

SENATE BILL No. 458

By Committee on Federal and State Affairs

2-16

1 AN ACT concerning alcoholic beverages; dealing with beer and cereal
2 malt beverages; amending K.S.A. 41-103 and K.S.A. 2015 Supp. 41-
3 102, 41-304, 41-308, 41-310, 41-2701, 41-2702 and 79-4108 and
4 repealing the existing sections.
5

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

7 New Section 1. Any licensed manufacturer of a cereal malt beverage
8 product shall provide the secretary of revenue no less than 180 days notice
9 prior to ceasing the manufacture of any brand registered in Kansas. Upon
10 receiving such notice, the secretary shall calculate the projected tax
11 revenue reduction, based on the brand prior sales performance. Whenever
12 the secretary determines that the total number of such tax revenue from the
13 cereal malt beverage gallonage tax have declined by not less than 25%, the
14 secretary shall certify such fact to the governor, and the governor shall
15 declare that cereal malt beverage with 3.2% or less of alcohol content is no
16 longer available in this state in sufficient quantity to sustain economically
17 viable sales of such product by persons licensed to sell cereal malt
18 beverages in the original and unopened containers and not for
19 consumption on the licensed premises. Upon such declaration, any such
20 licensee may apply for and receive from the director, upon payment of the
21 fee for a retailer's license prescribed by K.S.A. 41-310(k), and
22 amendments thereto, a beer license which shall entitle the licensee to sell
23 beer at retail in the original and unopened containers and not for
24 consumption on the licensed premises. Any such licensee shall have all the
25 rights and privileges and be subject to all the restrictions applicable to a
26 retailer under the Kansas liquor control act, except that:

27 (a) Such licensee may sell or offer for sale only beer or cereal or malt
28 beverages;

29 (b) notwithstanding the provisions of K.S.A. 41-311(b), and
30 amendments thereto, a beer license may not be issued by the director to:

31 (1) An individual who is not a resident of this state;

32 (2) an individual who has not been a resident of this state for at least
33 four years immediately preceding the date of such individual's application
34 for a beer license;

35 (3) a person who has a beneficial interest in a manufacturer,
36 distributor, farm winery, microbrewery or microdistillery licensed under

1 the Kansas liquor control act, except that the spouse of an individual who
2 is an applicant for a beer license may own and hold a farm winery license,
3 microbrewery license, or both, if the spouse does not hold a retailer's
4 license issued under the Kansas liquor control act;

5 (4) a person who is not engaged in a convenience store or a grocery
6 store business; or

7 (5) a corporation, if any officer, director or manager of the licensed
8 premises, or any stockholder owning in the aggregate more than 25% of
9 the stock of the corporation would be ineligible to receive a beer license
10 for any reason specified in K.S.A. 41-311(a), and amendments thereto,
11 other than citizenship requirements;

12 (c) The provisions of K.S.A. 41-308, and amendments thereto, shall
13 not apply to the holder of a beer license.

14 (d) The holder of a beer license may:

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

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

19 (3) distribute to the public, without charge, consumer advertising
20 specialties bearing advertising matter, subject to rules and regulations of
21 the secretary limiting the form and distribution of such specialties, so that
22 they are not conditioned on or an inducement to the purchase of beer;

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

26 (5) sell any other goods or services on the licensed premises.

27 (e) Prior to obtaining a beer license, a corporation must comply with
28 the requirements imposed by K.S.A. 41-313, and amendments thereto, on
29 other corporate licensees under the Kansas liquor control act.

30 New Sec. 2. As used in this act:

31 (a) "Convenience store" means a retail business with primary
32 emphasis placed on providing the public a convenient location to quickly
33 purchase from a wide array of consumable products (predominantly food
34 or food and gasoline) and services, and includes stores classified under the
35 North American industry classification system (NAICS) as NAICS 44512,
36 445120 or 447110 on the effective date of this act; or

37 (b) "grocery store" means an establishment primarily engaged in
38 retailing a general line of groceries, including, but not limited to, packaged
39 food, fresh and frozen food, prepared foods and other consumable
40 products, and includes establishments primarily engaged in retailing a
41 general line of groceries in combination with general lines of new
42 merchandise, including, but not limited to, establishments classified under
43 the North American industry classification system (NAICS) as NAICS

1 445110, 446110 or 452910 on the effective date of this act.

2 New Sec. 3. Notwithstanding the provisions of K.S.A. 41-713, and
3 amendments thereto, a beer licensee:

4 (a) May authorize or allow a person at least 18 years of age to sell at
5 retail, beer at the point of sale; and

6 (b) may permit any employee of the licensee, who is under the age of
7 21 years, to work on the licensed premises when such employee is under
8 the on-premises supervision of either the licensee or any employee of the
9 licensee who is 21 years of age or older.

10 New Sec. 4. The secretary may adopt rules and regulations to
11 implement the provisions of this act. Such rules and regulations may be
12 adopted prior to the events described in section 1, and amendments
13 thereto, but shall not take effect until beer licenses may be issued pursuant
14 to section 1, and amendments thereto.

15 Sec. 5. K.S.A. 2015 Supp. 41-102 is hereby amended to read as
16 follows: 41-102. As used in this act, unless the context clearly requires
17 otherwise:

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

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

26 (c) *"Beer retailer" means a convenience store or a grocery store as*
27 *those terms are defined in section 2, and amendments thereto.*

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

32 ~~(d)~~ (e) "Caterer" has the meaning provided by K.S.A. 41-2601, and
33 amendments thereto.

34 ~~(e)~~ (f) "Cereal malt beverage" has the meaning provided by K.S.A.
35 41-2701, and amendments thereto.

36 ~~(f)~~ (g) "Club" has the meaning provided by K.S.A. 41-2601, and
37 amendments thereto.

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

40 ~~(h)~~ (i) "Distributor" means the person importing or causing to be
41 imported into the state, or purchasing or causing to be purchased within
42 the state, alcoholic liquor for sale or resale to retailers licensed under this
43 act or cereal malt beverage for sale or resale to retailers licensed under

1 K.S.A. 41-2702, and amendments thereto.

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

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

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

10 ~~(m)~~ (m) "Drinking establishment" has the meaning provided by K.S.A.
11 41-2601, and amendments thereto.

12 ~~(n)~~ (n) "Farm winery" means a winery licensed by the director to
13 manufacture, store and sell domestic table wine and domestic fortified
14 wine.

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

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

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

25 ~~(q)~~ (q) "Microbrewery" means a brewery licensed by the director to
26 manufacture, store and sell domestic beer.

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

30 ~~(s)~~ (s) "Minor" means any person under 21 years of age.

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

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

40 ~~(v)~~ (v) "Person" means any natural person, corporation, partnership,
41 trust or association.

42 ~~(w)~~ (w) "Powdered alcohol" means alcohol that is prepared in a
43 powdered or crystal form for either direct use or for reconstitution in a

1 nonalcoholic liquid.

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

9 ~~(x)~~ (y) (1) "Retailer" means a person who sells at retail, or offers for
10 sale at retail, alcoholic liquors.

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

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

16 ~~(z)~~ (aa) "Salesperson" means any natural person who:

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

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

26 ~~(aa)~~ (bb) "Secretary" means the secretary of revenue.

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

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

35 ~~(cc)~~ (dd) "To sell" includes to solicit or receive an order for, to keep
36 or expose for sale and to keep with intent to sell.

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

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

1 ~~(ff)~~ (gg) "Supplier" means a manufacturer of alcoholic liquor or
2 cereal malt beverage or an agent of such manufacturer, other than a
3 salesperson.

4 ~~(gg)~~ (hh) "Temporary permit" has the meaning provided by K.S.A.
5 41-2601, and amendments thereto.

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

11 Sec. 6. K.S.A. 41-103 is hereby amended to read as follows: 41-103.
12 The legislature hereby declares the public policy of this state to be that: (a)
13 Cereal malt beverage shall be sold at retail separately from sales of
14 alcoholic liquor, *other than beer*; at retail; (b) cereal malt beverage shall be
15 sold and dispensed at retail in rooms or premises separate and distinct
16 from rooms or premises where alcoholic liquor is sold, *other than beer*;
17 and (c) no retailer's license for the sale of alcoholic liquor shall be granted
18 to any applicant making application therefor if the premises sought to be
19 licensed are located outside the corporate limits of any city within this
20 state, except as provided in K.S.A. 41-303, and amendments thereto.

21 Sec. 7. K.S.A. 2015 Supp. 41-304 is hereby amended to read as
22 follows: 41-304. Licenses issued by the director shall be of the following
23 classes: (a) Manufacturer's license; (b) spirits distributor's license; (c) wine
24 distributor's license; (d) beer distributor's license; (e) *beer retailers*
25 *license*; ~~-(e)~~ (f) retailer's license; ~~-(f)~~ (g) microbrewery license; ~~-(g)~~ (h)
26 microdistillery license; ~~-(h)~~ (i) farm winery license; and ~~-(i)~~ (j) nonbeverage
27 user's license.

28 Sec. 8. K.S.A. 2015 Supp. 41-308 is hereby amended to read as
29 follows: 41-308. (a) Except as provided in K.S.A. 2015 Supp. 41-308d,
30 and amendments thereto, a retailer's license shall allow the licensee to sell
31 and offer for sale at retail and deliver in the original package, as therein
32 prescribed, alcoholic liquor *and cereal malt beverages* for use or
33 consumption off and away from the premises specified in such license. A
34 retailer's license shall permit sale and delivery of alcoholic liquor *and*
35 *cereal malt beverages* only on the licensed premises and shall not permit
36 sale of alcoholic liquor *and cereal malt beverages* for resale in any form,
37 except that a licensed retailer may:

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

40 (2) sell and deliver alcoholic liquor to a caterer or to the licensed
41 premises of a public venue, club or drinking establishment, if such
42 premises are in the county where the retailer's premises are located or in an
43 adjacent county, for resale by such public venue, club, establishment or

1 caterer.

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

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

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

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

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

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

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

26 Sec. 9. K.S.A. 2015 Supp. 41-310 is hereby amended to read as
27 follows: 41-310. (a) At the time application is made to the director for a
28 license of any class, the applicant shall pay the fee provided by this
29 section.

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

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

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

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

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

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

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

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

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

41 As used in this subsection, "daily capacity" means the average daily
42 barrel production for the previous 12 months of manufacturing operation.
43 If no basis for comparison exists, the licensee shall pay in advance for

1 operation during the first term of the license a fee of \$2,000.

2 (d) The fee for a manufacturer's license to manufacture wine shall be
3 \$1,000.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

34 (2) any township in which the licensed premises are located may levy
35 and collect a biennial occupation or license tax on the licensee in an
36 amount not exceeding the amount of the license fee required to be paid
37 under this act to obtain the license, but no township shall impose an
38 occupation or privilege tax on the licensee in excess of that amount; the
39 township board of the township is authorized to fix and impose the tax and
40 the tax shall be paid by the licensee to the township treasurer, who shall
41 issue a receipt therefor to the licensee and shall cause the tax paid to be
42 placed in the general fund of the township.

43 (k) The fee for a retailer's license shall be \$500.

1 (l) *The fee for a beer retailer's license shall be \$500.*

2 (m) In addition to the license fee prescribed by ~~subsection~~
3 *subsections (k) and (l):*

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

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

16 ~~(m)~~ (n) The license term for a license shall commence on the date the
17 license is issued by the director and shall end two years after that date. The
18 director may, at the director's sole discretion and after examination of the
19 circumstances, extend the license term of any license for not more than 30
20 days beyond the date such license would expire pursuant to this section.
21 Any extension of the license term by the director pursuant to this section
22 shall automatically extend the due date for payment by the licensee of any
23 occupation or license tax levied by a city or township pursuant to this
24 section by the same number of days the director has extended the license
25 term.

26 Sec. 10. K.S.A. 2015 Supp. 41-2701 is hereby amended to read as
27 follows: 41-2701. As used in this act unless the context otherwise requires:

28 (a) "Cereal malt beverage" means any fermented but undistilled
29 liquor brewed or made from malt or from a mixture of malt or malt
30 substitute or any flavored malt beverage, as defined in K.S.A. 2015 Supp.
31 41-2729, and amendments thereto, but does not include any such liquor
32 which is more than 3.2% alcohol by weight.

33 (b) "*Convenience store*" means a retail business with primary
34 emphasis placed on providing the public a convenient location to quickly
35 purchase from a wide array of consumable products (predominantly food
36 or food and gasoline) and services, and includes stores classified under
37 the North American industry classification system (NAICS) as NAICS
38 44512, 445120 or 447110 on the effective date of this act.

39 (c) "Director" means the director of alcoholic beverage control of the
40 department of revenue.

41 (d) "*Grocery store*" means an establishment primarily engaged in
42 retailing a general line of groceries, including, but not limited to,
43 packaged food, fresh and frozen food, prepared foods and other

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

6 ~~(e)~~ (e) "Manufacturer" means a manufacturer as defined by K.S.A.
7 41-102, and amendments thereto.

8 ~~(f)~~ (f) "Person" means any individual, firm, partnership, corporation
9 or association.

10 ~~(g)~~ (g) "Retailer" means:

11 (1) Any person who sells or offers for sale any cereal malt beverage
12 for use or consumption and not for resale in any form;

13 (2) any convenience store; and

14 (3) any grocery store.

15 ~~(h)~~ (h) "Place of business" means any place at which cereal malt
16 beverages are sold.

17 ~~(i)~~ (i) "Distributor" means a beer distributor licensed pursuant to the
18 Kansas liquor control act.

19 ~~(j)~~ (j) "Legal age for consumption of cereal malt beverage" means 21
20 years of age, except that "legal age for consumption of cereal malt
21 beverage" shall mean 18 years of age if at any time the provisions of P.L.
22 98-363 penalizing states for permitting persons under 21 years of age to
23 consume cereal malt beverage are repealed or otherwise invalidated or
24 nullified.

25 Sec. 11. K.S.A. 2015 Supp. 41-2702 is hereby amended to read as
26 follows: 41-2702. (a) No retailer shall sell any cereal malt beverage *or*
27 *beer* without having first secured a license for each place of business as
28 herein provided. In case such place of business is located within the
29 corporate limits of a city, the application for license shall be made to the
30 governing body of such city. In all other cases, the application for license
31 shall be made to the board of county commissioners in the county in which
32 such place of business is to be located, except that the application for
33 license to sell on railway cars shall be made to the director as hereinafter
34 provided.

35 (b) A board of county commissioners shall not issue or renew a
36 retailer's license without giving the clerk of the township where the place
37 of business is to be located written notice by registered mail of the filing of
38 the application for licensure or renewal. The township board may within
39 10 days file advisory recommendations as to the granting of such license
40 or renewal and such advisory recommendations shall be considered by the
41 board of county commissioners before such license is issued. If an original
42 license is granted and issued, the board of county commissioners shall
43 grant and issue renewals thereof upon application of the license holder, if

1 the license holder is qualified to receive the same and the license has not
2 been revoked as provided by law.

3 (c) An application for a retailer's license shall be verified and upon a
4 form prepared by the attorney general of the state and shall contain:

5 (1) The name and residence of the applicant;

6 (2) the length of time that the applicant has resided within the state of
7 Kansas;

8 (3) the particular place of business for which a license is desired;

9 (4) the name of the owner of the premises upon which the place of
10 business is located; and

11 (5) a statement that the applicant is a citizen of the United States and
12 not less than 21 years of age and that the applicant has not within two
13 years immediately preceding the date of making application been
14 convicted of a felony, any crime involving moral turpitude, drunkenness,
15 driving a motor vehicle while under the influence of intoxicating liquor or
16 violation of any other intoxicating liquor law of any state or of the United
17 States.

18 (d) In addition to the fee provided by subsection (e), each application
19 for a retailer's license to sell *beer or* cereal malt beverages for
20 consumption on the licensed premises shall be accompanied by a fee as
21 follows:

22 (1) For licensure of a place of business other than a railway car, a fee
23 of not less than \$25 nor more than \$200, as prescribed by the board of
24 county commissioners or the governing body of the city, as the case may
25 be; and

26 (2) for licensure to sell on railway cars, a fee of \$100.

27 (e) Each applicant for a retailer's license or renewal of such a license
28 shall submit to the director a copy of the completed application for such
29 license or license renewal, together with a fee of \$25. Upon receipt of such
30 application, the director shall authorize a state stamp to be affixed to the
31 license. No such stamp shall be affixed to any license except such stamps
32 as provided by the director and no retailer's license shall be issued or
33 renewed unless such stamp has first been affixed thereto.

34 (f) The director shall remit all fees collected by the director to the
35 state treasurer in accordance with the provisions of K.S.A. 75-4215, and
36 amendments thereto. Upon receipt of each such remittance, the state
37 treasurer shall deposit the entire amount in the state treasury to the credit
38 of the state general fund, except that the director may provide for the
39 deposit in the cereal malt beverage tax refund fund of such amounts as
40 necessary for the refund of any license fees collected hereunder.

41 (g) The board of county commissioners of the several counties or the
42 governing body of a city shall issue a license upon application duly made
43 as otherwise provided for herein, to any retailer engaged in business in

1 such county or city and qualified to receive such license, to sell only *beer*
2 *or* cereal malt beverages in original and unopened containers, and not for
3 consumption on the premises. The annual license fee for such license,
4 which shall be in addition to the fee provided by subsection (e), shall be
5 not less than \$25 nor more than \$50.

6 (h) No license issued under this act shall be transferable.

7 Sec. 12. K.S.A. 2015 Supp. 79-4108 is hereby amended to read as
8 follows: 79-4108. (a) All revenue collected or received by the director of
9 taxation from taxes imposed by K.S.A. 79-4101 to 79-4105, and
10 amendments thereto, shall be remitted to the state treasurer in accordance
11 with the provisions of K.S.A. 75-4215, and amendments thereto. Upon
12 receipt of each such remittance, the state treasurer shall deposit the entire
13 amount in the state treasury to the credit of the state general fund, *except*
14 *that 3% of the revenue remitted to the state treasurer during the prior*
15 *calendar year quarter and deposited in the state treasury shall be credited*
16 *to the local cereal malt beverage sales tax fund, which is hereby created in*
17 *the state treasury. Moneys credited to the local cereal malt beverage sales*
18 *tax fund shall be distributed quarterly as part of the January, April, July*
19 *and October sales tax distribution to each city and county which levied a*
20 *local retailers' sales tax. The amount to be distributed to each city and*
21 *county shall be determined by the department of revenue based on a*
22 *weighted population average. The weighted population average shall be*
23 *computed by multiplying the total tax rate in effect for the city or county*
24 *by the population of such city or county. The weighted population average*
25 *for each city and county shall then be divided by the total Kansas*
26 *population. The resulting quotient is the percentage of distribution for*
27 *such city or county. The population data shall be updated annually with*
28 *the issuance of the certified population data through the division of the*
29 *budget. The state treasurer shall transfer any moneys remaining in the*
30 *county and city alcoholic liquor control enforcement fund on the effective*
31 *date of this act to the state general fund.*

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

40 New Sec. 13. Sections 1 through 4, and amendments thereto, shall be
41 a part of and supplemental to the Kansas liquor control act.

42 Sec. 14. K.S.A. 41-103 and K.S.A. 2015 Supp. 41-102, 41-304, 41-
43 308, 41-310, 41-2701, 41-2702 and 79-4108 are hereby repealed.

1 Sec. 15. This act shall take effect and be in force from and after the
2 governor's declaration upon the determination by the secretary of revenue
3 that revenues from the cereal malt beverage tax have declined by 25% as
4 provided in section 1 of this act and its publication in the statute book.