

Approved _____

3/18/85
Date

MINUTES OF THE SENATE COMMITTEE ON FEDERAL AND STATE AFFAIRS

The meeting was called to order by Senator Edward F. Reilly, Jr. at
Chairperson

9:35 a.m./~~pm~~ on March 14, 1985 in room Rotunda of the Capitol.

All members were present except: Senators Daniels and Vidricksen

Committee staff present: Emalene Correll, Legislative Research
Fred Carman, Revisor of Statutes
Sharon Efird, Secretary

Conferees appearing before the committee:

At the request of the Chairman, the Committee met in the Capitol Rotunda at 9:35 a.m. Copies of a Memorandum prepared by the Legislative Research Department which summarized the major provisions of HB-2067, as amended by the Committee (ATTACHMENT #1), were distributed. Also distributed were copies of the amended HB 2067 (ATTACHMENT #2).

Senator Morris moved that HB2067, as amended, be reported favorably for passage. 2d by Senator Walker. Motion carried.

The meeting adjourned.

MEMORANDUM

March 14, 1985

TO: Senator Edward F. Reilly

FROM: Kansas Legislative Research Department

RE: H.B. 2067, as Amended by Senate Committee

The major provisions of H.B. 2067, as amended by Senate Committee, are summarized below, as well as the source of the provision and the proponents.

<u>Provision</u>	<u>Source</u>	<u>Proponent</u>
1. The bill raises the legal age for consumption of cereal malt beverage to 21 over a three-year phase-in period beginning in 1986.	H.B. 2067	House Committee
2. The bill permits persons 18 or over to work in private clubs, subject to supervision, in connection with the serving of liquor; and permits persons 18 or over to sell or dispense cereal malt beverage in closed containers or in open containers in food service establishments that have 50 percent of gross sales from food sales.	H.B. 2067 S.B. 46	Committees A.S.K.
3. The bill permits a cereal malt beverage or strong beer distributor to distribute wine to retail liquor stores.		Senate Subcommittee KBWA
4. The bill makes cereal malt beverage sold in private clubs subject to the 10 percent liquor excise tax.		Senate Subcommittee KBWA
5. The bill allows the sale of cereal malt beverage on Sundays after 1:00 p.m. in all licensed outlets except liquor stores.	S.B. 46	Senate Subcommittee KBWA

Provision	Source	Proponent
6. The bill permits the sale of cereal malt beverage and liquor on election days by all licensees.	S.B. 46	Senate Subcommittee
7. The bill permits a hotel to enter into an agreement with a Class B private club not located in the hotel whereby guests may be issued temporary memberships in the club.	1983 H.B. 2504	Senator Montgomery
8. The bill permits a Class B private club to establish rules whereby a guest at a bona fide private party held at the club could become a temporary member for the period of the private party.	1983 H.B. 2504	Senate Committee
9. The bill permits a Class B club located on a train to establish rules whereby bona fide ticketed guests on the train may become temporary members of the club.	1983 H.B. 2504	Senator Bogina
10. The bill permits a Class B club to establish rules whereby military personnel on temporary duty in Kansas could become temporary members of the private club by presenting their military temporary duty orders.	1983 H.B. 2504	Senator Reilly
11. The bill allows the Board of Regents to designate one non-classroom building on each campus, except at KTI, in which alcoholic liquor could legally be consumed.		Senator Winter
12. The bill reduces the residency requirement for applicants for a retailers license or a farm winery license to one year in the county and five years in the state.		ABC
13. The bill permits the sale of cereal malt beverage on Sundays at conventions and concerts.	S.B. 253	Senator Mulich

Provision	Source	Proponent
14. The bill makes several changes in the statutes concerning the licensure of farm wineries.	S.B. 341	Senator Harder
15. The bill allows licensees a hearing on license revocations for violation of the intoxicating liquor laws.		Wine and Spirits Wholesalers
16. The bill permits a license to be issued to a person convicted of a nonviolent felony, if the person was sentenced to probation for not less than five years preceding the application for licensure.		Senator Talkington

HOUSE BILL No. 2067

By Committee on Federal and State Affairs

1-24

0018 AN ACT relating to alcoholic beverages; concerning certain age
0019 restrictions relating thereto; [relating to membership require-
0020 ments for certain clubs] amending K.S.A. 21-3610a, [41-2601]
0021 41-2610, 41-2615, 41-2701 and 41-2708; and K.S.A. 1984 Supp.
0022 8-260, 8-1327, 41-2704 and 41-2721 and repealing the existing
0023 sections.

0024 *Be it enacted by the Legislature of the State of Kansas:*

0025 Section 1. K.S.A. 1984 Supp. 8-260 is hereby amended to
0026 read as follows: 8-260. (a) It shall be unlawful for any person, for
0027 any purpose, to

0028 (1) Display or cause or permit to be displayed or have in
0029 possession any canceled, revoked, suspended, fictitious or
0030 fraudulently altered driver's license.

0031 (2) Lend any driver's license to any other person or know-
0032 ingly permit the use thereof by another.

0033 (3) Display or represent as the person's own, any driver's
0034 license not issued to the person.

0035 (4) Fail or refuse to surrender to the division upon its lawful
0036 demand any driver's license which has been suspended, re-
0037 voked, or canceled.

0038 (5) Use a false or fictitious name in any application for a
0039 driver's license, or any renewal or duplicate thereof, or know-
0040 ingly conceal a material fact, or otherwise commit a fraud in any
0041 such application.

0042 (6) Permit any unlawful use of a driver's license issued to the
0043 person.

0044 (7) Photograph, photostat, duplicate or in any way reproduce
0045 any driver's license or facsimile thereof in such a manner that it
0046 could be mistaken for a valid driver's license or display or have

Attachment # 2

0047 in possession any such photograph, photostat, duplicate, repro-
0048 duction or facsimile unless authorized by law.

0049 (8) Display or possess any photograph, photostat, duplicate
0050 or facsimile of a driver's license unless authorized by law.

0051 (b) Violation of any provision of subsection (a) is a class B
0052 misdemeanor.

0053 (c) It shall be unlawful for any person to:

0054 (1) Lend any driver's license to or knowingly permit the use
0055 of any driver's license by any person under 21 years old for use in
0056 the purchase of any alcoholic liquor.

0057 (2) Lend any driver's license to or knowingly permit the use
0058 of any driver's license by a person under ~~18~~ years old *the legal*
0059 *age for consumption of cereal malt beverage* for use in the
0060 purchase of any cereal malt beverage.

0061 (3) Lend any driver's license, nondriver's identification card
0062 or other form of identification to aid another person in wrong-
0063 fully obtaining a driver's license or duplicate or substitute
0064 driver's license.

0065 (d) Violation of any provision of subsection (c) is a class A
0066 misdemeanor.

0067 Sec. 2. K.S.A. 1984 Supp. 8-1327 is hereby amended to read
0068 as follows: 8-1327. (a) It shall be unlawful for any person, for any
0069 purpose, to:

0070 (1) Display, cause or permit to be displayed, or have in
0071 possession, any canceled, fictitious, fraudulently altered or
0072 fraudulently obtained identification card.

0073 (2) Lend any identification card to any other person or
0074 knowingly permit the use thereof by another.

0075 (3) Display or represent any identification card not issued to
0076 the person as being the person's card.

0077 (4) Permit any unlawful use of an identification card issued to
0078 the person.

0079 (5) Do any act forbidden or fail to perform any act required by
0080 this act.

0081 (6) Display or possess any photograph, photostat, duplicate,
0082 reproduction or facsimile of an identification card unless autho-
0083 rized by the provisions of this act.

0084 (b) Violation of any provision of subsection (a) is a class B
0085 misdemeanor.

0086 (c) It shall be unlawful for any person to:

0087 (1) Lend any identification card to or knowingly permit the
0088 use of any identification card by any person under 21 years old
0089 for use in the purchase of any alcoholic liquor.

0090 (2) Lend any identification card to or knowingly permit the
0091 use of any identification card by any person under ~~18~~ years old
0092 *the legal age for consumption of cereal malt beverage* for use in
0093 the purchase of any cereal malt beverage.

0094 (3) Lend any identification card, driver's license or other
0095 form of identification to aid another person in obtaining an
0096 identification card or duplicate identification card.

0097 (d) Violation of any provision of subsection (c) is a class A
0098 misdemeanor.

0099 Sec. 3. K.S.A. 21-3610a is hereby amended to read as fol-
0100 lows: 21-3610a. (a) Furnishing cereal malt beverage to a minor is
0101 buying for or selling, giving or furnishing, whether directly or
0102 indirectly, any cereal malt beverage to any person under ~~18~~ years
0103 of age *the legal age for consumption of cereal malt beverage*.

0104 (b) Furnishing cereal malt beverage to a minor is a class B
0105 misdemeanor.

0106 (c) This section shall not apply to the furnishing of cereal
0107 malt beverage by a parent or legal guardian to such parent's child
0108 or such guardian's ward.

0109 (d) As used in this section, "cereal malt beverage" has the
0110 meaning and "*legal age for consumption of cereal malt bever-*
0111 *age*" have the meaning provided by K.S.A. 41-2701 and amend-
0112 ments thereto.

0113 (e) This section shall be part of and supplemental to the
0114 Kansas criminal code.

0115 Sec. 4. K.S.A. 41-2610 is hereby amended to read as follows:
0116 41-2610. It shall be unlawful for a club licensee to:

0117 (a) To Employ any person under the age of ~~twenty-one (21)~~
0118 18 years in connection with the dispensing or serving of alco-
0119 holic liquor or the mixing of drinks containing alcoholic liquor.

0120 (b) To Employ knowingly or continue in employment any

0121 person in connection with the dispensing or serving of alcoholic
 0122 liquor or the mixing of drinks containing alcoholic liquor who
 0123 has been adjudged guilty of a felony or of any crime involving a
 0124 morals charge in this or any other state, or of the United States.
 0125 For the purposes of this subsection, the term "morals charge"
 0126 shall include those charges involving prostitution; procuring any
 0127 person; soliciting of a child under eighteen (18) 18 for any
 0128 immoral act involving sex; possession or sale of narcotics, mari-
 0129 juana, amphetamines or barbiturates; rape; incest; gambling;
 0130 illegal cohabitation; adultery; bigamy; or crimes against nature.

0131 (c) ~~To~~ Employ knowingly or to continue in employment any
 0132 person in connection with the dispensing or serving of alcoholic
 0133 liquor or mixing of drinks containing alcoholic liquor who has
 0134 been adjudged guilty of a violation of any intoxicating liquor law
 0135 of this or any other state, or of the United States, during the two
 0136 year period immediately following such adjudging.

0137 (d) ~~To~~ Fail to maintain at the licensed premises a current list
 0138 of all club members and their residence addresses.

0139 (e) ~~To~~ Refuse to allow the director or any of the director's
 0140 authorized agents or any law enforcement officer to inspect the
 0141 current list of the members of the club.

0142 (f) ~~To~~ Purchase alcoholic liquor from any person except from
 0143 a person holding a valid license to sell alcoholic liquor at retail.

0144 (g) Permit any employee of the licensee who is under the age
 0145 of 18 [21] years to work on the licensed premises at any time
 0146 when not under the on-premise supervision of either the licensee
 0147 or an employee of the licensee who is ~~over the age of 21 years.~~

0148 [(h) Employ any person under 21 years of age in connection
 0149 with the mixing of drinks containing alcoholic liquor.]

0150 Sec. 5. K.S.A. 41-2615 is hereby amended to read as follows:
 0151 41-2615. (a) No club licensed hereunder under this act shall
 0152 knowingly or unknowingly permit the consumption of alcoholic
 0153 liquor or cereal malt beverage on its premises by a minor and. No
 0154 minor shall consume or attempt to consume any alcoholic liquor
 0155 or cereal malt beverage while in or upon on the premises of a
 0156 club licensed hereunder or as prohibited by K.S.A. 41-715 and
 0157 any amendments thereto under this act

21 years of age or older

or dispensing

0158 (b) No club licensed under this act shall knowingly or unk-
 0159 nowingly permit the consumption of cereal malt beverage on its
 0160 premises by a person under the legal age for consumption of
 0161 cereal malt beverage. No person under the legal age for con-
 0162 sumption of cereal malt beverage shall consume or attempt to
 0163 consume any cereal malt beverage while in or on the premises of
 0164 a club licensed under this act.

0165 (c) The owner of any club, or any officer or any employee
 0166 thereof, who shall permit permits the consumption of alcoholic
 0167 liquor or cereal malt beverage on the premises of the club by a
 0168 minor shall be deemed in violation of this section is guilty of a
 0169 misdemeanor and upon conviction shall be subject to the same
 0170 penalty as prescribed by K.S.A. 41-715 and amendments thereto
 0171 for violation of that section.

0172 Sec. 6. K.S.A. 41-2701 is hereby amended to read as follows:
 0173 41-2701. As used in this act unless the context otherwise re-
 0174 quires:

0175 (a) "Cereal malt beverage" means any fermented but undis-
 0176 tilled liquor brewed or made from malt or from a mixture of malt
 0177 or malt substitute, but does not include any such liquor which is
 0178 more than three and two-tenths percent (3.2%) 3.2% alcohol by
 0179 weight.

0180 (b) "Director" means the director of alcoholic beverage con-
 0181 trol of the department of revenue.

0182 (c) "Person" means any individual, firm, partnership, corpo-
 0183 ration or association.

0184 (d) "Retailer" means any person who sells or offers for sale
 0185 any cereal malt beverage for use or consumption and not for
 0186 resale in any form.

0187 (e) "Place of business" shall mean means any place at which
 0188 cereal malt beverages are sold.

0189 (f) "Wholesaler or distributor" shall mean individuals, firms,
 0190 copartnerships, corporations and associations which sell or offer
 0191 means any person who sells or offers for sale any beverage
 0192 referred to in this act, to persons, copartnerships, corporations
 0193 and associations any person authorized by ~~the act~~ to sell cereal
 0194 malt beverages at retail.

cereal malt beverage or wine"

"law"

for wine"

0195 (g) "Legal age for consumption of cereal malt beverage"

0196 means:

0197 (1) With respect to persons born before July 1, 1967, 18 years
0198 of age; and

0199 (2) with respect to persons born on or after July 1, 1967, 21
0200 years of age, except that "legal age for consumption of cereal
0201 malt beverage" shall mean 18 years of age if at any time before
0202 October 1, 1986, the provisions of P.L. 98-363 penalizing states
0203 for permitting persons under 21 years of age to consume cereal
0204 malt beverage are repealed or otherwise invalidated or nulli-
0205 fied].

0206 Sec. 7. K.S.A. 1984 Supp. 41-2704 is hereby amended to read
0207 as follows: 41-2704. (a) In addition to and consistent with the
0208 requirements of this act, the board of county commissioners of
0209 any county or the governing body of any city may prescribe hours
0210 of closing, standards of conduct and rules and regulations con-
0211 cerning the moral, sanitary and health conditions of places li-
0212 censed pursuant to this act and may establish zones within which
0213 no such place may be located.

0214 (b) Except as provided by subsection (g), no cereal malt
0215 beverages may be sold:

0216 (1) Between the hours of 12:00 midnight and 6:00 a.m.;

0217 (2) on Sunday; or

0218 ~~(3) on the day of any national, state, county or city elections,~~
0219 ~~including primary elections, during the hours the polls are open,~~
0220 ~~within the political area in which such election is being held.~~

0221 (c) No private rooms or closed booths shall be operated in a
0222 place of business, but this provision shall not apply if the li-
0223 censed premises are also currently licensed as a club under a
0224 license issued by the director.

0225 (d) Each place of business shall be open to the public and to
0226 the police at all times during business hours, except that a
0227 premises licensed as a club under a license issued by the
0228 director shall be open to the police and not to the public.

0229 (e) No licensee shall permit a person under 18 years of age
0230 the legal age for consumption of cereal malt beverage to con-
0231 sume, or purchase or possess any cereal malt beverage in or

"(h) "Wine" has the meaning provided by K.S.A. 41-102 and amendments thereto.";

or

, except between the hours of 1:00 p.m. and 12:00 midnight.

0232 about a place of business, and no licensee shall permit a person
 0233 under the legal age for consumption of cereal malt beverage to
 0234 possess cereal malt beverage in or about a place of business,
 0235 except that a licensee's employee who is not less than 18 years of
 0236 age may dispense or sell cereal malt beverage.

0237 (f) No person shall have any alcoholic liquor in such person's
 0238 possession while in a place of business, unless the premises are
 0239 currently licensed as a club by the director.

0240 (g) Cereal malt beverages may be sold on premises which are
 0241 both licensed pursuant to the acts contained in article 27 of
 0242 chapter 41 of the Kansas Statutes Annotated and licensed as a
 0243 club by the director at any time when alcoholic liquor is allowed
 0244 by law to be served on the premises.

0245 Sec. 8. K.S.A. 41-2708 is hereby amended to read as follows:
 0246 41-2708. (a) The board of county commissioners or the governing
 0247 body of any city, upon five (5) days' notice to the persons holding
 0248 such a license, shall revoke or suspend such the license for any
 0249 one of the following reasons: (a) If a

0250 (1) The licensee has fraudulently obtained the license by
 0251 giving false information in the application therefor;

0252 (b) if (2) the licensee has violated any of the provisions of
 0253 this act or any rule or regulations made by the board or the city as
 0254 the case may be;

0255 (c) if (3) the licensee has become ineligible to obtain a
 0256 license in this act;

0257 (d) (4) drunkenness of the person holding such license li-
 0258 censee or permitting any intoxicated person to remain in such
 0259 place the licensee's place of business;

0260 (e) (5) the sale of cereal malt beverages to those under the
 0261 age of eighteen (18) years any person under the legal age for
 0262 consumption of cereal malt beverage;

0263 (f) (6) the nonpayment of any license fees;

0264 (g) for (7) permitting any gambling in or upon such prem-
 0265 ises the licensee's place of business;

0266 (h) for (8) permitting any person to mix drinks with materi-
 0267 als purchased in said the place of business or brought in for this
 0268 that purpose;

if:

(1) The licensee's place of business is licensed only to sell
 cereal malt beverage at retail in original and unopened con-
 tainers and not for consumption on the premises; or

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

"(h) Notwithstanding other provisions of law, a licensee
 and persons designated by the licensee, may sell and persons may
 consume cereal malt beverages on Sundays at conventions and
 concerts within the convention or concert area as approved by the
 director.

0269 (i) for (9) the employment of persons under eighteen (18) 18
0270 years of age in dispensing or selling cereal malt beverages;

0271 (j) for (10) the employment of persons who have been ad-
0272 judged guilty of felony or of any violation of the intoxicating
0273 liquor law; or

0274 (k) for (11) the sale or possession of, or for permitting any
0275 person to use or consume upon or in said on the licensed
0276 premises, any alcoholic liquor as defined by the laws of the state
0277 of Kansas relating thereto. *Provided, That K.S.A. 41-102 and*
0278 *amendments thereto.*

0279 (b) The provisions of the foregoing subsections (h) and (i)
0280 subsections (a)(8) and (11) shall not apply if such the place of
0281 business or premises are also currently licensed as a club under a
0282 license issued by the state director of alcoholic beverage control.

0283 (c) Within twenty (20) 20 days after the order of the board
0284 revoking or suspending any license, the licensee may appeal to
0285 the district court and the district court shall proceed to hear such
0286 appeal as though such court had original jurisdiction of the
0287 matter. Any appeal taken from an order revoking or suspending
0288 any such the license shall not suspend the order of revocation or
0289 suspension during the pendency of any such appeal. In case of
0290 the revocation of the license of any licensee, no new license shall
0291 be issued to such person or the former licensee or to any person
0292 acting for or on his or her the former licensee's behalf, for a
0293 period of six (6) months thereafter.

0294 Sec. 9. K.S.A. 1984 Supp. 41-2721 is hereby amended to read
0295 as follows: 41-2721. (a) No person under 18 years of age the legal
0296 age for consumption of cereal malt beverage shall:

0297 (1) Claim to be 18 or more years of age the legal age for
0298 consumption of cereal malt beverage for the purpose of obtain-
0299 ing or attempting to obtain any cereal malt beverage from any
0300 person;

0301 (2) purchase or attempt to purchase any cereal malt beverage
0302 from any person; or

0303 (3) possess or consume any cereal malt beverage.

0304 (b) Any person under 18 years of age who violates this
0305 section, upon adjudication thereof, shall be deemed, is a juvenile

0306 offender under the Kansas juvenile offenders code.

0307 *Any person 18 or more years of age who violates this section,*
0308 *upon conviction, is guilty of a class C misdemeanor.*

0309 (c) This section shall not apply to the possession and con-
0310 sumption of cereal malt beverage by a person under 18 years of
0311 age *the legal age for consumption of cereal malt beverage* when
0312 such *the* possession and consumption is permitted, and such *the*
0313 beverage is furnished, by the person's parent or legal guardian.

0314 (d) This section shall be part of and supplemental to article
0315 27 of chapter 41 of the Kansas Statutes Annotated.

0316 [Sec. 10. K.S.A. 41-2601 is hereby amended to read as fol-
0317 lows: 41-2601. As used in K.S.A. 41-2601 to ~~41-2637~~, inclusive
0318 through 41-2637, and amendments thereto:

0319 [(a) The following terms shall have the meanings provided
0320 by K.S.A. 41-102 and amendments thereto: (1) "Alcoholic li-
0321 quor"; (2) "board"; (3) "director"; (4) "original package"; (5)
0322 "person"; (6) "sale"; and (7) "to sell."

0323 [(b) (1) "Club" means an organization licensed hereunder to
0324 which the club members shall be permitted to resort for the
0325 purpose of consuming alcoholic liquor.

0326 [(2) "Class A club" means a premises owned or leased and
0327 operated by a corporation, partnership, business trust or associa-
0328 tion, for the exclusive use of the corporate stockholders, partners,
0329 trust beneficiaries or associates (hereinafter referred to as mem-
0330 bers), their families and invited and accompanied guests, and
0331 which is not operated for a profit other than such as would accrue
0332 to the entire membership. A corporation, partnership, business
0333 trust, or association not operated for a profit, for the purposes of
0334 the definition of a class A club shall only include a corporation,
0335 partnership, business trust, or association which has been deter-
0336 mined by the director to be a bona fide nonprofit social, fraternal
0337 or war veterans club.

0338 [(3) "Class B club" means a premises operated for profit by a
0339 corporation, partnership or individual, known as the manage-
0340 ment, to which premises the management allows persons, known
0341 as members, to resort for the consumption of food or alcoholic
0342 beverages and for entertainment. As a prerequisite for attaining

0343 membership the management must screen the applicants for
 0344 good moral character. No membership may be granted within 10
 0345 days of the application therefor. Each membership must be
 0346 renewable annually upon payment of the annual dues of at least
 0347 \$10, except that:

0348 (A) Any class B club located on the premises of a hotel as
 0349 defined in K.S.A. 36-501 and amendments thereto may establish
 0350 rules whereby a guest registered at the hotel, who is not a
 0351 resident of the county in which the club is located, may file
 0352 application for temporary membership in the club, which mem-
 0353 bership, if granted, shall only be valid for the period of time that
 0354 the guest is a bona fide registered guest at the hotel, and such
 0355 temporary membership shall not be subject to the waiting period
 0356 or dues requirement of this section.

0357 (B) Any class B club located on property which is owned or
 0358 operated by a municipal airport authority and upon which con-
 0359 sumption of alcoholic liquor is authorized by law may establish
 0360 rules whereby an air traveler who is a holder of a current airline
 0361 ticket may file application for temporary membership in the club
 0362 for the day such air traveler's ticket is valid, and such temporary
 0363 membership shall not be subject to the waiting period or dues
 0364 requirement of this section.

0365 ~~(C) Any person 21 or more years of age may become a~~
 0366 ~~member of a club that has filed a notice with the director under~~
 0367 ~~section 11 by presenting a valid driver's license issued to that~~
 0368 ~~person by any state, territory or district of the United States.~~

(C) Any class B club may enter into an agreement with a hotel, as defined in K.S.A. 36-501 and amendments thereto, whereby a guest who is registered at the hotel and who is not a resident of the county in which the club is located may file application for temporary membership in the club. The temporary membership, if granted, shall be valid for only the period of time that the guest is a bona fide registered guest at the hotel and shall not be subject to the waiting period or dues requirement of this section. A club may enter into an agreement with a hotel pursuant to this provision only if (i) the hotel is located in the same county as the club, (ii) there is no club located on the premises of the hotel and (iii) no other club has entered into an agreement with the hotel pursuant to this section.

(D) Any class B club licensed under the provisions of this act may establish rules whereby a guest at a bona fide private party held on the premises of the licensed club may file application for temporary membership in the club for the period of the private party, and such temporary membership shall not be subject to the waiting period or dues requirement of this section. A list consisting of the name and address of each private party guest shall be submitted to the club management at least three days in advance of the function and only a person whose name appears on this list may be authorized temporary membership status. Any club intending to issue temporary memberships as authorized under this section must notify the alcoholic beverage control of the name of the organization, and the date and time of the function at least seven days prior to the function. Rules and regulations may be adopted, in the manner provided by K.S.A. 41-2634 and amendments thereto, specifying criteria for the extension of the club license over noncontiguous premises and

the controlling of functions on such premises.

(E) Any class B club located on a train may establish rules whereby a guest with a ticket to be on such train may file application for temporary membership in the club, which membership, if granted, shall only be valid for the period of time that the guest is a bona fide ticketed guest on the train, and such temporary membership shall not be subject to the waiting period or dues requirement of this section.

(F) Any class B club licensed under the provisions of this act may establish rules whereby military personnel of the armed forces of the United States on temporary duty and housed at or near any military installation located within the exterior boundaries of the state of Kansas, may file application for temporary membership in the club, which membership, if granted, shall only be valid for the period of the training, not to exceed 20 weeks. Any person wishing to make application for temporary membership in a class B private club under this paragraph (F) shall present the temporary duty orders to the club management. Temporary membership issued under this paragraph (F) shall not be subject to the waiting period or dues requirements of this section.

0369 [(c) "Minor" means any person under 21 years of age.

0370 [(d) "Beneficial interest" shall not include any interest a
0371 person may have as owner, operator, lessee or franchise holder of
0372 a licensed hotel or motel on which the club premises are located.

0373 [(e) "Food" means any raw, cooked or processed edible sub-
0374 stance or ingredient, other than alcoholic liquor or cereal malt
0375 beverage, used or intended for use or for sale, in whole or in part,
0376 for human consumption.

0377 [(f) "Restaurant" means a licensed food service establish-
0378 ment, as defined by K.S.A. 36-501 and amendments thereto,
0379 which, as determined by the director, derives not less than 50%

0380 of its gross receipts in each calendar year from the sale of food for
0381 consumption on the club premises.

0382 ~~Under Sec. 11, a class B club may file with the director a~~
0383 ~~notice that the club will accept as members all persons 21 or~~
0384 ~~more years of age who qualify for drivers' licenses. Upon the~~
0385 ~~filing of the notice, any person holding a driver's license issued~~
0386 ~~to that person by any state, territory or district of the United~~
0387 ~~States or by any foreign country or any subdivision thereof shall~~
0388 ~~qualify for membership in the club. Such a membership shall~~
0389 ~~require only the presentation of the member's driver's license~~
0390 ~~and shall not require any screening, waiting period, dues or~~
0391 ~~annual renewal.~~

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"Sec. 11. K.S.A. 1984 Supp. 41-308a is hereby amended to read as follows: 41-308a. (a) A farm winery license shall allow the manufacture, storage and sale of domestic table wine. The license shall allow sales: (1) On the licensed premises of the winery, in the original unopened container, to consumers for

consumption off the licensed premises; (2) to licensed distributors; (3) to licensed retailers; and ~~(3)~~ (4) to licensed nonbeverage users.

(b) Not less than 60% of the products utilized in the manufacture of domestic table wine by a farm winery shall be grown in Kansas except when a greater proportion is authorized by the director based upon findings that such products are not available in this state. A winery shall affix to each container of domestic table wine to be offered for sale a separate label clearly setting forth the statement--that proportion of the products utilized in the manufacture of the wine which was manufactured from agricultural products grown in Kansas.

(c) If A farm winery having a capacity of 100,000 gallons per year or more which sells wine to any distributor,--the-farm winery shall be required to comply with all provisions of article 4 of chapter 41 of the Kansas Statutes Annotated and of K.S.A. 41-701 through 41-705 and 41-709, and amendments thereto, in the same manner and subject to the same penalties as a manufacturer.

(d) A farm winery may sell wine to consumers on Monday through Saturday between 6:00 a.m. and midnight and on Sunday between noon and 6:00 p.m.

(e) A farm winery license shall apply only to the premises described in the application and in the license issued and only one location shall be described in the license.

(f) No farm winery shall employ any person in connection with the manufacture or sale of wine if the person: (1) Is less than 21 years of age; or (2) has been convicted of a felony.

(g) In addition to the criminal penalties prescribed by law, whenever a farm winery licensee is convicted of a violation of the Kansas liquor control act, such license shall upon conviction for the first offense be fined a civil fine not exceeding \$500. Upon conviction of such licensee of any second offense the director may revoke the licensee's license and all fees paid for the license, after a hearing before the director for that purpose.

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

Sec. 12. K.S.A. 1984 Supp. 41-310 is hereby amended to read as follows: 41-310. (a) At the time application is made to the director for a license of any class, the applicant shall pay the fee provided by this section.

(b) The annual fee for a manufacturer's license to manufacture alcohol and spirits shall be \$2,500.

(c) The annual fee for a manufacturer's license to manufacture beer (regardless of alcoholic content) shall be:

(1) For 1 to 100 barrel daily capacity or any part thereof, \$200.

(2) For 100 to 150 barrel daily capacity, \$400.

(3) For 150 to 200 barrel daily capacity, \$700.

(4) For 200 to 300 barrel daily capacity, \$1,000.

(5) For 300 to 400 barrel daily capacity, \$1,300.

(6) For 400 to 500 barrel daily capacity, \$1,400.

(7) For 500 or more barrel daily capacity, \$1,600.

As used in this subsection, "daily capacity" means the average daily barrel production for the previous 12 months of manufacturing operation. If no basis for comparison exists, the licensee shall pay in advance for the first year's operation a fee of \$1,000.

(d) The annual fee for a manufacturer's license to manufacture wine shall be \$500.

(e) The annual fee for a farm winery license shall be ~~\$17,100~~ \$100.

(f) The annual fee for a distributor's license for the first and each additional distributing place of business operated in this state by the licensee and wholesaling and jobbing alcoholic liquors, except beer shall be \$1,250.

(g) The annual fee for a beer distributor's license, for the first and each additional wholesale distributing place of business operated in this state by the licensee and wholesaling or jobbing beer shall be \$150.

(h) The annual fee for a nonbeverage user's license shall be:

- (1) For class 1, \$10.
- (2) For class 2, \$50.
- (3) For class 3, \$100.
- (4) For class 4, \$200.
- (5) For class 5, \$500.

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

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

(2) any township having a population of more than 11,000 in which the licensed premises are located, if the premises are located outside an incorporated city, may levy and collect an annual occupation or license tax on the licensee in an amount not exceeding the amount of the annual license fee required to be paid under this act to obtain the license, but no township shall impose an occupation or privilege tax on the licensee in excess of that amount; the township board of the township is authorized to fix and impose the tax and the tax shall be paid by the licensee to the township treasurer, who shall issue a receipt therefor to the licensee and shall cause the tax paid to be placed in the general fund of the township.

(j) The annual fee for a retailer's license shall be \$100.

(k) In addition to the license fees prescribed by subsection (j):

(1) Any city in which the licensed premises are located shall levy and collect an annual occupation or license tax on the licensee in an amount not less than \$100 or more than \$300, but no other occupation or excise tax or license fee shall be levied by any city against or collected from the licensee; and

(2) any township having a population of more than 11,000 in which the licensed premises are located, if located outside any incorporated city, shall levy and collect an annual occupation or license tax on the licensee in an amount not less than \$100 or more than \$300; the township board of the township is authorized to fix and impose the tax and the tax shall be paid by the licensee to the township treasurer, who shall issue a receipt therefor to the licensee and shall cause the tax paid to be placed in the general fund of the township.

(1) The license year for a license shall commence on the date the license is issued by the director and shall end one year after that date.

Sec. 13. K.S.A. 1984 Supp. 41-311 is hereby amended to read as follows: 41-311. (a) No license of any kind shall be issued to a person:

(1) Who has not been a citizen of the United States for at least 10 years;

(2) who has been convicted of a felony under the laws of this state, any other state or the United States, except that this subsection (a)(2) shall not prohibit licensure of a person solely by reason of conviction of a nonviolent felony under the laws of the United States if the person was sentenced to probation for such felony not less than five years immediately preceding such person's application for licensure;

~~(3)--who-has-been-convicted-of-a-violation--of--intoxicating liquor--laws--of-any-state-or-the-alcoholic-beverage-control-laws of-the-United-States-or-has-forfeited-bond-to-appear-in-court--to answer--charges--for--any--such--violation,--within--the-10-years immediately-prior-to-the-date-of-the-person's-application--for--a license;~~

~~(4)--who--has--been--convicted--of-a-violation-of-any-of-the laws-of-any-state-relating-to-cereal-malt--beverages,--within--10 years--immediately--prior-to-the-date-of-the-person's-application for-a-license;~~

(5) (3) who has had a license revoked for cause under the

provisions of this act or who has had any license issued under the cereal malt beverage laws of any state revoked for cause except that a license may be issued to a person whose license was revoked for the conviction of a misdemeanor at any time after the lapse of 10 years following the date of the revocation;

{6} (4) who has been convicted of being the keeper or is keeping a house of prostitution or has forfeited bond to appear in court to answer charges of being a keeper of a house of prostitution;

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

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

{9} (7) who appoints or is a law enforcement official or who is an employee of the director or the board;

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

{11} (9) who at the time of application for renewal of any license issued under this act would not be eligible for the license upon a first application;

{12} 10 who is the holder of a valid and existing license issued under the laws of this state relating to cereal malt beverages and malt products unless the person agrees to and does surrender the license to the officer issuing the same upon the issuance to the person of a license under this act, except that a holder of a cereal malt beverages wholesaler's license shall be eligible to receive a beer distributor's license under this act;

{13} (11) who does not own the premises for which a license is sought, or does not have a written lease thereon for at least 3/4 of the period for which the license is to be issued;

~~{14} whose spouse would be ineligible to receive a license under this act for any reason other than citizenship, residence requirements, age or conviction of a violation of K.S.A. 8-1567 and amendments thereto, or the ordinance of a city in this state~~

which--prohibits--the--acts--prohibited--by--such---statute,---or
forfeiture--of--bond-to-appear-in-court-to-answer-charges-for-any
such-violation.

(b) No retailer's ~~or-farm-winery~~ license shall be issued to
a:

(1) Person who is not a resident of the county in which the
premises sought to be licensed are located.;

(2) person who has not been, for at least ~~five--years~~ one
year immediately preceding the date of application, a resident of
the county in which the premises covered by the license are
located or a person who has not been a resident of this state for
a total of at least ~~10~~ five years preceding the date of
application, except that, if the premises sought to be licensed
are located in a city which is located in two or more counties
and the applicant for license is a resident of either county, the
applicant shall be deemed to be a resident of each county for the
purpose of qualification.;

(3) person who has beneficial interest in the manufacture,
preparation or wholesaling of alcoholic beverages.;

(4) person or copartnership or association who has
beneficial interest in any other retail establishment licensed
under this act.;

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

(6) corporation.

(c) No manufacturer's license ~~or-farm-winery-license,~~ ~~if~~
~~the-winery-sells-any-wine-to-a-distributor,~~ shall be issued to:

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

(2) a copartnership, unless all of the copartners shall
have been residents of this state for at least five years
immediately preceding the date of application and unless all the

members of the copartnership would be eligible to receive a manufacturer's license under this act;

(3) an individual who has not been a resident of this state for at least five years immediately preceding the date of application.

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

(1) A corporation, if any officer, manager, director or stockholder of the corporation would be ineligible to receive a distributor's license for any reason. It shall be unlawful for any stockholder of a corporation licensed as a distributor to transfer any stock in the corporation to any person who would be ineligible to receive a distributor's license for any reason, and any such transfer shall be null and void, except that: (A) If any stockholder owning stock in the corporation dies and an heir or devisee to whom stock of the corporation descends by descent and distribution or by will is ineligible to receive a distributor's license, the legal representatives of the deceased stockholder's estate and the ineligible heir or devisee shall have 14 months from the date of the death of the stockholder within which to sell the stock to a person eligible to receive a distributor's license, any such sale by a legal representative to be made in accordance with the provisions of the probate code; or (B) if the stock in any such corporation is the subject of any trust and any trustee or beneficiary of the trust who is 21 years of age or older is ineligible to receive a distributor's license, the trustee, within 14 months after the effective date of the trust, shall sell the stock to a person eligible to receive a distributor's license and hold and disburse the proceeds in accordance with the terms of the trust. If any legal representatives, heirs, devisees or trustees fail, refuse or neglect to sell any stock as required by this subsection, the stock shall revert to and become the property of the corporation, and the corporation shall pay to the legal representatives, heirs, devisees or trustees the book value of the stock. During the period of 14 months prescribed by this subsection, the

corporation shall not be denied a distributor's license or have its distributor's license revoked if the corporation meets all of the other requirements necessary to have a distributor's license;

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

(3) an individual who has not been a resident of this state for at least 10 years immediately preceding the date of application, except that:

(A) A wholesaler of cereal malt beverages properly licensed on September 1, 1948, shall be eligible for a beer distributor's license; and

(B) a person who has been a resident of the state for at least five years immediately preceding the date of application shall be eligible for a beer distributor's license.

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

(f) No farm winery license shall be issued to a:

(1) Person who is not a resident of the county in which the premises sought to be licensed are located;

(2) person who has not been, for at least one year immediately preceding the date of application, a resident of the county in which the premises covered by the license are located or a person who has not been a resident of this state for a total of at least five years preceding the date of application, except that, if the premises sought to be licensed are located in a city which is located in two or more counties and the applicant for license is a resident of either county, the applicant shall be deemed to be a resident of each county for the purpose of qualification;

(3) person who has beneficial interest in the manufacture,

preparation or wholesaling of alcoholic beverages other than that produced by such winery;

(4) person or copartnership or association who has beneficial interest in any other retail establishment licensed under this act;

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

(6) corporation, unless all of the stockholders would be eligible to receive a license except for citizenship or residence requirements and unless the stockholders of the corporation owning not less than 60% of the stock of the corporation are residents of this state meeting such residence requirements;

(7) a corporation selling any wine to a distributor, if any officer, manager or director thereof, or any stockholder owning in the aggregate more than 25% of the stock of the corporation would be ineligible to receive a manufacturer's license for any reason other than citizenship and residence requirements.

Sec. 14. K.S.A. 41-314 is hereby amended to read as follows: 41-314. ~~Whenever-any~~ (a) When a retail licensee shall have has been convicted by any court of a violation of any of the provisions of this act, he such licensee may, in addition to the penalty for such offense, incur a forfeiture of his license and all moneys that have been paid therefor. ~~Upon-such-conviction,~~

(b) The director may revoke ~~his~~ the license of any licensee or deny issuance of a license in an original proceeding brought before ~~him-for-that-purpose-~~ the director in the following cases:

(1) Conviction of a violation of this act as provided in subsection (a);

(2) conviction of a violation of intoxicating liquor laws of any state or the alcoholic beverage control laws of the United States or forfeiture of bond to appear in court to answer charges for any such violation, within the 10 years immediately preceding;

(3) conviction of a violation of any of the laws of any state relating to cereal malt beverages, within 10 years

immediately preceding; or

(4) an occurrence to the spouse of the licensee which would cause the spouse to be ineligible to receive a license under this act for conviction of a violation of K.S.A. 8-1567 and amendments thereto, or the ordinance of a city in this state which prohibits the acts prohibited by such statute, or forfeiture of bond to appear in court to answer charges for any such violation.

Sec. 15. K.S.A. 1984 Supp. 41-317 is hereby amended to read as follows: 41-317. (a) Applications for all licenses under this act shall be upon forms prescribed and furnished by the director and shall be filed with the director in duplicate. Each application shall be accompanied by a state registration fee of \$50 for each initial application and \$10 for each renewal application to defray the cost of preparing and furnishing standard forms incident to the administration of this act and the cost of processing the application. Each application shall also be accompanied by a deposit of a certified or cashier's check of a bank within this state, United States post-office money order or cash in the full amount of the license fee required to be paid for the kind of license applied for, which license fee shall be returned to the applicant if the application is denied. All registration fees shall be paid into the state treasury by the director and shall be credited to the state general fund. All license fees received by the director, including fees received for licenses to manufacture beer, regardless of its alcoholic content, shall be paid into the state treasury by the director and shall be credited to the state general fund.

(b) Every applicant for a manufacturer's, alcoholic liquor distributor's, beer distributor's, nonbeverage user's, farm winery or retailer's license shall file with the application a joint and several bond on a form prescribed by the director and executed by good and sufficient corporate sureties licensed to do business within the state of Kansas to the director, in the following amounts:

(1) For a manufacturer or-a-farm-winery, \$25,000;

- (2) for an alcoholic liquor distributor, \$15,000;
- (3) for a beer distributor or a retailer, \$2,000; and
- (4) for nonbeverage users, \$200 for class 1, \$500 for class 2, \$1,000 for class 3, \$5,000 for class 4 and \$10,000 for class 5; and

(5) for a farm winery, \$2,000.

(c) All bonds required by this section shall be conditioned on the licensee's compliance with the provisions of this act and payment of all taxes, fines and forfeitures which may be assessed against the licensee.

Sec. 16. K.S.A. 1984 Supp. 41-710 is hereby amended to read as follows: 41-710. (a) No retailer's or farm winery license shall be issued for premises which are located in areas not zoned for general commercial or business purposes, if the city or township in which the premises are located is zoned or are not approved by the director, if the premises sought to be licensed are located outside an incorporated city in a township which is not zoned.

(b) No farm winery license shall be issued for premises which are zoned for any purpose except agricultural, commercial or business purposes.

(c) No retailer's or farm winery license shall be issued for premises which:

(1) Are located within 200 feet of any public or parochial school or college or church, except that if any such school, college or church is established within 200 feet of any licensed premises after the premises have been licensed, the premises shall be an eligible location for retail licensing; and

(2) do not conform to the building ordinances or laws of the state or city or, in the absence of such ordinances or laws, are not structurally in good condition or are in a dilapidated condition.

Sec. 17. K.S.A. 41-719 is hereby amended to read as follows: 41-719. (a) Except as provided in subsection (b), no person shall drink or consume alcoholic liquor upon the public

streets, alleys, roads or highways; in beer parlors, taverns, pool halls or places to which the general public has access, whether or not an admission or other fee is charged or collected; upon property owned by the state or any governmental subdivision thereof; or inside vehicles while upon the public streets, alleys, roads or highways.

(b) The provisions of subsection (a) shall not apply to the drinking or consumption of alcoholic liquor:

(1) Upon real property leased by a city to others under the provisions of K.S.A. 12-1740 to 12-1749, inclusive, and amendments thereto, if such real property is actually being used for hotel or motel purposes or purposes incidental thereto.

(2) In any state-owned or operated building or structure and upon the surrounding premises which are furnished to and occupied by any state officer or employee as a residence.

(3) In a club which is licensed by the director and which is located upon property owned or operated by an airport authority created pursuant to chapter 27 of the Kansas Statutes Annotated.

(4) In a club which is licensed by the director and which is located upon property owned or operated by an airport authority established by a city having a population of more than 200,000.

(5) Upon property exempted from the provisions of subsection (a) pursuant to subsection (c) ~~or~~, (d) or (e).

(c) Any city having a population of more than 200,000 may exempt, by ordinance, specified property, title of which is vested in such city, from the provisions of subsection (a).

(d) The board of county commissioners of any county having a population of not less than 150,000 may exempt, by resolution, specified property, the title of which is vested in such county, from the provisions of subsection (a).

(e) The state board of regents may designate one building, which is not used primarily for classroom instruction, on the campus of each state educational institution, except Kansas

technical institute, which buildings shall be exempt from the provisions of subsection (a).

~~(e)~~ (f) Violation of any provision of subsection (a) is a misdemeanor punishable by a fine of not less than \$50 ~~or~~ nor more than \$200 or by imprisonment for not more than six months, or both.

Sec. 18. K.S.A. 41-2606 is hereby amended to read as follows: 41-2606. (a) Applications for all club licenses under this act shall be upon forms ~~prescribed and~~ furnished by the director, and shall be filed with the director in duplicate, ~~and~~. Applications shall be accompanied ~~in each instance~~ by a state registration fee of ~~fifty dollars~~ ~~(\$50)~~ \$50 for each initial application, and ~~ten dollars~~ ~~(\$10)~~ \$10 for each renewal application to defray the cost of preparing and furnishing standard forms ~~incident to the administration of this act~~, and the cost of processing such the application. Such The application shall be accompanied by a certified or cashier's check of a bank within this state, United States post-office money order, or cash in the full amount of the class B club license fee, which license fee shall be returned to such applicant if such the application is denied. All license and registration fees collected by the director shall be paid by him into deposited in the state treasury and ~~the state treasurer shall credit the same~~ credited to the general fund ~~of the state~~. Each application shall be accompanied by ~~(i)~~ a copy of the current bylaws ~~and/or~~ and rules of the club, ~~(ii)~~ and a current list of the officers of the club.

(b) Applications for a train club license shall include a memorandum of record and agreement signed by the applicant and the director containing such matters and terms as are appropriate in the opinion of the director to implement the administration of the club licensing act in the setting of a train as premises and other matters the director determines are appropriate.

Sec. 19. K.S.A. 41-2608 is hereby amended to read as follows: 41-2608. The license provided herein shall be issued

for one particular premises which shall be stated in the application and in the license. In the case of a train, the premises shall be stated as provided in K.S.A. 41-2627 and amendments thereto, and zoning of any city, township or county shall not apply thereto. No license shall be issued for a premises which is being or will be used as a clubhouse or clubroom unless the city, township or county zoning code allows a clubhouse or clubroom at that location.

Sec. 20. K.S.A. 41-2627 is hereby amended to read as follows: 41-2627. The provisions of K.S.A. 41-315 relating to retail licenses under the Kansas liquor control act are hereby made applicable to club licenses issued under the provisions of this act, except that premises may consist of a train, either standing or moving, in which case the route or routes of the train shall be described and the train shall be based in Kansas at a location described in the application of the licensee. The base location of a train club shall be the equivalent of premises location of other clubs for the purpose of payment of alcoholic liquor taxes, local licensure, state inspection and all other laws which can reasonably be made to apply thereto. Rules and regulations may be adopted, as provided in K.S.A. 41-2634 and amendments thereto, to provide for regulation, administration, record keeping and reporting applicable to train clubs.

Sec. 21. K.S.A. 79-3606 is hereby amended to read as follows: 79-3606. The following shall be exempt from the tax imposed by this act:

(a) All sales of motor-vehicle fuel or other articles upon which a sales or excise tax has been paid, not subject to refund, under the laws of this state except cigarettes as defined by K.S.A. 79-3301 and amendments thereto, cereal malt beverages and malt products as defined by K.S.A. 79-3817 and amendments thereto, including wort, liquid malt, malt syrup and malt extract, which is not subject to taxation under the provisions of K.S.A. 79-41a02 and amendments thereto, and motor vehicles as defined by K.S.A. 79-1017 and amendments thereto;

(b) all sales of tangible personal property or service, including the renting and leasing of tangible personal property, purchased directly by the state of Kansas, a political subdivision thereof, other than a school or educational institution, or purchased by a public or private nonprofit hospital or nonprofit blood bank and used exclusively for state, political subdivision, hospital or nonprofit blood bank purposes, except when: (1) Such state or hospital is engaged or proposes to engage in any business specifically taxable under the provisions of this act and such items of tangible personal property or service are used or proposed to be used in such business, or (2) such political subdivision is engaged or proposes to engage in the business of furnishing gas, water, electricity or heat to others and such items of personal property or service are used or proposed to be used in such business;

(c) all sales of tangible personal property or services, including the renting and leasing of tangible personal property, purchased directly by a public or private elementary or secondary school or public or private nonprofit educational institution and used primarily by such school or institution for nonsectarian programs and activities provided or sponsored by such school or institution or in the erection, repair or enlargement of buildings to be used for such purposes. The exemption herein provided shall not apply to erection, construction, repair, enlargement or equipment of buildings used primarily for human habitation;

(d) all sales of tangible personal property or services purchased by a contractor for the purpose of constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling facilities for any public or private nonprofit hospital, public or private elementary or secondary school or a public or private nonprofit educational institution, which would be exempt from taxation under the provisions of this act if purchased directly by such hospital, school or educational institution; and all sales of tangible personal property or

services purchased by a contractor for the purpose of constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling facilities for any political subdivision of the state the total cost of which is paid from funds of such political subdivision and which would be exempt from taxation under the provisions of this act if purchased directly by such political subdivision. Nothing in this subsection or in the provisions of K.S.A. 12-3418 and amendments thereto, shall be deemed to exempt the purchase of any construction machinery, equipment or tools used in the constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling facilities for any political subdivision of the state. As used in this subsection, K.S.A. 12-3418 and amendments thereto, and K.S.A. 79-3640 and amendments thereto, "funds of a political subdivision" shall mean general tax revenues, the proceeds of any bonds and gifts or grants-in-aid. Gifts shall not mean funds used for the purpose of constructing, equipping, reconstructing, repairing, enlarging, furnishing or remodeling facilities which are to be leased to the donor. When any political subdivision of the state, public or private nonprofit hospital, public or private elementary or secondary school or public or private nonprofit educational institution shall contract for the purpose of constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling facilities, it shall obtain from the state and furnish to the contractor an exemption certificate for the project involved, and the contractor may purchase materials for incorporation in such project. The contractor shall furnish the number of such certificate to all suppliers from whom such purchases are made, and such suppliers shall execute invoices covering the same bearing the number of such certificate. Upon completion of the project the contractor shall furnish to the political subdivision, hospital, school or educational institution concerned a sworn statement, on a form to be provided by the director of taxation, that all purchases so made were

entitled to exemption under this subsection. All invoices shall be held by the contractor for a period of five years and shall be subject to audit by the director of taxation. If any materials purchased under such a certificate be found not to have been incorporated in the building or other project or not to have been returned for credit or the sales or compensating tax otherwise imposed upon such materials which will not be so incorporated in the building or other project reported and paid by such contractor to the director of taxation not later than the 20th day of the month following the close of the month in which it shall be determined that such materials will not be used for the purpose for which such certificate was issued, the political subdivision, hospital, school or educational institution concerned shall be liable for tax on all materials purchased for the project, and upon payment thereof it may recover the same from the contractor together with reasonable attorney fees. Any contractor or any agent, employee or subcontractor thereof, who shall use or otherwise dispose of any materials purchased under such a certificate for any purpose other than that for which such a certificate shall be issued without the payment of the sales or compensating tax otherwise imposed upon such materials shall be guilty of a misdemeanor and, upon conviction therefor, shall be subject to the penalties provided for in K.S.A. 79-3615(4) and amendments thereto;

(e) all sales of tangible personal property or services purchased by a contractor for the erection, repair or enlargement of buildings or other projects for the government of the United States, its agencies or instrumentalities, which would be exempt from taxation if purchased directly by the government of the United States, its agencies or instrumentalities. When the government of the United States, its agencies or instrumentalities shall contract for the erection, repair, or enlargement of any building or other project, it shall obtain from the state and furnish to the contractor an exemption certificate for the project involved, and the contractor may

purchase materials for incorporation in such project. The contractor shall furnish the number of such certificates to all suppliers from whom such purchases are made, and such suppliers shall execute invoices covering the same bearing the number of such certificate. Upon completion of the project the contractor shall furnish to the government of the United States, its agencies or instrumentalities concerned a sworn statement, on a form to be provided by the director of taxation, that all purchases so made were entitled to exemption under this subsection. All invoices shall be held by the contractor for a period of five years and shall be subject to audit by the director of taxation. Any contractor or any agent, employee or subcontractor thereof, who shall use or otherwise dispose of any materials purchased under such a certificate for any purpose other than that for which such a certificate shall be issued without the payment of the sales or compensating tax otherwise imposed upon such materials shall be guilty of a misdemeanor and, upon conviction therefor, shall be subject to the penalties provided for in K.S.A. 79-3615(4) and amendments thereto;

(f) tangible personal property purchased by a railroad or public utility for consumption or movement directly and immediately in interstate commerce;

(g) sales of aircraft including remanufactured and modified aircraft, sales of aircraft repair, modification and replacement parts and sales of services employed in the remanufacture, modification and repair of aircraft sold to persons using such aircraft and aircraft repair, modification and replacement parts as certified or licensed carriers of persons or property in interstate or foreign commerce under authority of the laws of the United States or any foreign government or sold to any foreign government or agency or instrumentality of such foreign government and all sales of aircraft, aircraft parts, replacement parts and services employed in the remanufacture, modification and repair of aircraft for use outside of the United States;

(h) all rentals of nonsectarian textbooks by public or

private elementary or secondary schools;

(i) the lease or rental of all films, records, tapes, or any type of sound or picture transcriptions used by motion picture exhibitors;

(j) meals served without charge or food used in the preparation of such meals to employees of any restaurant, eating house, dining car, hotel, drugstore or other place where meals or drinks are regularly sold to the public if such employees' duties are related to the furnishing or sale of such meals or drinks;

(k) any motor vehicle, semitrailer or pole trailer, as such terms are defined by K.S.A. 8-126 and amendments thereto, or aircraft sold and delivered in this state to a bona fide resident of another state, which motor vehicle, semitrailer, pole trailer or aircraft is not to be registered or based in this state and which vehicle, semitrailer, pole trailer or aircraft will not remain in this state more than 10 days;

(l) all isolated or occasional sales of tangible personal property, services, substances or things, except isolated or occasional sale of motor vehicles specifically taxed under the provisions of K.S.A. 79-3603(o) and amendments thereto;

(m) all sales of tangible personal property which become an ingredient or component part of tangible personal property or services produced, manufactured or compounded for ultimate sale at retail within or without the state of Kansas; and any such producer, manufacturer or compounder may obtain from the director of taxation and furnish to the supplier an exemption certificate number for tangible personal property for use as an ingredient or component part of the property or services produced, manufactured or compounded;

(n) all sales of tangible personal property which is consumed in the production, manufacture, processing, mining, drilling, refining or compounding of tangible personal property, the providing of services or the irrigation of crops for ultimate sale at retail within or without the state of Kansas; and any purchaser of such property may obtain from the director of

taxation and furnish to the supplier an exemption certificate number for tangible personal property for consumption in such production, manufacture, processing, mining, drilling, refining, compounding, irrigation and in providing such services;

(o) all sales of animals, fowl and fish, the primary purpose of which is use in agriculture, the production of food for human consumption, the production of animal, dairy, poultry or fish products, fiber or fur, or the production of offspring for use for any such purpose or purposes;

(p) trade fixtures and equipment which is already installed and second-hand when sold by a person ceasing to do business where said fixtures or equipment is installed;

(q) all sales of prescription only drugs, as defined by K.S.A. 65-1626 and amendments thereto, dispensed pursuant to a prescription order, as defined by K.S.A. 65-1626 and amendments thereto, by a licensed practitioner;

(r) all sales of insulin dispensed by a person licensed by the state board of pharmacy to a person for treatment of diabetes at the direction of a person licensed to practice medicine by the board of healing arts;

(s) all sales of prosthetic and orthopedic appliances prescribed in writing by a person licensed to practice the healing arts, dentistry or optometry. For the purposes of this subsection, the term prosthetic and orthopedic appliances means any apparatus, instrument, device, or equipment used to replace or substitute for any missing part of the body; used to alleviate the malfunction of any part of the body; or used to assist any disabled person in leading a normal life by facilitating such person's mobility; but such term shall not include motor vehicles, accessories to be attached to motor vehicles or personal property which when installed becomes a fixture to real property;

(t) all sales of tangible personal property or services purchased directly by a groundwater management district organized or operating under the authority of K.S.A. 82a-1020 et seq., and

amendments thereto, which property or services are used in the operation or maintenance of the district;

(u) all sales of used farm machinery and equipment, repair and replacement parts therefor and services performed in the repair and maintenance of such machinery and equipment. For the purposes of this subsection the term "farm machinery and equipment" shall not include any passenger vehicle, truck, truck tractor, trailer, semitrailer or pole trailer, other than a farm trailer, as said terms are defined by K.S.A. 8-126 and amendments thereto. For the purposes of this subsection "sales of used farm machinery and equipment" shall mean and include sales other than the original retail sale of such machinery and equipment. Each purchaser of farm machinery or equipment exempted herein must certify in writing on the copy of the invoice or sales ticket to be retained by the seller that such purchaser is engaged in farming or ranching and that the farm machinery or equipment purchased will be used only in farming or ranching;

(v) all leases or rentals of tangible personal property used as a dwelling where said tangible personal property is leased or rented for a period of more than 28 consecutive days;

(w) all sales of food products to any contractor for use in preparing meals for delivery to homebound elderly persons over 60 years of age and to homebound disabled persons or to be served at a group-sitting at a location outside of the home to otherwise homebound elderly persons over 60 years of age and to otherwise homebound disabled persons, as all or part of any food service project funded in whole or in part by government or as part of a private nonprofit food service project available to all such elderly or disabled persons residing within an area of service designated by the private nonprofit organization;

(x) all sales of natural gas, electricity, heat and water delivered through mains, lines or pipes to residential premises for noncommercial use by the occupant of such premises and all sales of natural gas, electricity, heat and water delivered through mains, lines or pipes for agricultural use;

(y) all sales of propane gas, LP-gas, coal, wood and other fuel sources for the production of heat or lighting for noncommercial use of an occupant of residential premises;

(z) all sales of intrastate telephone and telegraph services for noncommercial use except noncommercial intrastate long distance telephone service;

(aa) all sales of materials and services used in the repairing, servicing, altering, maintaining, manufacturing, remanufacturing, or modification of railroad rolling stock for use in interstate or foreign commerce under authority of the laws of the United States;

(bb) sales of tangible personal property and services purchased directly by a port authority or by a contractor therefor as provided by the provisions of K.S.A. 12-3418 and amendments thereto; and

(cc) all sales of materials and services applied to equipment which is transported into the state from without the state for repair, service, alteration, maintenance, remanufacture or modification and which is subsequently transported outside the state for use in the transmission of liquids or natural gas by means of pipeline in interstate or foreign commerce under authority of the laws of the United States.

Sec. 22. K.S.A. 79-41a01 is hereby amended to read as follows: 79-41a01. As used in K.S.A. 79-41a01 to 79-41a04, inclusive:

(a) "Alcoholic liquor" shall have the meaning provided by K.S.A. 41-102 and amendments thereto and shall include cereal malt beverages, as defined by K.S.A. 41-2701, and amendments thereto.

(b) "Club" shall have the meaning provided by K.S.A. 41-2601 and amendments thereto.

(c) "Gross receipts derived from the sale of alcoholic liquor" means the amount charged the consumer for a drink containing alcoholic liquor, including any portion of that amount attributable to the cost of any ingredient mixed with or added to

the alcoholic liquor contained in such drink.

New Sec. 23. A cereal malt beverage wholesaler's or distributor's license issued pursuant to K.S.A. 41-2713 and amendments thereto shall allow:

(a) The wholesale purchase, importation and storage of wine but any wine purchased or imported which is manufactured in the United States shall be purchased: (1) From the primary American source of supply, as defined by K.S.A. 41-102 and amendments thereto; (2) from a distributor licensed pursuant to the Kansas liquor control act; or (3) at a sheriff's sale; if the wine has been confiscated;

(b) the sale of wine to: (1) Distributors licensed pursuant to the Kansas liquor control act; (2) retailers licensed pursuant to the Kansas liquor control act, except that such wholesaler or distributor shall sell a brand of wine only to such retailers whose licensed premises are located in the geographic territory within which such distributor is authorized to sell such brand, as designated in the notice or notices filed with the director pursuant to K.S.A. 41-2713 and amendments thereto; and (3) such persons located outside such territory or outside this state as permitted by law;

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

(d) the wholesale purchase, importation and storage of cereal malt beverage;

(e) the sale of cereal malt beverage to: (1) Distributors or wholesalers licensed pursuant to K.S.A. 41-2713 and amendments thereto; (2) retailers licensed pursuant to K.S.A. 41-2702 and amendments thereto; and (3) such other persons as permitted by law; and

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

New Sec. 24. (a) The provisions of K.S.A. 41-312, 41-501 through 41-506, 41-601, 41-602, 41-701 through 41-709, 41-714, 41-722, 41-723, 41-724, 41-901 through 41-905, 41-1001 through 41-1004, 41-1102, 41-1102, 41-1107 and 41-1112, and amendments thereto, shall apply with respect to wholesalers and distributors licensed pursuant to K.S.A. 41-2713 and amendments thereto to the same extent as those provisions apply with respect to distributors licensed pursuant to the Kansas liquor control act.

(b) AS used in this section and section 23, terms defined by K.S.A. 41-2701 and amendments thereto shall have the meaning provided therein.

Sec. 25. K.S.A. 41-102 is hereby amended to read as follows: 41-102. As used in this act, unless the context clearly requires otherwise:

(a) "Alcohol" means the product of distillation of any fermented liquid, whether rectified or diluted, whatever its origin, and includes synthetic ethyl alcohol but does not include denatured alcohol or wood alcohol.

(b) "Alcoholic liquor" means alcohol, spirits, wine, beer and every liquid or solid, patented or not, containing alcohol, spirits, wine or beer and capable of being consumed as a beverage by a human being, but shall not include any beer or cereal malt beverage containing not more than 3.2% alcohol by weight.

(c) "Beer," when its meaning is not enlarged, modified, or limited by other words, means a beverage, containing more than 3.2% alcohol by weight, obtained by alcoholic fermentation of an infusion or concoction of barley, or other grain, malt and hops in water and includes beer, ale, stout, lager beer, porter and similar beverages having such alcoholic content.

(d) "Board" means the state alcoholic beverage control board of review created by this act.

(e) "Director" means the director of alcoholic beverage

control of the department of revenue.

(f) (1) "Distributor" means the person importing or causing to be imported into the state, or purchasing or causing to be purchased within the state, alcoholic liquor for sale or resale to retailers licensed under this act.

(2) "Distributor" does not mean a wholesaler or distributor licensed pursuant to article 27 of chapter 41 of the Kansas Statutes Annotated.

(g) "Domestic table wine" means wine which contains not more than 14% alcohol by volume and which is manufactured without rectification or fortification from agricultural products grown in this state.

(h) "Farm winery" means a winery licensed by the director to manufacture, store and sell domestic table wine.

(i) "Manufacture" means to distill, rectify, ferment, brew, make, mix, concoct, process, blend, bottle or fill an original package with any alcoholic liquor, or with beer regardless of its alcoholic content, and includes blending.

(j) (1) "Manufacturer" means every brewer, fermenter, distiller, rectifier, wine maker, blender, processor, bottler or person who fills or refills an original package and others engaged in brewing, fermenting, distilling, rectifying or bottling alcoholic liquors or beer regardless of its alcoholic content.

(2) "Manufacturer" does not include a farm winery.

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

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

(m) "Original package" means any bottle, flask, jug, can, cask, barrel, keg, hogshead or other receptacle or container whatsoever, used, corked or capped, sealed and labeled by the manufacturer of alcoholic liquor, to contain and to convey any alcoholic liquor.

(n) "Person" means any natural person, corporation, partnership or association.

(o) "Primary American source of supply" means the manufacturer, the owner of alcoholic liquor at the time it becomes a marketable product or the manufacturer's or owner's exclusive agent who, if the alcoholic liquor cannot be secured directly from such manufacturer or owner by American wholesalers, is the source closest to such manufacturer or owner in the channel of commerce from which the product can be secured by American wholesalers.

(p) (1) "Retailer" means a person who sells at retail, or offers for sale at retail, alcoholic liquors.

(2) "Retailer" does not include a farm winery.

(q) "Sale" means any transfer, exchange or barter in any manner or by any means whatsoever for a consideration and includes all sales made by any person, whether principal, proprietor, agent, servant or employee.

(r) (1) "Sell at retail" and "sale at retail" refer to and mean sales for use or consumption and not for resale in any form and sales to clubs licensed pursuant to article 26 of chapter 41 of the Kansas Statutes Annotated.

(2) "Sell at retail" and "sale at retail" do not refer to or mean sales by a farm winery or by a club licensed pursuant to article 26 of chapter 41 of the Kansas Statutes Annotated.

(s) "To sell" includes to solicit or receive an order for, to keep or expose for sale and to keep with intent to sell.

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

(u) "Wine" means any alcoholic beverage obtained by the normal alcoholic fermentation of the juice of sound, ripe grapes, fruits, berries or other agricultural products, including such beverages containing added alcohol or spirits or containing sugar

added for the purpose of correcting natural deficiencies.

Sec. 26. K.S.A. 41-104 is hereby amended to read as follows: 41-104. No person shall manufacture, bottle, blend, sell, barter, transport, deliver, furnish or possess any alcoholic liquor for beverage purposes, except as specifically provided in this act or in article 27 of chapter 41 of the Kansas Statutes Annotated, except that nothing contained in this act shall prevent:

(1) The possession and transportation of alcoholic liquor for the personal use of the possessor, his or her family and guests except that the provisions of K.S.A. 41-1103 relating to transportation and the provisions of K.S.A. 41-407 shall be applicable to all persons;

(2) the making of wine, cider, or beer by a person from fruits, vegetables or grains, or the product thereof, by simple fermentation and without distillation, if it is made solely for the use of the maker and his or her family;

(3) any duly licensed practicing physician or dentist from possessing or using alcoholic liquor in the strict practice of his or her profession;

(4) any hospital or other institution caring for the sick and diseased persons, from possessing and using alcoholic liquor for the treatment of bona fide patients of such hospital or institution;

(5) any drugstore employing a licensed pharmacist from possessing and using alcoholic liquor in the compounding of prescriptions of duly licensed physicians;

(6) the possession and dispensation of wine by an authorized representative of any church for the purpose of conducting any bona fide rite or religious ceremony conducted by such church; or

(7) the purchase, possession or sale of alcoholic liquor by a club licensed pursuant to article 26 of chapter 41 of the Kansas Statutes Annotated.

Sec. 26. K.S.A. 41-305 is hereby amended to read as

follows: 41-305. The manufacturer's license shall allow: (1) The manufacture, storage and sale of alcoholic liquor, including beer regardless of its alcoholic content, to distributors and nonbeverage users licensed in this state and to such persons without the state as may be permitted by law:--Provided, That; and (2) the sale of wine to wholesaler's licensed pursuant to article 27 of chapter 41 of the Kansas Statutes Annotated. A license to manufacture beer shall also allow the sale of beer to retailers licensed in this state:--Provided--further,--That. Any cereal malt beverage or beer containing not to exceed ~~three-and two-tenths-percent-(3.2%)~~ of 3.2% alcohol by weight manufactured by any such manufacturer shall not be sold to any person in this state other than a wholesaler or distributor holding a valid and existing wholesaler's or distributor's license issued under the laws of this state relating to cereal malt beverages and malt products.

Sec. 28. K.S.A. 41-2713 is hereby amended to read as follows: 41-2713. (a) Except as authorized by the Kansas liquor control act, it shall be unlawful for any wholesaler or distributor to sell or deliver cereal malt beverages or wine within the state of Kansas to persons authorized to sell the same within this state unless such wholesaler or distributor has first secured from the director a license authorizing such sales.

(b) The application for licensure as a wholesaler or distributor shall be verified and upon forms prepared by the director and approved by the attorney general. The application shall contain:

(1) The name and residence of the applicant and, if a corporation, the location of its principal office;

(2) the name, brand or other designation of the cereal malt beverage or wine that the applicant desires to sell in wholesale quantities in the state and the geographic territory in Kansas within which the applicant intends to distribute the designated beverages, which territory shall be the territory agreed upon by the brewer, or manufacturer, and the wholesaler or distributor

and shall not be changed without the written consent of both the brewer, or manufacturer, and the wholesaler or distributor;

(3) a statement that, if the license is granted, the applicant will file with the director between the first and tenth of each month a verified statement showing the amount, designated in cases or gallons, of the beverages distributed the preceding month;

(4) a statement that the applicant will present a bond in the sum of ~~one-thousand-dollars-(\$1,000)~~ \$1,000, payable to the state of Kansas, conditioned that the applicant will comply with the laws and regulations of the state of Kansas and of the municipalities of the state of Kansas in which the applicant transacts business and that all fines and forfeitures which may be assessed against such applicant will be paid;

(5) answers to such other questions as may be contained in the application; and

(6) a statement that the application is accompanied by a license fee of ~~three-hundred-dollars-(\$300)~~ \$300 and that such sum will be paid annually to the state of Kansas so long as the license is renewed.

(c) A separate application and fee shall be required for each place of business operated by a wholesaler or distributor.

(d) No wholesaler's or distributor's license shall be issued to any individual applicant who has not been a resident of the state of Kansas for a period of five ~~(5)~~ years immediately preceding the filing of ~~his-er-her~~ the individual's application.

(e) An application for a wholesaler's or distributor's license may be rejected and refused in the discretion of the director if:

(1) The applicant has been adjudged guilty of the violation of any law of any state or of the United States pertaining to intoxicating liquors or cereal malt beverages, a felony or any crime involving moral turpitude.

(2) The applicant is a firm, partnership, association or corporation and any of the individual members, partners, officers

or stockholders thereof would be ineligible to receive a license.

(3) The applicant has had a license revoked for cause, under the provisions of this act.

(f) Any wholesaler's or distributor's license issued under the provisions of this act shall be subject to suspension or revocation by the director, after due notice and hearing, if the licensee:

(1) Has become ineligible to obtain a license under the provisions of this act;

(2) obtained the license by giving false information on the application therefor;

(3) has violated any provision of article 27 of chapter 41 or article 38 of chapter 79 of the Kansas Statutes Annotated, or any rules and regulations adopted pursuant thereto.

(g) Whenever a wholesaler's or distributor's license is issued pursuant to this section, the director shall promptly notify the director of taxation of the issuance thereof. Such notice shall include the name of the wholesaler or distributor and the address of the licensed place of business. Whenever any wholesaler's or distributor's license is revoked or suspended or whenever any wholesaler's or distributor's license shall expire, the director shall notify the director of taxation thereof.

Sec. 29. K.S.A. 1984 Supp. 41-2714 is hereby amended to read as follows: 41-2714. The license of a wholesaler or distributor shall be purely a personal privilege, good for not to exceed one (1) year after issuance unless sooner suspended or revoked, and shall not constitute property, nor shall it be subject to attachment, garnishment or execution, nor shall it be alienable or transferable, voluntarily or involuntarily, or subject to being encumbered or hypothecated. Such license shall not descend by the laws of testate or intestate devolution, but it shall cease and expire upon the death of the licensee: Provided, except that executors, administrators or representatives of the estate of any deceased licensee and the trustee of any insolvent or bankrupt licensee, when such estate

consists in part of cereal malt beverage or wine, may continue the business of the sale of cereal malt beverage or wine under order of the appropriate court, and may exercise the privilege of the deceased or insolvent or bankrupt licensee after the death of such decedent, or after such insolvency or bankruptcy, until the expiration of such license but not longer than one ~~(1)~~ year after the death, bankruptcy or insolvency of such licensee.

✓ Sec. 30~~1~~. K.S.A. 41-2716 is hereby amended to read as follows: 41-2716. It shall be unlawful for:

(a) Any wholesaler or distributor to sell, deliver or otherwise dispose of any cereal malt beverage or wine to any person other than a wholesaler, distributor or retailer who is licensed to sell such beverage or wine in accordance with the laws of this state.

(b) Any person to use fraud or deception to circumvent the provisions of this act.

(c) Any person to prevent the director or any officer or agent authorized by law from making a full inspection of any place of business for the purposes of this act.";

0392 Sec. 40 [12]. K.S.A. 21-3610a, 41-2610, 41-2615, 41-2701,
0393 41-2708 and K.S.A. 1984 Supp. 8-260, 8-1327, 41-2704 and 41-
0394 2721 are hereby repealed.

0395 Sec. 44 [13]. This act shall take effect and be in force from
0396 and after its publication in the statute book.

