

HOUSE BILL No. 2643

By Committee on Federal and State Affairs

2-8

1 AN ACT concerning alcoholic and cereal malt beverages; prohibiting the
2 sale or consumption of such beverages on the premises of any sexually
3 oriented business; prohibiting the issuance of a club and drinking
4 establishment license to persons with a beneficial interest in such
5 business; amending K.S.A. 41-2623 and repealing the existing section.
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7 *Be it enacted by the Legislature of the State of Kansas:*

8 New Section 1. No person shall sell or consume alcoholic beverages
9 or cereal malt beverage on the premises of any sexually orientated
10 business as defined in K.S.A. 12-770, and amendments thereto.

11 Sec. 2. K.S.A. 41-2623 is hereby amended to read as follows: 41-
12 2623. (a) No license shall be issued under the provisions of this act to:

13 (1) Any person described in K.S.A. 41-311(a)(1), (2), (4), (5), (6),
14 (7), (8), (9), (12), (13) or (15), and amendments thereto, except that the
15 provisions of K.S.A. 41-311(a)(7), and amendments thereto, shall not
16 apply to nor prohibit the issuance of a license for a class A club to an
17 officer of a post home of a congressionally chartered service or fraternal
18 organization, or a benevolent association or society thereof.

19 (2) A person who has had the person's license revoked for cause
20 under the provisions of this act.

21 (3) A person who has a beneficial interest in the manufacture,
22 preparation or wholesaling or the retail sale of alcoholic liquor or cereal
23 malt beverage or a beneficial interest in any other club, drinking
24 establishment or caterer licensed hereunder, except that:

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

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

32 (C) A caterer's license may be issued to a person who has a beneficial
33 interest in a club or drinking establishment and a license for a club or
34 drinking establishment may be issued to a person who has a beneficial
35 interest in a caterer.

36 (D) A license for a class A club may be granted to an organization of

1 which an officer, director or board member is a distributor or retailer
2 licensed under the liquor control act if such distributor or retailer sells no
3 alcoholic liquor to such club.

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

8 (F) Any person who has a beneficial interest in a manufacturer
9 licensed pursuant to the Kansas liquor control act may be issued one
10 drinking establishment license.

11 (4) A copartnership, unless all of the copartners are qualified to
12 obtain a license.

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

17 (6) A corporation, if any officer, manager or director thereof, or any
18 stockholder owning in the aggregate more than 5% of the common or
19 preferred stock of such corporation, has been an officer, manager or
20 director, or a stockholder owning in the aggregate more than 5% of the
21 common or preferred stock, of a corporation that:

22 (A) Has had a license revoked under the provisions of the club and
23 drinking establishment act; or

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

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

30 (b) No club or drinking establishment license shall be issued under
31 the provisions of the club and drinking establishment act to a person who
32 does not own the premises for which a license is sought, or does not, at the
33 time the application is submitted, have a written lease thereon, except that
34 an applicant seeking a license for a premises that is owned by a city or
35 county, or is a stadium, arena, convention center, theater, museum,
36 amphitheater or other similar premises may submit an executed agreement
37 to provide alcoholic beverage services at the premises listed in the
38 application in lieu of a lease.

39 (c) *No club or drinking establishment license shall be issued to a*
40 *person who has a beneficial interest in a sexually oriented business as*
41 *defined in K.S.A. 12-770, and amendments thereto.*

42 Sec. 3. K.S.A. 41-2623 is hereby repealed.

43 Sec. 4. This act shall take effect and be in force from and after its

- 1 publication in the statute book.