

HOUSE BILL No. 2556

By Committee on Taxation

1-31

1 AN ACT concerning alcoholic beverages; relating to retailer's licenses;
2 amending K.S.A. 2013 Supp. 41-102, 41-301, 41-303, 41-304, 41-308,
3 41-308d, 41-310, 41-311, 41-313, 41-326, 41-713 and 79-4108 and
4 repealing the existing sections; also repealing K.S.A. 41-103 and 41-
5 711.

6

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

8 New Section 1. (a) On and after July 1, 2014, all retailer's licenses to
9 sell alcoholic liquor issued by the director prior to such date shall be
10 deemed to be retailer's class C licenses.

11 (b) A holder of a retailer's class C license shall have all the privileges
12 granted to such licensees as set forth in K.S.A. 41-308, and amendments
13 thereto.

14 (c) From July 1, 2014 to June 30, 2024, the total number of retailer's
15 class C licenses issued by the director to sell alcoholic liquor shall not
16 exceed the number of valid retailer's licenses issued as of June 30, 2014.
17 The director may only issue a retailer's class C license to sell alcoholic
18 liquor to a qualified applicant if the issuance of such license would not
19 cause the total number of such valid licenses issued to exceed the number
20 of valid retailer's licenses issued as of June 30, 2014.

21 New Sec. 2. (a) On and after July 1, 2015, any licensee holding a
22 valid retailer's class C license may transfer such license to any person
23 qualified to hold such license under the Kansas liquor control act. The
24 transferee's proposed premises to be licensed shall be located in the same
25 county as the licensed premises of the transferor.

26 (b) Any transfer of a license pursuant to this section shall be
27 approved by the director. The director may require the transferor, the
28 transferee, or both, to submit such information as the director deems
29 necessary in order to determine that the license transfer satisfies the
30 requirements of the Kansas liquor control act. Such information shall be
31 submitted in the manner and on such forms as prescribed by the director,
32 and may include, but shall not be limited to, such information concerning
33 the transferee that shows such transferee is qualified to hold a retailer's
34 license and a copy of the agreement to transfer the license.

35 (c) On the effective date of the transfer of a license in accordance
36 with this section, the director shall issue a retailer's class C license to the

1 transferee. Such license shall be issued for the premises of the transferee as
2 stated in the transfer agreement. The term of such license shall be for the
3 remainder of the term of the license held by the transferor immediately
4 prior to the effective date of the transfer. The director shall not require the
5 payment of any new or additional retailer's license fee by the transferee.
6 The transferee shall pay a nonrefundable transfer fee in the amount of
7 \$100, which fee shall be submitted to the director at the same time the
8 request for approval of the transfer is submitted to the director.

9 New Sec. 3. (a) On and after July 1, 2017, the director may issue to
10 qualified applicants a retailer's class A license. A retailer's class A license
11 shall allow the licensee to sell and offer for sale at retail and deliver in the
12 original package, as therein prescribed, beer for use or consumption off of
13 and away from the premises specified in such license.

14 (b) A retailer's class A license shall permit the sale and delivery of
15 beer only on the licensed premises and shall not permit the sale of beer for
16 resale in any form, except that the licensee may sell beer to a temporary
17 permit holder for resale by such temporary permit holder.

18 (c) A retailer's class A licensee may:

19 (1) Sell lottery tickets and shares to the public in accordance with the
20 Kansas lottery act, if the licensee is selected as a lottery retailer;

21 (2) include in the sale of beer any goods included by the manufacturer
22 in packaging with the beer, subject to the approval of the director;

23 (3) distribute to the public, without charge, consumer advertising
24 specialities bearing advertising matter, subject to rules and regulations of
25 the secretary limiting the form and distribution of such specialities so that
26 they are not conditioned on or an inducement to the purchase of beer;

27 (4) store beer in refrigerators, cold storage units, ice boxes or other
28 cooling devices, and sell such beer to consumers in a chilled condition;
29 and

30 (5) sell any other good or service on the licensed premises.

31 (d) A retailer's class A license shall be subject to the provisions of
32 K.S.A. 41-1101, and amendments thereto, prohibiting a retailer from
33 purchasing alcoholic liquor from a distributor who has not filed with the
34 director a sworn statement agreeing to sell to all retailers in the
35 distributor's franchised territory at the same unit price and prohibiting a
36 distributor from selling alcoholic liquor to a retailer at a discount for
37 multiple case lots. A retailer's class A license also shall be subject to the
38 provisions of K.S.A. 41-729, and amendments thereto, prohibiting the sale
39 of alcoholic liquor at less than the acquisition cost thereof.

40 New Sec. 4. (a) On and after July 1, 2020, the director may issue to
41 qualified applicants a retailer's class B license. A retailer's class B license
42 shall allow the licensee to sell and offer for sale at retail and deliver in the
43 original package, as therein prescribed, beer and wine for use or

1 consumption off of and away from the premises specified in such license.

2 (b) A retailer's class B license shall permit the sale and delivery of
3 beer and wine only on the licensed premises and shall not permit the sale
4 of beer and wine for resale in any form, except that the licensee may sell
5 beer and wine to a temporary permit holder for resale by such temporary
6 permit holder.

7 (c) A retailer's class B licensee may:

8 (1) Sell lottery tickets and shares to the public in accordance with the
9 Kansas lottery act, if the licensee is selected as a lottery retailer;

10 (2) include in the sale of beer and wine any goods included by the
11 manufacturer in packaging with the beer and wine, subject to the approval
12 of the director;

13 (3) distribute to the public, without charge, consumer advertising
14 specialties bearing advertising matter, subject to rules and regulations of
15 the secretary limiting the form and distribution of such specialties so that
16 they are not conditioned on or an inducement to the purchase of beer or
17 wine;

18 (4) store beer and wine in refrigerators, cold storage units, ice boxes
19 or other cooling devices, and sell such beer and wine to consumers in a
20 chilled condition; and

21 (5) sell any other good or service on the licensed premises.

22 (d) A retailer's class B license shall be subject to the provisions of
23 K.S.A. 41-1101, and amendments thereto, prohibiting a retailer from
24 purchasing alcoholic liquor from a distributor who has not filed with the
25 director a sworn statement agreeing to sell to all retailers in the
26 distributor's franchised territory at the same unit price and prohibiting a
27 distributor from selling alcoholic liquor to a retailer at a discount for
28 multiple case lots. A retailer's class B license also shall be subject to the
29 provisions of K.S.A. 41-729, and amendments thereto, prohibiting the sale
30 of alcoholic liquor at less than the acquisition cost thereof.

31 New Sec. 5. (a) Notwithstanding any other provisions of the Kansas
32 liquor control act to the contrary, any person or entity who is issued a
33 retailer's class B license may conduct wine and beer tastings on the
34 licensed premises, or adjacent premises, monitored and regulated by the
35 division of alcoholic beverage control, as follows:

36 (1) Wine and beer for the tastings shall come from the inventory of
37 the licensee. Except as provided by paragraph (2), a person other than the
38 licensee or the licensee's agent or employee may not dispense or
39 participate in the dispensing of alcoholic beverages under this section.

40 (2) The holder of a supplier's permit or such permit holder's agent or
41 employee may participate in and conduct product tastings of wine and beer
42 at a licensee's premises, or adjacent premises, monitored and regulated by
43 the division of alcoholic beverage control, and may open, touch, or pour

1 wine and beer, make a presentation or answer questions at the tasting. Any
2 wine or beer tasted under this subsection must be purchased from the
3 licensee on whose premises the tasting is held. The licensee may not
4 require the purchase of more wine or beer than is necessary for the tasting.
5 This section does not authorize the supplier or its agent to withdraw or
6 purchase wine or beer from the holder of a distributor's permit or provide
7 wine or beer for tasting on a licensee's premises that is not purchased from
8 the licensee.

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

10 (4) A person may be served more than one sample. Samples may not
11 be served to a minor. No samples may be removed from the licensed
12 premises.

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

17 (b) Nothing in this section shall be construed to permit the licensee to
18 sell wine or beer for on-premises consumption.

19 New Sec. 6. On and after July 1, 2024, the director may issue to
20 qualified applicants a retailer's class C license. There shall be no limit on
21 the number of retailer's class C licenses the director may issue. A holder of
22 a retailer's class C license shall have all the privileges granted to such
23 licensees under K.S.A. 41-308, and amendments thereto.

24 New Sec. 7. The director may propose rules and regulations
25 necessary to implement and administer the provisions of sections 1
26 through 6, and amendments thereto, and submit such rules and regulations
27 to the secretary in accordance with K.S.A. 41-210, and amendments
28 thereto. Such rules and regulations may include, but are not limited to:

29 (a) That on and after July 1, 2015, the number of retailer's licenses
30 that are issued by the director in any one month may be limited to that
31 number which may be reasonably processed and issued by the director
32 based on the resources of the division of alcoholic beverage control; and

33 (b) that submission of applications for a retailer's license to the
34 director and review of such applications by the director for compliance
35 with the Kansas liquor control act may be permitted prior to July 1, 2015.

36 New Sec. 8. The provisions of sections 1 through 7, and amendments
37 thereto, shall be a part of and supplemental to the Kansas liquor control
38 act.

39 Sec. 9. K.S.A. 2013 Supp. 41-102 is hereby amended to read as
40 follows: 41-102. As used in this act, unless the context clearly requires
41 otherwise:

42 (a) "Alcohol" means the product of distillation of any fermented
43 liquid, whether rectified or diluted, whatever its origin, and includes

1 synthetic ethyl alcohol but does not include denatured alcohol or wood
2 alcohol.

3 (b) "Alcoholic liquor" means alcohol, spirits, wine, beer and every
4 liquid or solid, patented or not, containing alcohol, spirits, wine or beer
5 and capable of being consumed as a beverage by a human being, but shall
6 not include any cereal malt beverage.

7 (c) "Beer" means a beverage, containing more than 3.2% alcohol by
8 weight, obtained by alcoholic fermentation of an infusion or concoction of
9 barley, or other grain, malt and hops in water and includes beer, ale, stout,
10 lager beer, porter and similar beverages having such alcoholic content.

11 (d) "Caterer" has the meaning provided by K.S.A. 41-2601, and
12 amendments thereto.

13 (e) "Cereal malt beverage" has the meaning provided by K.S.A. 41-
14 2701, and amendments thereto.

15 (f) "Club" has the meaning provided by K.S.A. 41-2601, and
16 amendments thereto.

17 (g) *"Convenience store" means a retail business with primary*
18 *emphasis placed on providing the public a convenient location to quickly*
19 *purchase from a wide array of consumable products (predominantly food*
20 *or food and gasoline) and services, and includes stores classified under*
21 *the North American industry classification system as NAICS 44512,*
22 *445120 or 447110 on the effective date of this act.*

23 ~~(g)~~ (h) "Director" means the director of alcoholic beverage control of
24 the department of revenue.

25 ~~(h)~~ (i) "Distributor" means the person importing or causing to be
26 imported into the state, or purchasing or causing to be purchased within
27 the state, alcoholic liquor for sale or resale to retailers licensed under this
28 act or cereal malt beverage for sale or resale to retailers licensed under
29 K.S.A. 41-2702, and amendments thereto.

30 ~~(i)~~ (j) "Domestic beer" means beer which contains not more than 10%
31 alcohol by weight and which is manufactured in this state.

32 ~~(j)~~ (k) "Domestic fortified wine" means wine which contains more
33 than 14%, but not more than 20% alcohol by volume and which is
34 manufactured in this state.

35 ~~(k)~~ (l) "Domestic table wine" means wine which contains not more
36 than 14% alcohol by volume and which is manufactured without
37 rectification or fortification in this state.

38 ~~(l)~~ (m) "Drinking establishment" has the meaning provided by K.S.A.
39 41-2601, and amendments thereto.

40 ~~(m)~~ (n) "Farm winery" means a winery licensed by the director to
41 manufacture, store and sell domestic table wine and domestic fortified
42 wine.

43 (o) *"Grocery store" means an establishment primarily engaged in*

1 *retailing a general line of groceries, including, but not limited to,*
2 *packaged food, fresh and frozen food, prepared foods and other*
3 *consumable products, and includes establishments primarily engaged in*
4 *retailing a general line of groceries in combination with general lines of*
5 *new merchandise, including, but not limited to, establishments classified*
6 *under the North American industry classification system as NAICS*
7 *445110, 446110 or 452910 on the effective date of this act.*

8 (p) "Liquor store" means a store whose primary business is the retail
9 sale of alcoholic liquor in the original and unopened container and not for
10 consumption on the premises, and includes stores classified under the
11 North American industry classification system as NAICS 445310 on the
12 effective date of this act.

13 (q) "Manufacture" means to distill, rectify, ferment, brew, make,
14 mix, concoct, process, blend, bottle or fill an original package with any
15 alcoholic liquor, beer or cereal malt beverage.

16 (r) (1) "Manufacturer" means every brewer, fermenter, distiller,
17 rectifier, wine maker, blender, processor, bottler or person who fills or
18 refills an original package and others engaged in brewing, fermenting,
19 distilling, rectifying or bottling alcoholic liquor, beer or cereal malt
20 beverage.

21 (2) "Manufacturer" does not include a microbrewery, microdistillery
22 or a farm winery.

23 (s) "Microbrewery" means a brewery licensed by the director to
24 manufacture, store and sell domestic beer.

25 (t) "Microdistillery" means a facility which produces spirits from
26 any source or substance that is licensed by the director to manufacture,
27 store and sell spirits.

28 (u) "Minor" means any person under 21 years of age.

29 (v) "Nonbeverage user" means any manufacturer of any of the
30 products set forth and described in K.S.A. 41-501, and amendments
31 thereto, when the products contain alcohol or wine, and all laboratories
32 using alcohol for nonbeverage purposes.

33 (w) "Original package" means any bottle, flask, jug, can, cask,
34 barrel, keg, hogshead or other receptacle or container whatsoever, used,
35 corked or capped, sealed and labeled by the manufacturer of alcoholic
36 liquor, to contain and to convey any alcoholic liquor. Original container
37 does not include a sleeve.

38 (x) "Person" means any natural person, corporation, partnership,
39 trust or association.

40 (y) "Primary American source of supply" means the manufacturer,
41 the owner of alcoholic liquor at the time it becomes a marketable product
42 or the manufacturer's or owner's exclusive agent who, if the alcoholic
43 liquor cannot be secured directly from such manufacturer or owner by

1 American wholesalers, is the source closest to such manufacturer or owner
2 in the channel of commerce from which the product can be secured by
3 American wholesalers.

4 ~~(w)~~ (z) (1) "Retailer" means a person who sells at retail, or offers for
5 sale at retail, alcoholic liquors.

6 (2) "Retailer" does not include a microbrewery, microdistillery or a
7 farm winery.

8 (aa) *"Retailer's license" means a license to sell at retail alcoholic*
9 *liquor in the original package issued pursuant to the Kansas liquor*
10 *control act, and includes a retailer's class A, class B or class C license.*

11 ~~(x)~~ (bb) "Sale" means any transfer, exchange or barter in any manner
12 or by any means whatsoever for a consideration and includes all sales
13 made by any person, whether principal, proprietor, agent, servant or
14 employee.

15 ~~(y)~~ (cc) "Salesperson" means any natural person who:

16 (1) Procures or seeks to procure an order, bargain, contract or
17 agreement for the sale of alcoholic liquor or cereal malt beverage; or

18 (2) is engaged in promoting the sale of alcoholic liquor or cereal malt
19 beverage, or in promoting the business of any person, firm or corporation
20 engaged in the manufacturing and selling of alcoholic liquor or cereal malt
21 beverage, whether the seller resides within the state of Kansas and sells to
22 licensed buyers within the state of Kansas, or whether the seller resides
23 without the state of Kansas and sells to licensed buyers within the state of
24 Kansas.

25 ~~(z)~~ (dd) "Secretary" means the secretary of revenue.

26 ~~(aa)~~ (ee) (1) "Sell at retail" and "sale at retail" refer to and mean sales
27 for use or consumption and not for resale in any form and sales to clubs,
28 licensed drinking establishments, licensed caterers or holders of temporary
29 permits.

30 (2) "Sell at retail" and "sale at retail" do not refer to or mean sales by
31 a distributor, a microbrewery, a farm winery, a licensed club, a licensed
32 drinking establishment, a licensed caterer or a holder of a temporary
33 permit.

34 ~~(bb)~~ (ff) "To sell" includes to solicit or receive an order for, to keep or
35 expose for sale and to keep with intent to sell.

36 ~~(ee)~~ (gg) "Sleeve" means a package of two or more 50-milliliter (3.2-
37 fluid-ounce) containers of spirits.

38 ~~(dd)~~ (hh) "Spirits" means any beverage which contains alcohol
39 obtained by distillation, mixed with water or other substance in solution,
40 and includes brandy, rum, whiskey, gin or other spirituous liquors, and
41 such liquors when rectified, blended or otherwise mixed with alcohol or
42 other substances.

43 ~~(ee)~~ (ii) "Supplier" means a manufacturer of alcoholic liquor or cereal

1 malt beverage or an agent of such manufacturer, other than a salesperson.

2 ~~(ff)~~ (jj) "Temporary permit" has the meaning provided by K.S.A. 41-
3 2601, and amendments thereto.

4 ~~(gg)~~ (kk) "Wine" means any alcoholic beverage obtained by the
5 normal alcoholic fermentation of the juice of sound, ripe grapes, fruits,
6 berries or other agricultural products, including such beverages containing
7 added alcohol or spirits or containing sugar added for the purpose of
8 correcting natural deficiencies.

9 Sec. 10. K.S.A. 2013 Supp. 41-301 is hereby amended to read as
10 follows: 41-301. (a) ~~Except as provided by subsection (b), the director~~
11 ~~shall issue to qualified applicants, who have filed the bond and paid the~~
12 ~~registration and license fees required by this act, licenses to sell at retail~~
13 ~~alcoholic liquor in the original package on premises within the corporate~~
14 ~~limits of cities and outside the corporate limits of any city.~~

15 ~~(b)—No retailer's license shall be issued for premises within a city if~~
16 ~~the governing body of such city, on or before February 15, 2006, adopts~~
17 ~~adopted an ordinance prohibiting the licensing of the sale at retail of~~
18 ~~alcoholic liquor in the original package within such city. Upon adoption of~~
19 ~~such ordinance, the city clerk promptly shall transmit a copy of such~~
20 ~~ordinance to the director and the director shall refuse to issue licenses to~~
21 ~~sell at retail alcoholic liquor in the original package in such city. If the~~
22 ~~governing body adopts such an ordinance, the holder of any valid existing~~
23 ~~retailer's license for premises in such city shall have the right to continue~~
24 ~~to operate under such license for a period of 90 days after the effective~~
25 ~~date of the ordinance or until the expiration of such license, whichever~~
26 ~~period of time is shorter. If such period of time expires before the~~
27 ~~expiration of the term for which the retailer's license was issued, the~~
28 ~~licensee shall be entitled to a refund of the license fee for the unexpired~~
29 ~~portion of the license period which remains, in accordance with rules and~~
30 ~~regulations adopted by the secretary.~~

31 ~~(e) (b)~~ No retailer's license shall be issued for premises within a city
32 if, after November 15, 2005, a majority of the qualified voters of such city
33 voting at an election held as provided by K.S.A. 41-302, and amendments
34 thereto, votes against the licensing of the sale at retail of alcoholic liquor
35 in the original package within such city unless, at a subsequent election, a
36 majority of the qualified voters of such city voting at such election votes in
37 favor of the licensing of the sale at retail of alcoholic liquor in the original
38 package within such city.

39 Sec. 11. K.S.A. 2013 Supp. 41-303 is hereby amended to read as
40 follows: 41-303. (a) ~~The director may issue to qualified applicants licenses~~
41 ~~to sell at retail alcoholic liquor in the original package on premises not~~
42 ~~located in an incorporated city for use or consumption off the premises. No~~
43 ~~such license shall be issued to any applicant unless the applicant possesses~~

1 all the qualifications required of other applicants for retailers' licenses
 2 except the qualification of residency within a city.

3 ~~No such~~ *No retailer's* license shall be issued to any applicant under this
 4 section for premises not located in an incorporated city unless the board of
 5 county commissioners of the county in which the premises for which
 6 licensure is sought are located adopts a resolution approving the issuance
 7 of such license. A certified copy of such resolution shall accompany the
 8 application for a *such* license authorized by this section.

9 (b) ~~If a license has been issued under the provisions of this section in~~
 10 ~~the unincorporated area of a county and thereafter the premises so licensed~~
 11 ~~are annexed to a city wherein retail liquor licenses may be issued, such~~
 12 ~~license shall continue to be valid and may be renewed at the appropriate~~
 13 ~~time even though the licensee does not reside in the city to which the area~~
 14 ~~is annexed if the licensee otherwise is qualified and resides in the township~~
 15 ~~in which the premises were located prior to annexation or in the city to~~
 16 ~~which the premises have been annexed.~~

17 ~~(c) Any retail~~ *Any retailer's* license issued prior to the effective date
 18 of this act for premises not located in an incorporated city shall continue to
 19 be valid and such premises shall continue to be eligible for licensure if the
 20 board of county commissioners of the county in which the premises are
 21 located has adopted a resolution approving the issuance of such license. A
 22 certified copy of such resolution shall accompany the application for a
 23 *such* license authorized by this subsection.

24 Sec. 12. K.S.A. 2013 Supp. 41-304 is hereby amended to read as
 25 follows: 41-304. Licenses issued by the director shall be of the following
 26 classes: (a) Manufacturer's license; (b) spirits distributor's license; (c) wine
 27 distributor's license; (d) beer distributor's license; (e) retailer's *class A*
 28 *license*; (f) *retailer's class B license*; (g) *retailer's class C license*; ~~(h)~~ (h)
 29 microbrewery license; ~~(g)~~ (i) microdistillery license; ~~(h)~~ (j) farm winery
 30 license; and ~~(i)~~ (k) nonbeverage user's license.

31 Sec. 13. K.S.A. 2013 Supp. 41-308 is hereby amended to read as
 32 follows: 41-308. (a) Except as provided in K.S.A. 2013 Supp. 41-308d,
 33 and amendments thereto, a retailer's *class C* license shall allow the
 34 licensee to sell and offer for sale at retail and deliver in the original
 35 package, as therein prescribed, alcoholic liquor for use or consumption off
 36 and away from the premises specified in such license. A retailer's *class C*
 37 license shall permit sale and delivery of alcoholic liquor only on the
 38 licensed premises and shall not permit sale of alcoholic liquor for resale in
 39 any form, except that a ~~licensed retailer~~ licensee may:

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

42 (2) sell and deliver alcoholic liquor to a caterer or to the licensed
 43 premises of a public venue, club or drinking establishment, if such

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

4 (b) (1) ~~The holder of~~ *On or before June 30, 2020, if a retailer's class*
5 *C license is issued to a liquor store, then such licensee shall not sell, offer*
6 *for sale, give away or permit to be sold, offered for sale or given away in*
7 *or from the premises specified in such license any service or thing of value*
8 *whatsoever except alcoholic liquor in the original package, except that a*
9 ~~licensed retailer may.~~

10 (2) *On and after July 1, 2020, a holder of a retailer's class C license*
11 *may sell, offer for sale, give away or permit to be sold, offered for sale or*
12 *given away in or from the premises specified in such license any other*
13 *good or service.*

14 (c) *Notwithstanding the provisions of subsection (b), a holder of a*
15 *retailer's class C license may:*

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

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

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

23 (4) distribute to the public, without charge, consumer advertising
24 specialties bearing advertising matter, subject to rules and regulations of
25 the secretary limiting the form and distribution of such specialties so that
26 they are not conditioned on or an inducement to the purchase of alcoholic
27 liquor.

28 ~~(e) (d) (1) No licensed retailer~~ *On or before June 30, 2020, if a*
29 *retailer's class C license is issued to a liquor store, then such licensee shall*
30 *not furnish any entertainment in such premises or permit any pinball*
31 *machine or game of skill or chance to be located in or on such premises.*

32 (2) *On and after July 1, 2020, a holder of a retailer's class C license*
33 *may furnish any entertainment in such premises or permit any pinball*
34 *machine or game of skill or chance to be located in or on such premises.*

35 ~~(d)~~ (e) A retailer's class C license shall allow the licensee to store
36 alcoholic liquor in refrigerators, cold storage units, ice boxes or other
37 cooling devices, and the licensee may sell such alcoholic liquor to
38 consumers in a chilled condition.

39 (f) *A retailer's class C license shall be subject to the provisions of*
40 *K.S.A. 41-1101, and amendments thereto, prohibiting a retailer from*
41 *purchasing alcoholic liquor from a distributor who has not filed with the*
42 *director a sworn statement agreeing to sell to all retailers in the*
43 *distributor's franchised territory at the same unit price and prohibiting a*

1 distributor from selling alcoholic liquor to a retailer at a discount for
2 multiple case lots. A retailer's class C license also shall be subject to the
3 provisions of K.S.A. 41-729, and amendments thereto, prohibiting the sale
4 of alcoholic liquor at less than the acquisition cost thereof.

5 Sec. 14. K.S.A. 2013 Supp. 41-308d is hereby amended to read as
6 follows: 41-308d. (a) Notwithstanding any other provisions of the Kansas
7 liquor control act to the contrary, any person or entity who ~~is licensed to~~
8 ~~sell alcoholic liquor in the original package at retail~~ is issued a retailer's
9 class C license may conduct wine, beer and distilled spirit tastings on the
10 licensed premises, or adjacent premises, monitored and regulated by the
11 division of alcoholic beverage control, as follows:

12 (1) Wine, beer and spirits for the tastings shall come from the
13 inventory of the licensee. Except as provided by paragraph (2), a person
14 other than the licensee or the licensee's agent or employee may not
15 dispense or participate in the dispensing of alcoholic beverages under this
16 section.

17 (2) The holder of a supplier's permit or such permit holder's agent or
18 employee may participate in and conduct product tastings of alcoholic
19 beverages at a retail licensee's premises, or adjacent premises, monitored
20 and regulated by the division of alcoholic beverage control, and may open,
21 touch, or pour alcoholic beverages, make a presentation, or answer
22 questions at the tasting. Any alcoholic beverage tasted under this
23 subsection must be purchased from the ~~retailer~~ licensee on whose premises
24 the tasting is held. The ~~retailer~~ licensee may not require the purchase of
25 more alcoholic beverages than are necessary for the tasting. This section
26 does not authorize the supplier or its agent to withdraw or purchase an
27 alcoholic beverage from the holder of a distributor's permit or provide an
28 alcoholic beverage for tasting on a ~~retailer's~~ licensee's premises that is not
29 purchased from the ~~retailer~~ licensee.

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

31 (4) A person may be served more than one sample. Samples may not
32 be served to a minor. No samples may be removed from the licensed
33 premises.

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

38 (b) Nothing in this section shall be construed to permit the licensee to
39 sell wine, malt beverages or distilled spirits for on-premises consumption.

40 (c) The provisions of this section shall take effect and be in force
41 from and after July 1, 2012.

42 (d) All rules and regulations adopted on and after July 1, 2012, and
43 prior to July 1, 2013, to implement this section shall continue to be

1 effective and shall be deemed to be duly adopted rules and regulations of
2 the secretary until revised, amended, revoked or nullified pursuant to law.

3 (e) This section shall be a part of and supplemental to the Kansas
4 liquor control act.

5 Sec. 15. K.S.A. 2013 Supp. 41-310 is hereby amended to read as
6 follows: 41-310. (a) At the time application is made to the director for a
7 license of any class, the applicant shall pay the fee provided by this
8 section.

9 (b) The fee for a manufacturer's license to manufacture alcohol and
10 spirits shall be \$5,000.

11 (c) The fee for a manufacturer's license to manufacture beer and
12 cereal malt beverage shall be:

13 (1) For 1 to 100 barrel daily capacity or any part thereof, \$400.

14 (2) For 100 to 150 barrel daily capacity, \$800.

15 (3) For 150 to 200 barrel daily capacity, \$1,400.

16 (4) For 200 to 300 barrel daily capacity, \$2,000.

17 (5) For 300 to 400 barrel daily capacity, \$2,600.

18 (6) For 400 to 500 barrel daily capacity, \$2,800.

19 (7) For 500 or more barrel daily capacity, \$3,200.

20 As used in this subsection, "daily capacity" means the average daily
21 barrel production for the previous 12 months of manufacturing operation.
22 If no basis for comparison exists, the licensee shall pay in advance for
23 operation during the first term of the license a fee of \$2,000.

24 (d) The fee for a manufacturer's license to manufacture wine shall be
25 \$1,000.

26 (e) (1) The fee for a microbrewery license, a microdistillery license or
27 a farm winery license shall be \$500.

28 (2) The fee for a winery outlet license shall be \$100.

29 (3) The fee for a microbrewery packaging and warehousing facility
30 license shall be \$200.

31 (4) The fee for a microdistillery packaging and warehousing facility
32 license shall be \$200.

33 (f) The fee for a spirits distributor's license for the first and each
34 additional distributing place of business operated in this state by the
35 licensee and wholesaling and jobbing spirits shall be \$2,000.

36 (g) The fee for a wine distributor's license for the first and each
37 additional distributing place of business operated in this state by the
38 licensee and wholesaling and jobbing wine shall be \$2,000.

39 (h) The fee for a beer distributor's license, for the first and each
40 additional wholesale distributing place of business operated in this state by
41 the licensee and wholesaling or jobbing beer and cereal malt beverage
42 shall be \$2,000.

43 (i) The fee for a nonbeverage user's license shall be:

1 (1) For class 1, \$20.

2 (2) For class 2, \$100.

3 (3) For class 3, \$200.

4 (4) For class 4, \$400.

5 (5) For class 5, \$1,000.

6 (j) In addition to the license fees prescribed by subsections (b), (c),
7 (d), (f), (g), (h) and (i):

8 (1) Any city in which the licensed premises are located may levy and
9 collect a biennial occupation or license tax on the licensee in an amount
10 not exceeding the amount of the license fee required to be paid under this
11 act to obtain the license, but no city shall impose an occupation or
12 privilege tax on the licensee in excess of that amount; and

13 (2) any township in which the licensed premises are located may levy
14 and collect a biennial occupation or license tax on the licensee in an
15 amount not exceeding the amount of the license fee required to be paid
16 under this act to obtain the license, but no township shall impose an
17 occupation or privilege tax on the licensee in excess of that amount; the
18 township board of the township is authorized to fix and impose the tax and
19 the tax shall be paid by the licensee to the township treasurer, who shall
20 issue a receipt therefor to the licensee and shall cause the tax paid to be
21 placed in the general fund of the township.

22 (k) The fee for a retailer's *class A, class B or class C* license shall be
23 \$500.

24 (l) In addition to the license fee prescribed by subsection (k):

25 (1) Any city in which the licensed premises are located may levy and
26 collect a biennial occupation or license tax on the licensee in an amount
27 not less than \$200 nor more than \$600, but no other occupation or excise
28 tax or license fee shall be levied by any city against or collected from the
29 licensee; and

30 (2) any township in which the licensed premises are located may levy
31 and collect a biennial occupation or license tax on the licensee in an
32 amount not less than \$200 nor more than \$600; the township board of the
33 township is authorized to fix and impose the tax and the tax shall be paid
34 by the licensee to the township treasurer, who shall issue a receipt therefor
35 to the licensee and shall cause the tax paid to be placed in the general fund
36 of the township.

37 (m) The license term for a license shall commence on the date the
38 license is issued by the director and shall end two years after that date. The
39 director may, at the director's sole discretion and after examination of the
40 circumstances, extend the license term of any license for not more than 30
41 days beyond the date such license would expire pursuant to this section.
42 Any extension of the license term by the director pursuant to this section
43 shall automatically extend the due date for payment by the licensee of any

1 occupation or license tax levied by a city or township pursuant to this
2 section by the same number of days the director has extended the license
3 term.

4 Sec. 16. K.S.A. 2013 Supp. 41-311 is hereby amended to read as
5 follows: 41-311. (a) No license of any kind shall be issued pursuant to the
6 liquor control act to a person:

7 (1) Who has not been a citizen of the United States for at least 10
8 years, except that the spouse of a deceased retail licensee may receive and
9 renew a retail license notwithstanding the provisions of this subsection (a)
10 (1) if such spouse is otherwise qualified to hold a retail license and is a
11 United States citizen or becomes a United States citizen within one year
12 after the deceased licensee's death;

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

15 (3) who has had a license revoked for cause under the provisions of
16 the liquor control act, the beer and cereal malt beverage keg registration
17 act or who has had any license issued under the cereal malt beverage laws
18 of any state revoked for cause except that a license may be issued to a
19 person whose license was revoked for the conviction of a misdemeanor at
20 any time after the lapse of 10 years following the date of the revocation;

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

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

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

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

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

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

40 (10) who is the holder of a valid and existing license issued under
41 article 27 of chapter 41 of the Kansas Statutes Annotated, and amendments
42 thereto, unless the person agrees to and does surrender the license to the
43 officer issuing the same upon the issuance to the person of a license under

1 this act, except that a retailer licensed pursuant to K.S.A. 41-2702, and
2 amendments thereto, shall be eligible to receive a retailer's license under
3 the Kansas liquor control act;

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

6 (12) whose spouse would be ineligible to receive a license under this
7 act for any reason other than citizenship, residence requirements or age,
8 except that this subsection (a)(12) shall not apply in determining eligibility
9 for a renewal license;

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

14 (14) who does not provide any data or information required by
15 K.S.A. 2013 Supp. 41-311b, and amendments thereto.

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

17 (1) ~~A person~~ *An individual* who is not a resident of this state;

18 (2) ~~a person~~ *an individual* who has not been a resident of this state for
19 at least four years immediately preceding the date of application;

20 (3) a person who has a beneficial interest in a manufacturer,
21 distributor, farm winery ~~or~~ microbrewery *or microdistillery* licensed under
22 this act, except that the spouse of an applicant for a retailer's license may
23 own and hold a farm winery license, microbrewery license, or both, if the
24 spouse does not hold a retailer's license issued under this act;

25 ~~(4) a person who has a beneficial interest in any other retail~~
26 ~~establishment licensed under this act, except that the spouse of a licensee~~
27 ~~may own and hold a retailer's license for another retail establishment;~~

28 ~~(5) a copartnership, unless all of the copartners are qualified to obtain~~
29 ~~a license;~~

30 ~~(6) (5) a corporation; or, if any officer, manager or director thereof,~~
31 ~~or any natural person owning in the aggregate more than 25% of the~~
32 ~~common or preferred stock of such corporation would be ineligible to~~
33 ~~receive a license hereunder for any reason other than citizenship and~~
34 ~~residence requirements;~~

35 (6) *a corporation, if any officer, manager or director thereof, or any*
36 *natural person owning in the aggregate more than 25% of the common or*
37 *preferred stock of such corporation, has been an officer, manager or*
38 *director, or a natural person owning in the aggregate more than 25% of*
39 *the common or preferred stock, of a corporation which:*

40 (A) *Has had a license revoked under the provisions of the Kansas*
41 *liquor control act; or*

42 (B) *has been convicted of a violation of the Kansas liquor control*
43 *act;*

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

5 (8) *a person who is not engaged in business as a liquor store,*
6 *convenience store or grocery store, except that a license may be issued to*
7 *such person if upon issuance of the license such person engages in*
8 *business as a liquor store, convenience store or grocery store.*

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

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

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

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

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

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

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

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

29 (1) A corporation, if any officer, director or stockholder of the
30 corporation would be ineligible to receive a distributor's license for any
31 reason. It shall be unlawful for any stockholder of a corporation licensed
32 as a distributor to transfer any stock in the corporation to any person who
33 would be ineligible to receive a distributor's license for any reason, and
34 any such transfer shall be null and void, except that: (A) If any stockholder
35 owning stock in the corporation dies and an heir or devisee to whom stock
36 of the corporation descends by descent and distribution or by will is
37 ineligible to receive a distributor's license, the legal representatives of the
38 deceased stockholder's estate and the ineligible heir or devisee shall have
39 14 months from the date of the death of the stockholder within which to
40 sell the stock to a person eligible to receive a distributor's license, any such
41 sale by a legal representative to be made in accordance with the provisions
42 of the probate code; *or* (B) if the stock in any such corporation is the
43 subject of any trust and any trustee or beneficiary of the trust who is 21

1 years of age or older is ineligible to receive a distributor's license, the
2 trustee, within 14 months after the effective date of the trust, shall sell the
3 stock to a person eligible to receive a distributor's license and hold and
4 disburse the proceeds in accordance with the terms of the trust. If any legal
5 representatives, heirs, devisees or trustees fail, refuse or neglect to sell any
6 stock as required by this subsection, the stock shall revert to and become
7 the property of the corporation, and the corporation shall pay to the legal
8 representatives, heirs, devisees or trustees the book value of the stock.
9 During the period of 14 months prescribed by this subsection, the
10 corporation shall not be denied a distributor's license or have its
11 distributor's license revoked if the corporation meets all of the other
12 requirements necessary to have a distributor's license;

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

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

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

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

26 (f) No microbrewery license, microdistillery license or farm winery
27 license shall be issued to a:

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

29 (2) person who has not been a resident of this state for at least one
30 year immediately preceding the date of application;

31 (3) person who has a beneficial interest in a manufacturer or
32 distributor licensed under this act, except as provided in K.S.A. 41-305,
33 and amendments thereto;

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

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

42 (6) corporation, unless stockholders owning in the aggregate 50% or
43 more of the stock of the corporation would be eligible to receive such

1 license and all other stockholders would be eligible to receive such license
2 except for reason of citizenship or residency; or

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

7 (g) The provisions of subsections (b)(1), (b)(2), (c)(3), (c)(4), (d)(3),
8 (f)(1), (f)(2) and K.S.A. 2013 Supp. 41-311b, and amendments thereto,
9 shall not apply in determining eligibility for the 10th, or a subsequent,
10 consecutive renewal of a license if the applicant has appointed a citizen of
11 the United States who is a resident of Kansas as the applicant's agent and
12 filed with the director a duly authenticated copy of a duly executed power
13 of attorney, authorizing the agent to accept service of process from the
14 director and the courts of this state and to exercise full authority, control
15 and responsibility for the conduct of all business and transactions within
16 the state relative to alcoholic liquor and the business licensed. The agent
17 must be satisfactory to and approved by the director, except that the
18 director shall not approve as an agent any person who:

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

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

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

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

36 (5) is less than 21 years of age.

37 Sec. 17. K.S.A. 2013 Supp. 41-313 is hereby amended to read as
38 follows: 41-313. (a) No corporation, either organized under the laws of
39 this state, any other state or a foreign country, shall be issued a *retailer's*,
40 manufacturer's, distributor's, microbrewery, microdistillery or farm winery
41 license unless the corporation has first ~~procured a certificate of authority~~
42 ~~from~~ *filed a formation document with* the secretary of state to do business
43 in this state as provided by law, appointed a citizen of the United States,

1 and resident of Kansas, as its *resident* agent and filed with the director a
2 duly authenticated copy of a duly executed power of attorney, authorizing
3 the agent to accept service of process from the director and the courts of
4 this state and to exercise full authority of the corporation and full authority,
5 control and responsibility for the conduct of all business and transactions
6 of the corporation within the state relative to alcoholic liquor and the
7 business licensed. The agent must be satisfactory to and approved by the
8 director with respect to the agent's character. The agent shall at all times be
9 maintained by the corporation.

10 In addition, any corporation organized under the laws of any other state
11 or foreign country, as a condition precedent to the issuance to it of any
12 license, shall file with the secretary of state of the state of Kansas, a duly
13 authorized and executed power of attorney, authorizing the secretary of
14 state to accept service of process from the director and the courts of this
15 state and to accept service of any notice or order provided for in this act,
16 and all such acts by the secretary of state shall be fully binding upon the
17 corporation.

18 (b) Every nonresident applicant on applying for a license or permit
19 under this act, and as a condition precedent to obtaining such license or
20 permit, shall file with the secretary of state of this state its written consent,
21 irrevocable, that any action or garnishment proceeding may be
22 commenced against such applicant in the proper court of any county in this
23 state in which the cause of action shall arise or in which the plaintiff may
24 reside by the service of process on the resident agent specified in
25 subsection (a), and stipulating and agreeing that such service shall be taken
26 and held in all courts to be as valid and binding as if due service had been
27 made upon the applicant. The written consent shall state that the courts of
28 this state have jurisdiction over the person of such applicant and are the
29 proper and convenient forum for such action and shall waive the right to
30 request a change of jurisdiction or venue to a court outside this state and
31 that all actions arising under this act and commenced by the applicant shall
32 be brought in this state's courts as the proper and convenient forum. Such
33 consent shall be executed by the applicant and if a corporation, by the
34 president and secretary of the corporate applicant, and shall be
35 accompanied by a duly certified copy of the order or resolution of the
36 board of directors, trustees or managers authorizing the president and
37 secretary to execute the same.

38 Sec. 18. K.S.A. 2013 Supp. 41-326 is hereby amended to read as
39 follows: 41-326. A license shall be purely a personal privilege, *and shall*
40 *not constitute property. A license shall be valid for not to exceed* two years
41 after issuance, ~~except as otherwise provided by law,~~ unless sooner
42 suspended or revoked, ~~and shall not constitute property, nor shall it. A~~
43 *license shall not* be subject to attachment, garnishment or execution, nor

1 shall it be alienable or transferable, voluntarily or involuntarily, *except as*
2 *provided by law*, or subject to being encumbered or hypothecated. A
3 license shall not descend by the laws of testate or intestate devolution but
4 shall cease and expire upon the death of the licensee except that executors,
5 administrators or representatives of the estate of any deceased licensee and
6 the trustee of any insolvent or bankrupt licensee, when such estate consists
7 in part of alcoholic liquor, may continue the business of the sale,
8 distribution or manufacture of alcoholic liquor under order of the
9 appropriate court and may exercise the privilege of the deceased, insolvent
10 or bankrupt licensee after the death of such decedent, or after such
11 insolvency or bankruptcy, until the expiration of such license but not
12 longer than one year after the death, bankruptcy or insolvency of such
13 licensee.

14 When the licensee pays the full amount of the license fee upon
15 application and is prevented from operating under such license in
16 accordance with the provisions of this act for the entire second year of the
17 license term, a refund shall be made of one-half of the license fee paid by
18 such licensee. The secretary of revenue may adopt rules and regulations
19 pursuant to K.S.A. 41-210, and amendments thereto, which provide for the
20 authorization of refunds of one-half of the license fee paid when the
21 licensee does not use such license for the entire second year of the license
22 term as a result of the cancellation of the license upon the request of the
23 licensee for voluntary reasons.

24 Sec. 19. K.S.A. 2013 Supp. 41-713 is hereby amended to read as
25 follows: 41-713. (a) It shall be unlawful for a retailer of alcoholic liquor:

26 (1) To permit any person to mix drinks in or on the licensed premises,
27 except as provided in subsection (b);

28 (2) ~~to employ any person under the age of 21 years in connection~~
29 ~~with the operation of such retail establishment~~ *authorize or allow any*
30 *person under the age of 18 years to sell at retail any alcoholic liquor at*
31 *the point of sale; or*

32 (3) ~~to employ any person in connection with the operation of such~~
33 ~~retail establishment~~ *authorize or allow any person who has been adjudged*
34 *guilty of a felony to sell at retail any alcoholic liquor at the point of sale;*
35 *or*

36 (4) *to permit any employee of the licensee who is under the age of 21*
37 *years to work on the premises where alcoholic liquor is sold by such*
38 *licensee at any time when not under the on-premises supervision of either*
39 *the licensee or an employee of the licensee who is 21 years of age or older.*

40 (b) The provisions of subsection (a)(1) shall not apply to the
41 preparation or mixing of samples for the purposes of conducting wine,
42 beer or distilled spirit tastings, or any combination thereof, as authorized
43 by K.S.A. 2013 Supp. 41-308d, and amendments thereto.

1 Sec. 20. K.S.A. 2013 Supp. 79-4108 is hereby amended to read as
2 follows: 79-4108. (a) All revenue collected or received by the director of
3 taxation from taxes imposed by K.S.A. 79-4101 to 79-4105, and
4 amendments thereto, shall be remitted to the state treasurer in accordance
5 with the provisions of K.S.A. 75-4215, and amendments thereto. Upon
6 receipt of each such remittance, the state treasurer shall deposit the entire
7 amount in the state treasury to the credit of the state general fund, *except*
8 *that 3% of the revenue remitted to the state treasurer during the prior*
9 *calendar year quarter and deposited in the state treasury shall be credited*
10 *to the local cereal malt beverage sales tax fund, which is hereby created in*
11 *the state treasury. Moneys credited to the local cereal malt beverage sales*
12 *tax fund shall be distributed quarterly as part of the January, April, July*
13 *and October sales tax distribution to each city and county which levied a*
14 *local retailers' sales tax. The amount to be distributed to each city and*
15 *county shall be determined by the department of revenue based on a*
16 *weighted population average. The weighted population average shall be*
17 *computed by multiplying the total tax rate in effect for the city or county*
18 *by the population of such city or county. The weighted population average*
19 *for each city and county shall then be divided by the total Kansas*
20 *population. The resulting quotient is the percentage of distribution for*
21 *such city or county. The population data shall be updated annually with*
22 *the issuance of the certified population data through the division of the*
23 *budget. The state treasurer shall transfer any moneys remaining in the*
24 *county and city alcoholic liquor control enforcement fund on the effective*
25 *date of this act to the state general fund.*

26 (b) *The local cereal malt beverage sales tax fund shall be used for the*
27 *purposes set forth in K.S.A. 79-4101 et seq., and amendments thereto, and*
28 *for no other governmental purposes. It is the intent of the legislature that*
29 *the local cereal malt beverage sales tax fund shall remain intact and*
30 *inviolate for the purpose set forth in K.S.A. 79-4101 et seq., and*
31 *amendments thereto, and moneys in the local cereal malt beverage sales*
32 *tax fund shall not be subject to the provisions of K.S.A. 75-3722, 75-3725a*
33 *and 75-3726a, and amendments thereto.*

34 Sec. 21. K.S.A. 41-103 and 41-711 and K.S.A. 2013 Supp. 41-102,
35 41-301, 41-303, 41-304, 41-308, 41-308d, 41-310, 41-311, 41-313, 41-
36 326, 41-713 and 79-4108 are hereby repealed.

37 Sec. 22. This act shall take effect and be in force from and after its
38 publication in the statute book.