

**As Amended by House Committee**

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**As Amended by Senate Committee**

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*Session of 2018*

**SENATE BILL No. 433**

By Committee on Federal and State Affairs

3-1

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1 AN ACT concerning alcoholic beverages; authorizing self-service of beer  
2 from automated devices; amending K.S.A. 2017 Supp. ~~41-2614 and~~  
3 41-2640 and repealing the existing ~~section~~ ~~sections~~ **section**.

4  
5 *Be it enacted by the Legislature of the State of Kansas:*

6 Section 1. K.S.A. 2017 Supp. 41-2640 is hereby amended to read as  
7 follows: 41-2640. (a) No club, drinking establishment, caterer or holder of  
8 a temporary permit, nor any person acting as an employee or agent thereof,  
9 shall:

10 (1) Offer or serve any free cereal malt beverage or alcoholic liquor in  
11 any form to any person;

12 (2) offer or serve to any person an individual drink at a price that is  
13 less than the acquisition cost of the individual drink to the licensee or  
14 permit holder;

15 (3) sell, offer to sell or serve to any person an unlimited number of  
16 individual drinks during any set period of time for a fixed price, except at  
17 private functions not open to the general public or to the general  
18 membership of a club;

19 (4) encourage or permit, on the licensed premises, any game or  
20 contest which involves drinking alcoholic liquor or cereal malt beverage or  
21 the awarding of individual drinks as prizes;

22 (5) sell, offer to sell or serve free of charge any form of powdered  
23 alcohol, as defined in K.S.A. 41-102, and amendments thereto; or

24 (6) advertise or promote in any way, whether on or off the licensed  
25 premises, any of the practices prohibited under subsections (a)(1) through  
26 (5).

27 (b) No public venue, nor any person acting as an employee or agent  
28 thereof, shall:

29 (1) Offer or serve any free cereal malt beverage or alcoholic liquor in  
30 any form to any person;

31 (2) offer or serve to any person a drink or original container of  
32 alcoholic liquor or cereal malt beverage at a price that is less than the  
33 acquisition cost of the drink or original container of alcoholic liquor or  
34 cereal malt beverage to the licensee;

1 (3) sell or serve alcoholic liquor in glass containers to customers in  
2 the general admission area;

3 (4) sell or serve more than two drinks per customer at any one time in  
4 the general admission area;

5 (5) encourage or permit, on the licensed premises, any game or  
6 contest which involves drinking alcoholic liquor or cereal malt beverage or  
7 the awarding of drinks as prizes;

8 (6) sell, offer to sell or serve free of charge any form of powdered  
9 alcohol, as defined in K.S.A. 41-102, and amendments thereto; or

10 (7) advertise or promote in any way, whether on or off the licensed  
11 premises, any of the practices prohibited under subsections (b)(1) through  
12 (6).

13 (c) A public venue, club, drinking establishment, caterer or holder of  
14 a temporary permit may:

15 (1) Offer free food or entertainment at any time;

16 (2) sell or deliver wine by the bottle or carafe;

17 (3) sell, offer to sell and serve individual drinks at different prices  
18 throughout any day;

19 (4) sell or serve beer or cereal malt beverage in a pitcher capable of  
20 containing not more than 64 fluid ounces;

21 (5) offer samples of alcohol liquor free of charge as authorized by this  
22 act; or

23 (6) sell or serve margarita, sangria, daiquiri, mojito or other mixed  
24 alcoholic beverages as approved by the director in a pitcher containing not  
25 more than 64 fluid ounces.

26 (d) A hotel of which the entire premises is licensed as a drinking  
27 establishment may, in accordance with rules and regulations adopted by  
28 the secretary, distribute to its guests coupons redeemable on the hotel  
29 premises for drinks containing alcoholic liquor. The hotel shall remit  
30 liquor drink tax in accordance with the provisions of the liquor drink tax  
31 act, K.S.A. 79-41a01 et seq., and amendments thereto, on each drink  
32 served based on a price which is not less than the acquisition cost of the  
33 drink.

34 (e) (1) A public venue, club or drinking establishment may offer  
35 customer self-service of *beer and* wine from automated devices on  
36 licensed premises so long as the licensee monitors and has the ability to  
37 control the dispensing of such *beer and* wine from the automated devices.

38 (2) ~~The secretary may shall adopt rules and regulations prior to~~  
39 ~~January 1, 2019, as necessary to implement the provisions of this~~  
40 ~~subsection~~ **(A) For purposes of this subsection, "automated device"**  
41 **shall mean any mechanized device capable of dispensing wine or beer**  
42 **directly to a customer in exchange for compensation that a licensee has**  
43 **received directly from the customer.**

1       ***(B) No licensee shall allow an automated device to be used on its***  
2 ***licensed premises without first providing written or electronic***  
3 ***notification to the director of the licensee's intent to use the automated***  
4 ***device. The licensee shall provide this notification at least 48 hours***  
5 ***before any automated device is used on the licensed premises.***

6       ***(C) Each licensee offering customer self-service of wine or beer***  
7 ***from any automated device shall provide constant video monitoring of***  
8 ***the automated device at all times during which the licensee is open to the***  
9 ***public. The licensee shall keep recorded footage from the video***  
10 ***monitoring for at least 60 days and shall provide the footage, upon***  
11 ***request, to any agent of the director or other authorized law enforcement***  
12 ***agent.***

13       ***(D) The compensation required by subsection (a) shall be in the***  
14 ***form of a programmable, prepaid access card containing a fixed amount***  
15 ***of monetary credit that may be directly exchanged for beer or wine***  
16 ***dispensed from the automated device. Access cards may be sold, used or***  
17 ***reactivated only during a business day. Each access card shall be***  
18 ***purchased from the licensee by a customer. A licensee shall not issue***  
19 ***more than one active access card to a customer. For purposes of this***  
20 ***subsection, an access card shall be deemed active if the access card***  
21 ***contains monetary credit or has not yet been used to dispense 15 ounces***  
22 ***of wine or 32 ounces of beer. Each purchase of an access card under***  
23 ***this regulation shall be subject to the liquor drink tax imposed by K.S.A.***  
24 ***79-41a02, and amendments thereto.***

25       ***(E) In order to obtain a prepaid access card from a licensee, each***  
26 ***customer shall produce a valid driver's license, identification card or***  
27 ***other government-issued document that contains a photograph of the***  
28 ***individual and demonstrates that the individual is at least 21 years of***  
29 ***age. Each access card shall be programmed to require the production of***  
30 ***the customer's valid identification before the access card can be used for***  
31 ***the first time during any business day or for any subsequent reactivation***  
32 ***as provided in subparagraph (D).***

33       ***(F) Each access card shall become inactive at the end of each***  
34 ***business day.***

35       ***(G) Each access card shall be programmed to allow the dispensing***  
36 ***of no more than 15 ounces of wine or 32 ounces of beer to a customer.***  
37 ***Once an access card has been used to dispense 15 ounces of wine or 32***  
38 ***ounces of beer to a customer, the access card shall become inactive. Any***  
39 ***customer in possession of an inactive access card may, upon production***  
40 ***of the customer's valid identification to the licensee or licensee's***  
41 ***employee, have the access card reactivated to allow the dispensing of an***  
42 ***additional 15 ounces of wine or 32 ounces of beer from an automated***  
43 ***device.***

1        *Subparagraphs (D), (E), (F) or (G) shall not apply to wine or beer*  
2 *that is dispensed directly to the licensee or the licensee's agent or*  
3 *employee.*

4        *(3) The secretary shall adopt rules and regulations prior to January*  
5 *1, 2019, as necessary to implement the provisions of this subsection.*

6        *(4) Notwithstanding any other provision of law, all laws and rules*  
7 *and regulations applicable to the sale of alcoholic liquor to persons*  
8 *under the legal age of consumption shall be applicable to the sales*  
9 *transaction of the prepaid access card.*

10        (f) A hotel of which the entire premises is not licensed as a drinking  
11 establishment may, in accordance with rules and regulations adopted by  
12 the secretary, through an agreement with one or more clubs or drinking  
13 establishments, distribute to its guests coupons redeemable at such clubs or  
14 drinking establishments for drinks containing alcoholic liquor. Each club  
15 or drinking establishment redeeming coupons issued by a hotel shall  
16 collect from the hotel the agreed price, which shall be not less than the  
17 acquisition cost of the drink plus the liquor drink tax for each drink served.  
18 The club or drinking establishment shall collect and remit the liquor drink  
19 tax in accordance with the provisions of the liquor drink tax act, K.S.A.  
20 79-41a01 et seq., and amendments thereto.

21        (g) Violation of any provision of this section is a misdemeanor  
22 punishable as provided by K.S.A. 41-2633, and amendments thereto.

23        (h) Violation of any provision of this section shall be grounds for  
24 suspension or revocation of the licensee's license as provided by K.S.A.  
25 41-2609, and amendments thereto, and for imposition of a civil fine on the  
26 licensee or temporary permit holder as provided by K.S.A. 41-2633a, and  
27 amendments thereto.

28        ~~*(i) For purposes of this section, the term "day" means 6:00 a.m.*~~  
29 ~~*until 2:00 a.m. the following calendar day.*~~

30        ~~*Sec. 2. K.S.A. 2017 Supp. 41-2614 is hereby amended to read as*~~  
31 ~~*follows: 41-2614. (a) Except as provided by subsection (c), no public*~~  
32 ~~*venue, club or drinking establishment shall allow the serving, mixing or*~~  
33 ~~*consumption of alcoholic liquor on its premises between the hours of*~~  
34 ~~*2:00 a.m. and 9:00 6:00 a.m. on any day.*~~

35        ~~*(b) No caterer shall allow the serving, mixing or consumption of*~~  
36 ~~*alcoholic liquor between the hours of 2:00 a.m. and 6:00 a.m. on any*~~  
37 ~~*day at an event catered by such caterer.*~~

38        ~~*(c) A hotel of which the entire premises are licensed as a drinking*~~  
39 ~~*establishment or as a drinking establishment/caterer may allow at any*~~  
40 ~~*time the serving, mixing and consumption of alcoholic liquor and cereal*~~  
41 ~~*malt beverage from a minibar in a guest room by guests registered to*~~  
42 ~~*stay in such room, and guests of guests registered to stay in such room.*~~

43        ~~*Sec. 2. 3. 2. K.S.A. 2017 Supp. 41-2614 and 41-2640 is are*~~ is hereby

1 repealed.

2       Sec. ~~3.4~~ **3**. This act shall take effect and be in force from and after  
3 its publication in the ~~statute book~~ **Kansas register**.