

KANSAS OFFICE of  
**REVISOR of STATUTES**

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**MEMORANDUM**

To: House Committee on Commerce, Labor and Economic Development  
From: Charles Reimer, Assistant Revisor of Statutes  
Date: 2/13/2017  
Subject: HB 2282

**Section 1. New liquor retailers' license**

On July 1, 2018, current retailers' licenses to sell alcoholic liquor (liquor stores) deemed to be "liquor retailers' licenses." This license permits sale of any other goods or services limited to 20% of the retailer's total gross sales. Liquor retailers' license holder may not sell alcoholic liquor at less than cost and must purchase from a distributor who has committed not to sell at a discount. License holder must be a liquor store (see section 10) as defined in section 5.

**Section 2. (Pgs. 2-3) New wine and beer retailers' license**

On July 1, 2018, new "wine and beer retailers' licenses" may be issued. Permits sale of beer and wine and any other goods or services without limitation. License holder must be a grocery store or convenience store (see section 10) as defined in section 5.

**Section 3. (Pg. 3) Administrative provisions for the director**

Provisions to assist the director in administering the new wine and beer retailers' licenses, including the ability to limit the number of new wine and beer retailers' licenses issued per month in accordance with administrative resources.

**Section 4. (Takes effect July 1, 2018) (Pgs. 4-5) Revenue sharing with local government**

Revenue sharing with local government, effective July 1, 2018 to compensate for loss of local sales taxes from sales of cereal malt beverages. Three percent of liquor enforcement tax revenue from sales of wine, beer and spirits per KSA 79-4108 credited to a new local cereal malt beverage sales tax fund. Money is distributed quarterly. Amount determined based on a weighted population average computed by multiplying the total sales tax rate in effect for the city or county by the population of such city or county. This weighted population average of the city or county is then divided by the total population of Kansas. The result is the percentage of distribution of the quarterly distribution from the fund. The population data is updated annually.

**Section 5. (Pgs. 4-8) Amendments to Definitions section, K.S.A. 2016 Supp. 41-102**

“Convenience store” defined, pgs. 4-5. Includes NAICS codes 44512, 445120 or 447110 as on July 1, 2017.

“Grocery store” defined, pg. 5. Includes NAICS codes 445110 or 452910 as on July 1, 2017.

“Liquor store” defined, pgs. 5-6. Includes NAICS code 445310 as on July 1, 2017.

“Retailers’ license” defined, pgs. 6-7. On and after July 1, 2018, includes a wine and beer retailer’s license or a liquor retailer’s license or any other license to sell at retail alcoholic liquor in the original package.

**Section 6 (Pg. 8) Removes obsolete language referring to issuance of retailers’ licenses to sell alcoholic liquor**

**Section 7 (Pg. 8-9) Removes obsolete language referring to issuance of retailers’ licenses to sell alcoholic liquor**

**Section 8 (Pg. 9) (Effective July 1, 2018) Adds new license designations to list of licenses issued by the director**

**Section 9 (Pg. 11) (Effective July 1, 2018) Sets fee for a wine and beer retailer’s license at \$1500 and a liquor retailer’s license at \$1000.**

The current fee for a retailer’s license (applicable to liquor stores) is \$500.

**Section 10 (Pgs. 11-13) (Effective July 1, 2018) Amendments to restrictions on the issuance of licenses**

- Removes the prohibition on issuance to a person not a resident of Kansas.
- Removes prohibitions on issuance to copartnerships, corporations and trusts. Retailer's license may be issued to a corporation unless an officer, director or manager of the licensed premises, or any stockholder owning more than 15% of stock would be ineligible to receive a license for any of the reasons listed in the statute except citizenship.
- Prohibits issuance of a wine and beer retailer's license to a person not engaged in business as a convenience store or grocery store (unless person will engage in such business upon issuance).
- Prohibits issuance of a liquor retailer's license to a person not engaged in business as a liquor store (unless person will engage upon issuance).

**Section 11 (Pg. 16) If corporation, retailer's license applicant must file corporate formation document with secretary of state and appoint resident agent.**

Amendment is required because of the change permitting corporations to hold retailers' licenses.

**Section 12 (Pg. 17) Clean-up to provisions defining license as not constituting property and setting period of validity.**

**Section 13 (Pg. 18) Amendments to employee restrictions for license holders (Effective on July 1, 2017)**

- Employment age requirement for employees reduced from 21 to 18. Scope of duty restriction for persons under age limit narrowed to prohibition on selling alcoholic liquor at point of sale or stock or handle.
- Prohibition on employment of felons removed; but cannot sell alcoholic liquor at point of sale.
- Persons who sell or handle alcoholic liquor on the retailer's licensed premises not in violation of K.S.A. 41-727 (Prohibiting purchase or consumption of alcoholic beverages by minors).

Section 14 (Pg. 18) **Adds language necessary for local revenue sharing**

The bill also repeals the following statutes:

K.S.A. 41-103 (Repealed effective July 1, 2017)

Requires separate retail sale of 3.2 beer and alcoholic liquors.

K.S.A. 2017 Supp. 41-308 (Repealed effective July 1, 2018)

Governs current retailers' license (liquor stores). Replaced by new section 1.

K.S.A. 41-711 (Repealed effective July 1, 2017)

Prohibits sale of alcoholic liquor at premises with inside entrance connecting to another place of business.

West's Kansas Statutes Annotated  
Chapter 41. Intoxicating Liquors and Beverages  
Article 1. General Provisions

K.S.A. 41-103

41-103. Declaration of public policy; separate retail sale of 3.2 beer and alcoholic liquors; retail sales in cities only, exceptions

Currentness

The legislature hereby declares the public policy of this state to be that: (a) Cereal malt beverage shall be sold at retail separately from sales of alcoholic liquor at retail; (b) cereal malt beverage shall be sold and dispensed at retail in rooms or premises separate and distinct from rooms or premises where alcoholic liquor is sold; and (c) no retailer's license for the sale of alcoholic liquor shall be granted to any applicant making application therefor if the premises sought to be licensed are located outside the corporate limits of any city within this state, except as provided in K.S.A. 41-303, and amendments thereto.

**Credits**

Laws 1949, ch. 242, § 3; Laws 1987, ch. 182, § 3.

Notes of Decisions (14)

K. S. A. 41-103, KS ST 41-103

Statutes are current through laws enacted during the 2017 Regular Session of the Kansas Legislature effective on or before January 18, 2017.

West's Kansas Statutes Annotated  
Chapter 41. Intoxicating Liquors and Beverages  
Article 3. Licensing and Related Provisions; City Option

K.S.A. 41-308

41-308. Retailer's license; rights of licensee

Currentness

(a) Except as provided in K.S.A. 41-308d, and amendments thereto, a retailer's license shall allow the licensee to sell and offer for sale at retail and deliver in the original package, as therein prescribed, alcoholic liquor for use or consumption off and away from the premises specified in such license. A retailer's license shall permit sale and delivery of alcoholic liquor only on the licensed premises and shall not permit sale of alcoholic liquor for resale in any form, except that a licensed retailer may:

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

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

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

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

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

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

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

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

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

#### Credits

Laws 1949, ch. 242, § 24; Laws 1971, ch. 173, § 1; Laws 1978, ch. 186, § 2; Laws 1979, ch. 152, § 3; Laws 1987, ch. 182, § 18; Laws 1987, ch. 292, § 25; Laws 1987, ch. 183, § 1; Laws 1992, ch. 169, § 1; Laws 2012, ch. 144, § 10, eff. July 1, 2012.

#### Notes of Decisions (11)

K. S. A. 41-308, KS ST 41-308

Statutes are current through laws enacted during the 2017 Regular Session of the Kansas Legislature effective on or before January 18, 2017.

West's Kansas Statutes Annotated  
Chapter 41. Intoxicating Liquors and Beverages  
Article 7. Certain Prohibited Acts and Penalties

K.S.A. 41-711

41-711. Sale at retail forbidden on certain premises

Currentness

No alcoholic liquor shall be sold at retail upon any premises which have an inside entrance or opening which connects with any other place of business.

**Credits**

Laws 1949, ch. 242, § 74.

K. S. A. 41-711, KS ST 41-711

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