

REPORTS OF STANDING COMMITTEES

MR. SPEAKER:

The Committee on **Commerce, Labor and Economic Development** recommends **HB 2200** be amended on page 1, in line 21, by striking all after "(a)"; by striking all in lines 22 through 24; in line 25, by striking all before the period and inserting "On and after July 1, 2018, and until June 30, 2021, any person qualified to hold a retailer's class B license under the Kansas liquor control act may purchase a valid retailer's class B license from one of the three existing liquor stores in closest proximity to the premises of the person purchasing such license. On and after July 1, 2021, a person qualified to hold a retailer's class B license under the Kansas liquor control act may purchase a valid retailer's class B license from an existing liquor store located in the same county as the premises of the person purchasing such license"; in line 34, after the period by inserting "The transaction between the transferor and transferee providing for the transfer of a license shall provide for the sale of the transferor's inventory of alcoholic liquor to the transferee. Such sale shall be at the wholesale price of the alcoholic liquor.";

On page 2, in line 7, by striking "\$500" and inserting "\$10,000";

On page 3, in line 1, after "regulations" by inserting "shall be adopted by the secretary on or before July 1, 2016, and";

On page 4, in line 18, by striking all after "services"; by striking all in line 19; in line 20, by striking all before the period;

On page 5, in line 3, by striking all after "merchandise"; by striking all in line 4; in line 5, by striking all before the period; in line 8, by striking all after "premises"; by striking all in line 9; in line 10, by striking all before the period;

On page 7, following line 6, by inserting:

"New Sec. 8. Notwithstanding the provisions of K.S.A. 41-1101, and amendments thereto, a distributor may establish minimum order requirements for deliveries to a retailer based on invoice dollar amount or product case quantity.";

On page 9, in line 38, by striking "licensed retailer" and inserting "liquor store";

On page 10, in line 2, after the period by inserting "If there is no liquor store within a county that makes or intends to make sales for resale as described in this paragraph or if the transfer of a license as provided in this act has eliminated a liquor store that made sales for resale as described in this paragraph and there is no other liquor store in the county that makes or intends to make such sales for resale, the director may authorize a grocery store that is a holder of a class B license to make sales for resale as described in this paragraph.";

Also on page 10, in line 4, before "Charge" by inserting "If the holder of the retailer's class B license is a liquor store,"; in line 19, after "premises" by inserting ", except that a liquor store may sell any other good or service on and after January 1, 2018"; following line 30, by inserting:

"(e) A grocery store holding a retailer's class B license shall provide for the display of wine and spirits in an area of the store which is segregated from other goods offered for sale by the grocery store, in accordance with rules and regulations adopted by the secretary.";

Also on page 10, in line 33, by striking "any person or entity who is"; in line 34, before "issued" by inserting "a liquor store";

On page 11, in line 2, by striking "retail" and inserting "liquor store";

On page 15, in line 11, after the semicolon by inserting "or"; by striking all in lines 12 through 25; in line 26, by striking "(G)" and inserting "(E)"; following line 29, by inserting:

"(2) On and after July 1, 2018:

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

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

(ii) a corporation, if any officer, manager or director thereof, or any natural person owning in the aggregate more than 5% of the common or preferred stock of such corporation, has been an officer, manager or director, or a natural person owning in the aggregate more than 5% of the common or preferred stock, of a corporation which:

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

(b) has been convicted of a violation of the Kansas liquor control act.";

Also on page 15, in line 30, by striking "(2)" inserting "(B)"; in line 34, by striking "(3)" and inserting "(C)"; following line 37, by inserting the following:

"(c) No retailer's class B license shall be issued to any person who does not in good faith actually carry on or intend to carry on a bona fide business for the retail sale of alcoholic beverages, and the secretary may revoke any class B license when the licensee fails for a period of 180 days to actively and in good faith engage in the retail business and shall revoke any class B license held by any person who fails to comply with this section. Upon a showing of good cause, the secretary may extend the inactive period an additional 180 days. Upon revocation, any such license shall become available for sale by public auction to persons eligible to hold a class B license in the county of origin. The license shall be sold at public auction by the secretary and the proceeds of the sale shall first be applied to the payment of any enforcement taxes due, and the remainder shall be deposited in the state general fund. The transfer fee shall be due in addition thereto as provided in section 2, and amendments thereto.";

By relettering subsections accordingly;

On page 20, in line 17, by striking "or"; in line 21, by striking "or"; in line 22, by striking "the

licensee who" and inserting "a person licensed as a class B retailer which employee is under the age of 21 years to sell, stock or handle alcoholic liquor; or

(5) to permit any employee of a person licensed as a class A retailer which employee";

Also on page 20, in line 25, by striking "who" and inserting "which employee"

And by renumbering sections accordingly;

And the bill be passed as amended.

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Chairperson