed as a caterer, the sale of domestic
9 wine, domestic fortified wine and other alcoholic liquor for consumption
10 on the unlicensed premises as authorized by the club and drinking
11 establishment act;

12 (7) the sale and shipping, in the original unopened container, to
13 consumers outside this state of wine manufactured by the licensee,
14 provided that the licensee complies with applicable laws and rules and
15 regulations of the jurisdiction to which the wine is shipped; and

16 (8) the sale and shipping of wine within this state pursuant to a permit
17 issued pursuant to K.S.A. 2011 Supp. 41-350, and amendments thereto.

18 (b) Upon application and payment of the fee prescribed by K.S.A. 41-
19 310, and amendments thereto, by a farm winery licensee, the director may
20 issue not to exceed three winery outlet licenses to the farm winery
21 licensee. A winery outlet license shall allow:

22 (1) The sale, on the licensed premises in the original unopened
23 container to consumers for consumption off the licensed premises, of wine
24 manufactured by the licensee;

25 (2) the serving on the licensed premises of samples of wine
26 manufactured by the licensee or imported under subsection (f), if the
27 premises are located in a county where the sale of alcoholic liquor is
28 permitted by law in licensed drinking establishments; and

29 (3) the manufacture of domestic table wine and domestic fortified
30 wine and the storage thereof; provided, that the aggregate quantity of wine
31 produced by the farm winery licensee, including all winery outlets, shall
32 not exceed 100,000 gallons per year.

33 (c) Not less than 60% of the products utilized in the manufacture of
34 domestic table wine and domestic fortified wine by a farm winery shall be
35 grown in Kansas except when a lesser proportion is authorized by the
36 director based upon the director's findings and judgment. The label of
37 domestic wine and domestic fortified wine shall indicate that a majority of
38 the products utilized in the manufacture of the wine at such winery were
39 grown in Kansas.

40 (d) A farm winery or winery outlet may sell domestic wine and
41 domestic fortified wine in the original unopened container to consumers
42 for consumption off the licensed premises at any time between 6 a.m. and
43 12 midnight on any day except Sunday and between 12 noon and 6 p.m.

1 on Sunday. If authorized by subsection (a), a farm winery may serve
2 samples of domestic wine, domestic fortified wine and wine imported
3 under subsection (e) and serve and sell domestic wine, domestic fortified
4 wine and other alcoholic liquor for consumption on the licensed premises
5 at any time when a club or drinking establishment is authorized to serve
6 and sell alcoholic liquor. If authorized by subsection (b), a winery outlet
7 may serve samples of domestic wine, domestic fortified wine and wine
8 imported under subsection (e) at any time when the winery outlet is
9 authorized to sell domestic wine and domestic fortified wine.

10 (e) The director may issue to the Kansas state fair or any bona fide
11 group of grape growers or wine makers a permit to import into this state
12 small quantities of wines. Such wine shall be used only for bona fide
13 educational and scientific tasting programs and shall not be resold. Such
14 wine shall not be subject to the tax imposed by K.S.A. 41-501, and
15 amendments thereto. The permit shall identify specifically the brand and
16 type of wine to be imported, the quantity to be imported, the tasting
17 programs for which the wine is to be used and the times and locations of
18 such programs. The secretary shall adopt rules and regulations governing
19 the importation of wine pursuant to this subsection and the conduct of
20 tasting programs for which such wine is imported.

21 (f) A farm winery license or winery outlet license shall apply only to
22 the premises described in the application and in the license issued and only
23 one location shall be described in the license.

24 (g) No farm winery or winery outlet shall:

25 (1) Employ any person under the age of 18 years in connection with
26 the manufacture, sale or serving of any alcoholic liquor;

27 (2) permit any employee of the licensee who is under the age of 21
28 years to work on the licensed premises at any time when not under the on-
29 premise supervision of either the licensee or an employee of the licensee
30 who is 21 years of age or over;

31 (3) employ any person under 21 years of age in connection with
32 mixing or dispensing alcoholic liquor; or

33 (4) employ any person in connection with the manufacture or sale of
34 alcoholic liquor if the person has been convicted of a felony.

35 (h) Whenever a farm winery or winery outlet licensee is convicted of
36 a violation of the Kansas liquor control act, the director may revoke the
37 licensee's license and order forfeiture of all fees paid for the license, after a
38 hearing before the director for that purpose in accordance with the
39 provisions of the Kansas administrative procedure act.

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

42 Sec. 7. K.S.A. 41-701 is hereby amended to read as follows: 41-701.

43 (a) Except as provided in subsection (d), no spirits distributor shall sell or

1 attempt to sell any spirits within this state except to:

2 (1) A licensed manufacturer, licensed nonbeverage user or licensed
3 spirits distributor; or

4 (2) a licensed retailer, as authorized by K.S.A. 41-306, and
5 amendments thereto.

6 (b) Except as provided in subsection (d), no wine distributor shall sell
7 or attempt to sell any wine within this state except to:

8 (1) A licensed manufacturer, licensed nonbeverage user or licensed
9 wine distributor;

10 (2) a licensed caterer; or

11 (3) a retailer, *public venue*, club or drinking establishment, licensed in
12 this state, as authorized by K.S.A. 41-306a, *and amendments thereto*.

13 (c) Except as provided by subsection (d), no beer distributor shall sell
14 or attempt to sell any beer or cereal malt beverage within this state except
15 to:

16 (1) A licensed manufacturer, licensed nonbeverage user or licensed
17 beer distributor;

18 (2) a licensed caterer; or

19 (3) a retailer licensed under the Kansas liquor control act or under
20 K.S.A. 41-2702, and amendments thereto, or a club or drinking
21 establishment, licensed in this state, as authorized by *K.S.A. 41-307*, and
22 amendments thereto.

23 (d) (1) If any spirits distributor refuses to sell spirits which such
24 distributor is authorized to sell or refuses to provide any service in
25 connection therewith to any licensed retailer as authorized by K.S.A. 41-
26 306, and amendments thereto, it shall be lawful for any other licensed
27 spirits distributor to sell such spirits to such retailer.

28 (2) If any wine distributor refuses to sell wine which such distributor
29 is authorized to sell or refuses to furnish service in connection therewith to
30 any licensed retailer, as authorized by K.S.A. 41-306a, *and amendments*
31 *thereto*, it shall be lawful for any other licensed wine distributor to sell
32 such wine to such retailer.

33 (3) If any beer distributor refuses to sell beer or cereal malt beverage
34 which such distributor is authorized to sell or provide service in
35 connection therewith to any retailer licensed under this act or under K.S.A.
36 41-2702, and amendments thereto, as authorized by K.S.A. 41-307, and
37 amendments thereto, it shall be lawful for any other licensed beer
38 distributor to sell such beer or cereal malt beverage to such retailer.

39 (e) No manufacturer of alcoholic liquor or cereal malt beverage shall
40 sell or attempt to sell any alcoholic liquor or cereal malt beverage within
41 this state except to a licensed manufacturer, licensed distributor or licensed
42 nonbeverage user.

43 (f) No supplier, wholesaler, distributor, manufacturer or importer

1 shall by oral or written contract or agreement, expressly or impliedly fix,
2 maintain, coerce or control the resale price of alcoholic liquor, beer or
3 cereal malt beverage to be resold by such wholesaler, distributor,
4 manufacturer or importer.

5 (g) Any supplier, wholesaler, distributor or manufacturer violating the
6 provisions of this section shall be guilty of a misdemeanor and upon
7 conviction thereof shall be punished by a fine of not less than \$500 and not
8 more than \$1,000, to which may be added not to exceed six months'
9 imprisonment. In addition, any supplier, wholesaler, distributor,
10 manufacturer or importer violating the provisions of this section relating to
11 fixing, maintaining or controlling the resale price of alcoholic liquor, beer
12 or cereal malt beverage shall be liable in a civil action to treble the amount
13 of any damages awarded plus reasonable attorney fees for the damaged
14 party.

15 Sec. 8. K.S.A. 2011 Supp. 41-2601 is hereby amended to read as
16 follows: 41-2601. As used in the club and drinking establishment act:

17 (a) The following terms shall have the meanings provided by K.S.A.
18 41-102, and amendments thereto: (1) "Alcoholic liquor"; (2) "director"; (3)
19 "original package"; (4) "person"; (5) "sale"; and (6) "to sell."

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

23 (c) "Caterer" means an individual, partnership or corporation which
24 sells alcoholic liquor by the individual drink, and provides services related
25 to the serving thereof, on unlicensed premises which may be open to the
26 public, but does not include a holder of a temporary permit, selling
27 alcoholic liquor in accordance with the terms of such permit.

28 (d) "Cereal malt beverage" has the meaning provided by K.S.A. 41-
29 2701, and amendments thereto.

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

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

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

41 ~~(h) "Minibar" means a closed cabinet, whether nonrefrigerated or~~
42 ~~wholly or partially refrigerated, access to the interior of which is restricted~~
43 ~~by means of a locking device which requires the use of a key, magnetic~~

1 ~~card or similar device.~~

2 ~~(†)~~ (h) "Drinking establishment" means premises which may be open
3 to the general public, where alcoholic liquor by the individual drink is
4 sold.

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

8 ~~(†)~~ (j) "Food service establishment" has the meaning provided by
9 K.S.A. 36-501, and amendments thereto.

10 ~~(†)~~ (k) "Hotel" has the meaning provided by K.S.A. 36-501, and
11 amendments thereto.

12 (l) *"Minibar" means a closed cabinet, whether nonrefrigerated or*
13 *wholly or partially refrigerated, access to the interior of which is*
14 *restricted by means of a locking device which requires the use of a key,*
15 *magnetic card or similar device.*

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

17 (n) "Morals charge" means a charge involving prostitution; procuring
18 any person; soliciting of a child under 18 years of age for any immoral act
19 involving sex; possession or sale of narcotics, marijuana, amphetamines or
20 barbiturates; rape; incest; gambling; illegal cohabitation; adultery; bigamy;
21 or a crime against nature.

22 (o) "Municipal corporation" means the governing body of any county
23 or city.

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

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

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

32 ~~(†)~~ (q) "Restaurant" means:

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

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

43 (3) in the case of a drinking establishment subject to no food sales

1 requirement under K.S.A. 41-2642, and amendments thereto, a licensed
2 food service establishment.

3 (¶) (r) "RV resort" means premises where a place to park recreational
4 vehicles, as defined in K.S.A. 75-1212, and amendments thereto, is offered
5 for pay, primarily to transient guests, for overnight or longer use while
6 such recreational vehicles are used as sleeping or living accommodations.

7 (¶) (s) "Secretary" means the secretary of revenue.

8 (¶) (t) "Temporary permit" means a temporary permit issued pursuant
9 to K.S.A. 41-2645, and amendments thereto.

10 Sec. 9. K.S.A. 41-2608 is hereby amended to read as follows: 41-
11 2608. (a) Any *public venue*, club or drinking establishment license
12 issued pursuant to this act shall be for one particular premises which shall
13 be stated in the application and in the license. *Not more than one premises*
14 *licensed under the club and drinking establishment act shall exist at a*
15 *single legal address.*

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

19 Sec. 10. K.S.A. 41-2613 is hereby amended to read as follows: 41-
20 2613. The right of immediate entry to and inspection of any premises
21 licensed as a *public venue*, club or drinking establishment or any premises
22 where alcoholic liquor is sold by a holder of a temporary permit, or any
23 premises subject to the control of any licensee or temporary permit holder,
24 by any duly authorized officer or agent of the director, or by any law
25 enforcement officer, shall be a condition on which every license or
26 temporary permit is issued, and the application for, and acceptance of, any
27 license or temporary permit shall conclusively be deemed to be the consent
28 of the applicant and licensee or permit holder to such immediate entry and
29 inspection. Such right of immediate entry and inspection shall be at any
30 time when the premises are occupied and is not limited to hours when the
31 club or drinking establishment is open for business. Such consent shall not
32 be revocable during the term of the license or temporary permit. Refusal of
33 such entry shall be grounds for revocation of the license or temporary
34 permit.

35 Sec. 11. K.S.A. 41-2614 is hereby amended to read as follows: 41-
36 2614. (a) Except as provided by subsection (c), no *public venue*, club or
37 drinking establishment shall allow the serving, mixing or consumption of
38 alcoholic liquor on its premises between the hours of 2:00 a.m. and 9:00
39 a.m. on any day.

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

43 (c) A hotel of which the entire premises are licensed as a drinking

1 establishment or as a drinking establishment/caterer may allow at any time
 2 the serving, mixing and consumption of alcoholic liquor and cereal malt
 3 beverage from a minibar in a guest room by guests registered to stay in
 4 such room, and guests of guests registered to stay in such room.

5 Sec. 12. K.S.A. 2011 Supp. 41-2622 is hereby amended to read as
 6 follows: 41-2622. (a) At the time application is made to the director for a
 7 license pursuant to the club and drinking establishment act, the applicant
 8 shall pay the following license fee in the manner provided by K.S.A. 41-
 9 2606, and amendments thereto:

10 (1) For a class A club which is a bona fide nonprofit fraternal or war
 11 veterans' club, as defined by rules and regulations of the secretary, \$500;

12 (2) for a class A club which is a bona fide nonprofit social club, as
 13 defined by rules and regulations of the secretary, and which has not more
 14 than 500 members, \$1,000;

15 (3) for a class A club which is a bona fide nonprofit social club, as
 16 defined by rules and regulations of the secretary, and which has more than
 17 500 members, \$2,000;

18 (4) for a class B club, \$2,000;

19 ~~(5) for a drinking establishment, \$1,000;~~

20 ~~(6) for a hotel of which the entire premises are licensed as a drinking
 21 establishment, \$3,000;~~

22 ~~(7) (5) for a caterer, \$1,000;~~

23 ~~(8) for a drinking establishment/caterer, \$1,500; and~~

24 ~~(9) for a drinking establishment/caterer, if the drinking establishment
 25 is a hotel of which the entire premises are licensed as a drinking-
 26 establishment, \$3,500.~~

27 ~~(b) On and after July 1, 2011, at the time an application is submitted
 28 to the director for a drinking establishment license pursuant to the club and
 29 drinking establishment act, the applicant shall pay the following license
 30 fee in the manner provided by K.S.A. 41-2606, and amendments thereto:~~

31 ~~(1) (6) for a drinking establishment, \$2,000;~~

32 ~~(2) (7) for a hotel of which the entire premises are licensed as a
 33 drinking establishment, \$6,000;~~

34 ~~(3) (8) for a drinking establishment/caterer, \$3,000; and~~

35 ~~(4) (9) for a drinking establishment/caterer, if the drinking
 36 establishment is a hotel of which the entire premises are licensed as a
 37 drinking establishment, \$7,000;~~

38 ~~(10) for a public venue with a maximum capacity of not more than
 39 10,000 persons, \$5,000;~~

40 ~~(11) for a public venue with a maximum capacity of not more than
 41 25,000 persons, \$10,000 ~~{ \$7,500 }~~; and~~

42 ~~(12) for a public venue with a maximum capacity exceeding 25,000
 43 persons, \$20,000 ~~{ \$10,000 }.~~~~

1 ~~(e)~~ *(b)* In addition to the fee provided by ~~subsections~~ **subsection (a)**
2 ~~and (b)~~, any city where the licensed premises of a club ~~or~~ , drinking
3 establishment **or public venue** are located or, if such licensed premises are
4 not located in a city, the board of county commissioners of the county
5 where the licensed premises are located may levy and collect a biennial
6 occupation or license tax from the licensee in an amount equal to not less
7 than \$200 nor **not** more than \$500.

8 ~~(e)~~ In addition to the fee provided by subsection (a), any city where
9 the licensed premises of a public venue is located or, if such licensed
10 premises is not located in a city, the board of county commissioners of the
11 county where the licensed premises is located may levy and collect a
12 biennial occupation or license tax from the licensee in an amount not less
13 than \$200.

14 ~~(d)~~*(c)* No occupational or excise tax or license fee other than that
15 authorized by subsection *(b)* ~~or (e)~~ shall be levied by any city or county
16 against or collected from a licensed *public venue*, club or drinking
17 establishment.

18 ~~(e)~~*(d)* The director shall remit all moneys received under this section
19 to the state treasurer in accordance with the provisions of K.S.A. 75-4215,
20 and amendments thereto. Upon receipt of each such remittance, the state
21 treasurer shall deposit the entire amount in the state treasury. Of each such
22 deposit, 50% shall be credited to the state general fund, and the remaining
23 50% shall be credited to the other state fees fund of the department of
24 social and rehabilitation services. In addition to other purposes for which
25 expenditures may be made from the other state fees fund of the department
26 of social and rehabilitation services, expenditures may be made by the
27 secretary of social and rehabilitation services for the purpose of
28 implementing the powers and duties of the secretary under the provisions
29 of K.S.A. 65-4006 and 65-4007, and amendments thereto.

30 Sec. 13. K.S.A. 2011 Supp. 41-2629 is hereby amended to read as
31 follows: 41-2629. (a) A class B club ~~license~~, *drinking establishment*,
32 *public venue* or caterer's license shall be issued for a term not to exceed
33 two years after issuance, except as otherwise provided by law, unless
34 sooner suspended or revoked as provided in this act.

35 ~~(b)~~ Prior to July 1, 2011, a drinking establishment license shall be
36 issued for a term not to exceed one year after issuance, except as otherwise
37 provided by law, unless sooner suspended or revoked as provided by this
38 act. On and after July 1, 2011, a drinking establishment license shall be
39 issued for a term not to exceed two years after issuance, except as
40 otherwise provided by law, unless sooner suspended or revoked as
41 provided by this act.

42 ~~(e)~~ *(b)* The director; may, at the director's sole discretion and after
43 examination of the circumstances, extend the license term of any license

1 for not more than 30 days beyond such date the license would expire
2 pursuant to this section. Any extension of the license term by the director
3 pursuant to this section shall automatically extend the due date for
4 payment by the licensee of any occupation or license tax levied by a city
5 or township pursuant to K.S.A. 41-2622, and amendments thereto, by the
6 same number of days the director has extended the license term.

7 ~~(d)~~ (c) A class B ~~license club~~, drinking establishment ~~license~~, *public*
8 *venue* or caterer's license shall be purely a personal privilege and shall not
9 constitute property, nor shall it be subject to attachment, garnishment or
10 execution, nor shall it be alienable or transferable, voluntarily or
11 involuntarily, or subject to being encumbered or hypothecated. A class B
12 club ~~license~~, drinking establishment ~~license~~, *public venue* or caterer's
13 license shall not descend by the laws of testate or intestate devolution, but
14 shall cease or expire upon the death of the licensee subject to ~~the following~~
15 ~~provision~~ subsection (d).

16 ~~(e)~~ (d) An executor, administrator or representative of the estate of
17 any deceased holder of a class B club, drinking establishment, *public*
18 *venue* or caterer's license, or the trustee of any insolvent or bankrupt class
19 B club, drinking establishment, *public venue* or caterer's license may
20 continue the licensee's business under order of the appropriate court and
21 may exercise the privilege of the deceased, insolvent or bankrupt licensee
22 after the death of such licensee or after such insolvency or bankruptcy
23 until the expiration of such license, but in no case longer than one year
24 after the death, insolvency or bankruptcy of such licensee.

25 ~~(f)~~ (e) When the licensee pays the full amount of the license fee upon
26 application and is prevented from operating under such license in
27 accordance with the provisions of this act for the entire second year of the
28 license term, a refund shall be made of one-half of the license fee paid by
29 such licensee. The secretary shall adopt, in accordance with K.S.A. 41-
30 210, and amendments thereto, rules and regulations providing for the
31 authorization of refunds of one-half of the license fee paid when the
32 licensee does not use such license for the entire second year of the license
33 term as a result of the cancellation of the license upon the request of the
34 licensee for voluntary reasons.

35 Sec. 14. K.S.A. 41-2640 is hereby amended to read as follows: 41-
36 2640. (a) No club, drinking establishment, caterer or holder of a temporary
37 permit, nor any person acting as an employee or agent thereof, shall:

38 (1) Offer or serve any free cereal malt beverage or alcoholic liquor in
39 any form to any person;

40 (2) offer or serve to any person a drink at a price that is less than the
41 acquisition cost of the drink to the licensee or permit holder;

42 (3) sell, offer to sell or serve to any person an unlimited number of
43 drinks during any set period of time for a fixed price, except at private

1 functions not open to the general public or to the general membership of a
2 club;

3 (4) sell, offer to sell or serve any drink to any person at any time at a
4 price less than that charged all other purchasers of drinks on that day;

5 (5) increase the volume of alcoholic liquor contained in a drink or the
6 size of a drink of cereal malt beverage without increasing proportionately
7 the price regularly charged for the drink on that day;

8 (6) encourage or permit, on the licensed premises, any game or
9 contest which involves drinking alcoholic liquor or cereal malt beverage or
10 the awarding of drinks as prizes; or

11 (7) advertise or promote in any way, whether on or off the licensed
12 premises, any of the practices prohibited under subsections (a)(1) through
13 (6).

14 (b) *No public venue, nor any person acting as an employee or agent*
15 *thereof, shall:*

16 (1) *Offer or serve any free cereal malt beverage or alcoholic liquor*
17 *in any form to any person;*

18 (2) *offer or serve to any person a drink or original container of*
19 *alcoholic liquor or cereal malt beverage at a price that is less than the*
20 *acquisition cost of the drink or original container of alcoholic liquor or*
21 *cereal malt beverage to the licensee;*

22 (3) *sell or serve alcoholic liquor in glass containers to customers in*
23 *the general admission area;*

24 (4) *sell or serve more than two drinks per customer at any one time*
25 *in the general admission area;*

26 (5) *encourage or permit, on the licensed premises, any game or*
27 *contest which involves drinking alcoholic liquor or cereal malt beverage*
28 *or the awarding of drinks as prizes; or*

29 (6) *advertise or promote in any way, whether on or off the licensed*
30 *premises, any of the practices prohibited under subsections (b)(1) through*
31 *(5).*

32 ~~(b)~~ (c) Nothing in ~~subsection~~ subsections (a) or (b) shall be construed
33 to prohibit a *public venue*, club, drinking establishment, caterer or holder
34 of a temporary permit from:

35 (1) Offering free food or entertainment at any time; or

36 (2) selling or delivering wine by the bottle or carafe.

37 ~~(e)~~ (d) Violation of any provision of this section is a misdemeanor
38 punishable as provided by K.S.A. 41-2633, and amendments thereto.

39 ~~(d)~~ (e) Violation of any provision of this section shall be grounds for
40 suspension or revocation of the licensee's license as provided by K.S.A.
41 41-2609, and amendments thereto, and for imposition of a civil fine on the
42 licensee or temporary permit holder as provided by K.S.A. 41-2633a, and
43 amendments thereto.

1 (⊖) (f) Every licensed club and drinking establishment shall make
2 available at any time upon request a price list showing the club's or
3 drinking establishment's current prices per drink for all drinks.

4 (⊕) (g) As used in this section, "drink" means an individual serving of
5 any beverage containing alcoholic liquor or an individual serving of cereal
6 malt beverage.

7 {*Sec. 15. K.S.A. 79-4101 is hereby amended to read as follows: 79-*
8 *4101. (a) For the purpose of providing revenue which may be used by*
9 *the state, counties and cities in the enforcement of the provisions of this*
10 *act, from and after the effective date of this act, for the privilege of*
11 *engaging in the business of selling alcoholic liquor by retailers or farm*
12 *wineries to consumers in this state or selling alcoholic liquor or cereal*
13 *malt beverage by distributors to clubs, drinking establishments, public*
14 *venues or caterers in this state, there is hereby levied and there shall be*
15 *collected and paid a tax at the rate of 8% upon the gross receipts*
16 *received from: (1) The sale of alcoholic liquor by retailers,*
17 *microbreweries or farm wineries to consumers within this state; and (2)*
18 *the sale of alcoholic liquor or cereal malt beverage by distributors to*
19 *clubs, drinking establishments, public venues or caterers in this state.*

20 *(b) The tax imposed by this section shall be in addition to the*
21 *license fee imposed on distributors, retailers, microbreweries and farm*
22 *wineries by K.S.A. 41-310, and amendments thereto.*

23 *Sec. 16. K.S.A. 79-4102 is hereby amended to read as follows: 79-*
24 *4102. The tax levied under K.S.A. 79-4101, and amendments thereto,*
25 *shall be paid by the consumer or user to the retailer, microbrewery or*
26 *farm winery or by the club, drinking establishment, public venue or*
27 *caterer to the distributor. It shall be the duty of each retailer,*
28 *microbrewery, farm winery or distributor in this state to collect from the*
29 *purchaser the full amount of the tax imposed by this act, or an amount*
30 *equal as nearly as possible or practicable, to the average equivalent*
31 *thereof.*

32 *Sec. 17. K.S.A. 79-4103 is hereby amended to read as follows: 79-*
33 *4103. On or before the 25th day of each calendar month, every person*
34 *engaged in the business of selling alcoholic liquor at retail, every*
35 *microbrewery selling beer to consumers, every farm winery selling wine*
36 *to consumers in this state and every distributor selling alcoholic liquor*
37 *or cereal malt beverage to clubs, drinking establishments, public venues*
38 *or caterers in this state during the preceding calendar month shall make*
39 *a return to the director of taxation upon forms prescribed and furnished*
40 *by the director, stating: (a) The name and address of the seller; (b) the*
41 *total amount of gross sales subject to the tax imposed by K.S.A. 79-4101,*
42 *and amendments thereto, during the preceding calendar month; and (c)*
43 *any other pertinent information the director requires. The person*

1 *making the return shall, at the time of making the return, pay to the*
2 *director of taxation the amount of tax imposed by K.S.A. 79-4101, and*
3 *amendments thereto. The director of taxation may extend the time for*
4 *making returns and paying the tax for any period not to exceed 60 days,*
5 *under rules and regulations adopted by the secretary of revenue.*

6 *Sec. 18. K.S.A. 79-41a01 is hereby amended to read as follows: 79-*
7 *41a01. As used in K.S.A. 79-41a01 through 79-41a09, and amendments*
8 *thereto:*

9 *(a) "Alcoholic liquor" means alcoholic liquor, as defined by K.S.A.*
10 *41-102, and amendments thereto, and cereal malt beverage, as defined*
11 *by K.S.A. 41-2701, and amendments thereto.*

12 *(b) "Caterer," "club," "drinking establishment," "public venue"*
13 *and "temporary permit" have the meanings provided by K.S.A. 41-2601,*
14 *and amendments thereto.*

15 *(c) "Gross receipts derived from the sale of alcoholic liquor" means*
16 *the amount charged the consumer for a drink containing alcoholic*
17 *liquor, including any portion of that amount attributable to the cost of*
18 *any ingredient mixed with or added to the alcoholic liquor contained in*
19 *such drink.*

20 *Sec. 19. K.S.A. 79-41a02 is hereby amended to read as follows: 79-*
21 *41a02. (a) There is hereby imposed, for the privilege of selling alcoholic*
22 *liquor, a tax at the rate of 10% upon the gross receipts derived from the*
23 *sale of alcoholic liquor by any club, caterer, drinking establishment,*
24 *public venue or temporary permit holder.*

25 *(b) The tax imposed by this section shall be paid by the consumer to*
26 *the club, caterer, drinking establishment, public venue or temporary*
27 *permit holder and it shall be the duty of each and every club, caterer,*
28 *drinking establishment, public venue or temporary permit holder subject*
29 *to this section to collect from the consumer the full amount of such tax,*
30 *or an amount equal as nearly as possible or practicable to the average*
31 *equivalent thereto. Each club, caterer, drinking establishment, public*
32 *venue or temporary permit holder collecting the tax imposed hereunder*
33 *shall be responsible for paying over the same to the state department of*
34 *revenue in the manner prescribed by K.S.A. 79-41a03, and amendments*
35 *thereto, and the state department of revenue shall administer and*
36 *enforce the collection of such tax.*

37 *Sec. 20. K.S.A. 2011 Supp. 79-41a03 is hereby amended to read as*
38 *follows: 79-41a03. (a) The tax levied and collected pursuant to K.S.A.*
39 *79-41a02, and amendments thereto, shall become due and payable by*
40 *the club, caterer, drinking establishment, public venue or temporary*
41 *permit holder monthly, or on or before the 25th day of the month*
42 *immediately succeeding the month in which it is collected, but any club,*
43 *caterer, drinking establishment, public venue or temporary permit holder*

1 *filing an annual or quarterly return under the Kansas retailers' sales tax*
2 *act, as prescribed in K.S.A. 79-3607, and amendments thereto, shall,*
3 *upon such conditions as the secretary of revenue may prescribe, pay the*
4 *tax required by this act on the same basis and at the same time the club,*
5 *caterer, drinking establishment, public venue or temporary permit holder*
6 *pays such retailers' sales tax. Each club, caterer, drinking establishment,*
7 *public venue or temporary permit holder shall make a true report to the*
8 *department of revenue, on a form prescribed by the secretary of revenue,*
9 *providing such information as may be necessary to determine the*
10 *amounts to which any such tax shall apply for all gross receipts derived*
11 *from the sale of alcoholic liquor by the club, caterer, drinking*
12 *establishment, public venue or temporary permit holder for the*
13 *applicable month or months, which report shall be accompanied by the*
14 *tax disclosed thereby. Records of gross receipts derived from the sale of*
15 *alcoholic liquor shall be kept separate and apart from the records of*
16 *other retail sales made by a club, caterer, drinking establishment, public*
17 *venue or temporary permit holder in order to facilitate the examination*
18 *of books and records as provided herein.*

19 (b) *The secretary of revenue or the secretary's authorized*
20 *representative shall have the right at all reasonable times during*
21 *business hours to make such examination and inspection of the books*
22 *and records of a club, caterer, drinking establishment, public venue or*
23 *temporary permit holder as may be necessary to determine the accuracy*
24 *of such reports required hereunder.*

25 (c) *The secretary of revenue is hereby authorized to administer and*
26 *collect the tax imposed hereunder and to adopt such rules and*
27 *regulations as may be necessary for the efficient and effective*
28 *administration and enforcement of the collection thereof. Whenever any*
29 *club, caterer, drinking establishment, public venue or temporary permit*
30 *holder liable to pay the tax imposed hereunder refuses or neglects to pay*
31 *the same, the amount, including any penalty, shall be collected in the*
32 *manner prescribed for the collection of the retailers' sales tax by K.S.A.*
33 *79-3617, and amendments thereto.*

34 (d) *The secretary of revenue shall remit all revenue collected under*
35 *the provisions of this act to the state treasurer in accordance with the*
36 *provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of*
37 *each such remittance, the state treasurer shall deposit the entire amount*
38 *in the state treasury. Subject to the maintenance requirements of the*
39 *local alcoholic liquor refund fund created under K.S.A. 79-41a09, and*
40 *amendments thereto, 25% of the remittance shall be credited to the state*
41 *general fund, 5% shall be credited to the community alcoholism and*
42 *intoxication programs fund created by K.S.A. 41-1126, and amendments*
43 *thereto, and the balance shall be credited to the local alcoholic liquor*

1 *fund created by K.S.A. 79-41a04, and amendments thereto.*

2 *(e) Whenever, in the judgment of the secretary of revenue, it is*
3 *necessary, in order to secure the collection of any tax, penalties or*
4 *interest due, or to become due, under the provisions of this act, the*
5 *secretary may require any person subject to such tax to file a bond with*
6 *the director of taxation under conditions established by and in such*
7 *form and amount as prescribed by rules and regulations adopted by the*
8 *secretary.*

9 *(f) The amount of tax imposed by this act shall be assessed within*
10 *three years after the return is filed, and no proceedings in court for the*
11 *collection of such taxes shall be begun after the expiration of such*
12 *period except in the cases of fraud. In the case of a false or fraudulent*
13 *return with intent to evade tax, the tax may be assessed or a proceeding*
14 *in court for collection of such tax may be begun at any time, within two*
15 *years from the discovery of such fraud. No refund or credit shall be*
16 *allowed by the director after three years from the date of payment of the*
17 *tax as provided in this act unless before the expiration of such period a*
18 *claim therefor is filed by the taxpayer, and no suit or action to recover*
19 *on any claim for refund shall be commenced until after the expiration of*
20 *six months from the date of filing a claim therefor with the director.*
21 *Before the expiration of time prescribed in this section for the*
22 *assessment of additional tax or the filing of a claim for refund, the*
23 *director is hereby authorized to enter into an agreement in writing with*
24 *the taxpayer consenting to the extension of the periods of limitations for*
25 *the assessment of tax or for the filing of a claim for refund, at any time*
26 *prior to the expiration of the periods of limitations. The period so agreed*
27 *upon may be extended by subsequent agreements in writing made before*
28 *the expiration of the period previously agreed upon.*

29 *Sec. 21. K.S.A. 79-41a04 is hereby amended to read as follows: 79-*
30 *41a04. (a) There is hereby created, in the state treasury, the local*
31 *alcoholic liquor fund. Moneys credited to such fund pursuant to this act*
32 *or any other law shall be expended only for the purpose and in the*
33 *manner provided by this act.*

34 *(b) All moneys credited to the local alcoholic liquor fund shall be*
35 *allocated to the several cities and counties of the state as follows:*

36 *(1) Each city that has a population of more than 6,000 shall receive*
37 *70% of the amount which is collected pursuant to this act from clubs,*
38 *public venues or drinking establishments located in such city, from*
39 *caterers whose principal places of business are so located or from*
40 *temporary permit holders whose permitted events are so located and*
41 *which is paid into the state treasury during the period for which the*
42 *allocation is made.*

43 *(2) Each city that has a population of 6,000 or less shall receive 46*

1 *2/3% of the amount which is collected pursuant to this act from clubs,*
2 *public venues or drinking establishments located in such city, from*
3 *caterers whose principal places of business are so located or from*
4 *temporary permit holders whose permitted events are so located and*
5 *which is paid into the state treasury during the period for which the*
6 *allocation is made.*

7 *(3) Each county shall receive: (A) 70% of the amount which is*
8 *collected pursuant to this act from clubs, public venues or drinking*
9 *establishments located in such county and outside the corporate limits of*
10 *any city, from caterers whose principal places of business are so located*
11 *or from temporary permit holders whose permitted events are so located*
12 *and which is paid into the state treasury during the period for which the*
13 *allocation is made; and (B) 23 1/3% of the amount which is collected*
14 *pursuant to this act from clubs, public venues or drinking establishments*
15 *located in the county and within a city that has a population of 6,000 or*
16 *less, from caterers whose principal places of business are so located or*
17 *from temporary permit holders whose permitted events are so located*
18 *and which is paid into the state treasury during the period for which the*
19 *allocation is made.*

20 *(c) The state treasurer shall make distributions from the local*
21 *alcoholic liquor fund in accordance with the allocation formula*
22 *prescribed by subsection (b) on March 15, June 15, September 15 and*
23 *December 15 of each year. The director of accounts and reports shall*
24 *draw warrants on the state treasurer in favor of the several county*
25 *treasurers and city treasurers on the dates and in the amounts*
26 *determined under this section. Such distributions shall be paid directly*
27 *to the several county treasurers and city treasurers.*

28 *(d) Except as otherwise provided by this subsection, each city*
29 *treasurer of a city that has a population of more than 6,000, upon*
30 *receipt of any moneys distributed under this section, shall deposit the*
31 *full amount in the city treasury and shall credit 1/3 of the deposit to the*
32 *general fund of the city, 1/3 to a special parks and recreation fund in the*
33 *city treasury and 1/3 to a special alcohol and drug programs fund in the*
34 *city treasury. Each city treasurer of a city that has a population of 6,000*
35 *or less, upon receipt of any moneys distributed under this section, shall*
36 *deposit the full amount in the city treasury and shall credit 1/2 of the*
37 *deposit to the general fund of the city and 1/2 to a special parks and*
38 *recreation fund in the city treasury. Moneys in such special funds shall*
39 *be under the direction and control of the governing body of the city.*
40 *Moneys in the special parks and recreation fund may be expended only*
41 *for the purchase, establishment, maintenance or expansion of park and*
42 *recreational services, programs and facilities. One-half of the moneys*
43 *distributed under this section to cities located in Butler county shall be*

1 *deposited in a special community support program and parks and*
2 *recreation fund in the city treasury. Moneys in the special community*
3 *support program and parks and recreation fund may be expended only*
4 *for: (1) The establishment and operation of a domestic violence program*
5 *operated by a not-for-profit organization; or (2) the purchase,*
6 *establishment, maintenance or expansion of park and recreational*
7 *services, programs and facilities. Moneys in the special alcohol and drug*
8 *programs fund shall be expended only for the purchase, establishment,*
9 *maintenance or expansion of services or programs whose principal*
10 *purpose is alcoholism and drug abuse prevention and education, alcohol*
11 *and drug detoxification, intervention in alcohol and drug abuse or*
12 *treatment of persons who are alcoholics or drug abusers or are in*
13 *danger of becoming alcoholics or drug abusers.*

14 *(e) Except as otherwise provided by this subsection, each county*
15 *treasurer, upon receipt of any moneys distributed under this section,*
16 *shall deposit the full amount in the county treasury and shall credit to a*
17 *special alcohol and drug programs fund in the county treasury 23 1/3%*
18 *of the amount which is collected pursuant to this act from clubs or*
19 *drinking establishments located in the county and within a city that has*
20 *a population of 6,000 or less, from caterers whose principal place of*
21 *business is so located or from temporary permit holders whose permitted*
22 *events are so located and which is paid into the state treasury during the*
23 *period for which the allocation is made; of the remainder, the treasurer*
24 *shall credit 1/3 to the general fund of the county, 1/3 to a special parks*
25 *and recreation fund in the county treasury and 1/3 to the special alcohol*
26 *and drug programs fund. Moneys in such special funds shall be under*
27 *the direction and control of the board of county commissioners. Moneys*
28 *in the special parks and recreation fund may be expended only for the*
29 *purchase, establishment, maintenance or expansion of park and*
30 *recreational services, programs and facilities. One-third of the moneys*
31 *distributed under this section to Butler county shall be deposited in a*
32 *special community support program and parks and recreation fund in*
33 *the county treasury. Moneys in the special community support program*
34 *and parks and recreation fund may be expended only for: (1) The*
35 *establishment and operation of a domestic violence program operated by*
36 *a not-for-profit organization; or (2) the purchase, establishment,*
37 *maintenance or expansion of park and recreational services, programs*
38 *and facilities. Moneys in the special alcohol and drug programs fund*
39 *shall be expended only for the purchase, establishment, maintenance or*
40 *expansion of services or programs whose principal purpose is*
41 *alcoholism and drug abuse prevention and education, alcohol and drug*
42 *detoxification, intervention in alcohol and drug abuse or treatment of*
43 *persons who are alcoholics or drug abusers or are in danger of*

1 *becoming alcoholics or drug abusers. In any county in which there has*
2 *been organized an alcohol and drug advisory committee, the board of*
3 *county commissioners shall request and obtain, prior to making any*
4 *expenditures from the special alcohol and drug programs fund, the*
5 *recommendations of the advisory committee concerning such*
6 *expenditures. The board of county commissioners shall adopt the*
7 *recommendations of the advisory committee concerning such*
8 *expenditures unless the board, by unanimous vote of all commissioners,*
9 *adopts a different plan for such expenditures.*

10 *(f) Each year, the county treasurer shall estimate the amount of*
11 *money the county and each city in the county will receive from the local*
12 *alcoholic liquor fund and from distributions pursuant to K.S.A. 79-*
13 *41a05, and amendments thereto. The state treasurer shall advise each*
14 *county treasurer, prior to June 1 of each year of the amount in the local*
15 *alcoholic liquor fund that the state treasurer estimates, using the most*
16 *recent available information, will be allocated to such county in the*
17 *following year. The county treasurer shall, before June 15 of each year,*
18 *notify the treasurer of each city of the estimated amount in dollars of*
19 *the distribution to be made from the local alcoholic liquor fund and*
20 *pursuant to K.S.A. 79-41a05, and amendments thereto.*

21 *Sec. 22. K.S.A. 79-41a06 is hereby amended to read as follows: 79-*
22 *41a06. No club, drinking establishment, caterer, public venue or*
23 *temporary permit holder shall sell any alcoholic liquor without a*
24 *registration certificate from the secretary of revenue. Application for*
25 *such certificate shall be made to the secretary upon forms provided by*
26 *the secretary and shall contain such information as the secretary deems*
27 *necessary for the purposes of administering the provisions of this act.*
28 *The registration certificate shall be conspicuously displayed in the*
29 *licensed premises or permitted for which it is issued.*

30 *Upon violation of any of the provisions of K.S.A. 79-41a01 et seq.,*
31 *and amendments thereto, or any of the terms of this act, and upon due*
32 *notice and opportunity for hearing in accordance with the provisions of*
33 *the Kansas administrative procedure act, the secretary may revoke such*
34 *registration certificate.*

35 *Sec. 23. K.S.A. 79-41a07 is hereby amended to read as follows: 79-*
36 *41a07. (a) The director of taxation or the director of alcoholic beverage*
37 *control may enjoin any person from engaging in business as a club,*
38 *drinking establishment, caterer, public venue or temporary permit holder*
39 *when the club, drinking establishment, caterer, public venue or*
40 *temporary permit holder is in violation of any of the provisions of K.S.A.*
41 *79-41a01 et seq., and amendments thereto, or any of the terms of this act*
42 *and shall be entitled in any proceeding brought for that purpose to have*
43 *an order restraining the person from engaging in business as a club,*

1 *drinking establishment, caterer, public venue or temporary permit*
2 *holder. No bond shall be required for any such restraining order or for*
3 *any temporary or permanent injunction issued in that proceeding.*

4 *(b) If a club, drinking establishment, public venue or caterer*
5 *licensed by the director of alcoholic beverage control or a temporary*
6 *permit holder violates any of the provisions of K.S.A. 79-41a01 et seq.,*
7 *and amendments thereto, or any of the terms of this act, the director of*
8 *alcoholic beverage control may suspend or revoke the license of such*
9 *club, drinking establishment, public venue or caterer in accordance with*
10 *K.S.A. 41-2609, and amendments thereto, or may impose a civil fine on*
11 *the licensee or permit holder in the manner provided by K.S.A. 41-*
12 *2633a, and amendments thereto.*

13 *Sec. 24. K.S.A. 79-41a08 is hereby amended to read as follows: 79-*
14 *41a08. The tax imposed by this act shall be a lien upon the business and*
15 *any property of the club, drinking establishment, caterer, public venue or*
16 *permit holder which may be sold. The person acquiring such business*
17 *or property shall withhold a sufficient amount of the purchase price*
18 *thereof to cover the amount of any taxes due and unpaid by the seller,*
19 *until the seller shall furnish the purchaser with a receipt from the*
20 *secretary of revenue, as herein provided, showing that such taxes have*
21 *been paid. The purchaser shall be personally liable for the payment of*
22 *any unpaid taxes of the seller, to the extent of the value of the business*
23 *or property received by the purchaser, and if a receipt is not furnished by*
24 *such seller within 20 days from the date of sale of such business or*
25 *property, the purchaser shall remit the amount of such unpaid taxes to*
26 *the secretary on or before the 20th day of the month succeeding that in*
27 *which such purchaser acquired such business or property.*

28 ~~Sec. 25.~~ *{25.}* K.S.A. 41-306, 41-306a, 41-307, 41-308, 41-701, 41-
29 2608, 41-2613, 41-2614 ~~and {,}~~ 41-2640~~{,}~~ *79-4101, 79-4102, 79-4103, 79-*
30 *41a01, 79-41a02, 79-41a04, 79-41a06, 79-41a07 and 79-41a08}* and
31 K.S.A. 2011 Supp. 41-308a, 41-2601, 41-2622 ~~and {,}~~ 41-2629 ~~{and 79-~~
32 ~~41a03}~~ are hereby repealed.

33 ~~Sec. 26.~~ *{26.}* This act shall take effect and be in force from and after
34 its publication in the statute book.