

SENATE BILL No. 126

Committee on Commerce

2-2

1 AN ACT concerning alcoholic beverages; relating to the club and drinking
2 establishment act; authorizing the sale of alcoholic liquor by class A
3 clubs at special events; amending K.S.A. 2020 Supp. 41-2601 and 41-
4 2637 and repealing the existing sections.

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

7 Section 1. K.S.A. 2020 Supp. 41-2601 is hereby amended to read as
8 follows: 41-2601. As used in the club and drinking establishment act:

9 (a) The following terms ~~shall have the meanings~~ *mean the same as*
10 provided by K.S.A. 41-102, and amendments thereto:

- 11 (1) "Alcoholic liquor";
- 12 (2) "director";
- 13 (3) "original package";
- 14 (4) "person";
- 15 (5) "sale"; and
- 16 (6) "to sell."

17 (b) "Beneficial interest" ~~shall~~ *does* not include any interest a person
18 may have as owner, operator, lessee or franchise holder of a licensed hotel
19 or motel on the premises of which a club or drinking establishment is
20 located.

21 (c) "Caterer" means an individual, partnership or corporation ~~which~~
22 *that* sells alcoholic liquor by the individual drink, and provides services
23 related to the serving thereof, on unlicensed premises ~~which that~~ *that* may be
24 open to the public, but does not include a holder of a temporary permit,
25 selling alcoholic liquor in accordance with the terms of such permit.

26 (d) "Cereal malt beverage" ~~has the meaning~~ *means the same as*
27 provided by K.S.A. 41-2701, and amendments thereto.

28 (e) "Class A club" means a premises ~~which that~~ *that* is owned or leased by
29 a corporation, partnership, business trust or association and ~~which~~ *is*
30 operated thereby as a bona fide nonprofit social, fraternal or war veterans'
31 club, as determined by the director, for the exclusive use of the corporate
32 stockholders, partners, trust beneficiaries or associates ~~(,~~ *(,* hereinafter
33 referred to as members), and their families and guests accompanying
34 them, *as provided in K.S.A. 41-2637, and amendments thereto.*

35 (f) "Class B club" means a premises operated for profit by a
36 corporation, partnership or individual, to which members of such club may

1 resort for the consumption of food or alcoholic beverages and for
2 entertainment.

3 (g) "Club" means a class A or class B club.

4 (h) "Drinking establishment" means premises—~~which~~ *that* may be
5 open to the general public, where alcoholic liquor by the individual drink
6 is sold. *The term "drinking establishment" includes a railway car.*

7 (i) "Food" means any raw, cooked or processed edible substance or
8 ingredient, other than alcoholic liquor or cereal malt beverage, used or
9 intended for use or for sale, in whole or in part, for human consumption.

10 (j) "Food service establishment" ~~has the meaning~~ *means the same as*
11 provided by K.S.A. 36-501, and amendments thereto.

12 (k) "Hotel" ~~has the meaning~~ *means the same as* provided by K.S.A.
13 36-501, and amendments thereto.

14 (l) "Individual drink" means a beverage containing alcoholic liquor or
15 cereal malt beverage served to an individual for consumption by such
16 individual or another individual, but which is not intended to be consumed
17 by two or more individuals. The term "individual drink" includes
18 beverages containing not more than:

19 (1) Eight ounces of wine;

20 (2) thirty-two ounces of beer or cereal malt beverage; or

21 (3) four ounces of a single spirit or a combination of spirits.

22 (m) "Minibar" means a closed cabinet, whether nonrefrigerated or
23 wholly or partially refrigerated, access to the interior of which is restricted
24 by means of a locking device—~~which~~ *that* requires the use of a key,
25 magnetic card or similar device.

26 (n) "Minor" means a person under 21 years of age.

27 (o) "Morals charge" means a charge: Involving the sale of sexual
28 relations; procuring any person; soliciting of a child under 18 years of age
29 for any immoral act involving sex; possession or sale of narcotics,
30 marijuana, amphetamines or barbiturates; rape; incest; gambling; illegal
31 cohabitation; adultery; bigamy; or a crime against nature.

32 (p) "Municipal corporation" means the governing body of any county
33 or city.

34 (q) "Public venue" means an arena, stadium, hall or theater, used
35 primarily for athletic or sporting events, live concerts, live theatrical
36 productions or similar seasonal entertainment events, not operated on a
37 daily basis, and containing:

38 (1) Not less than 4,000 permanent seats; and

39 (2) not less than two private suites—~~which~~ *that* are enclosed or semi-
40 enclosed seating areas, having controlled access and separated from the
41 general admission areas by a permanent barrier.

42 (r) "Railway car" means a locomotive drawn conveyance used for the
43 transportation and accommodation of human passengers that is confined to

1 a fixed rail route and ~~which~~ *that* derives from sales of food for
2 consumption on the railway car not less than 30% of its gross receipts
3 from all sales of food and beverages in a 12-month period.

4 (s) "Restaurant" means:

5 (1) In the case of a club, a licensed food service establishment ~~which~~
6 *that*, as determined by the director, derives from sales of food for
7 consumption on the licensed club premises not less than 50% of its gross
8 receipts from all sales of food and beverages on such premises in a 12-
9 month period;

10 (2) in the case of a drinking establishment subject to a food sales
11 requirement under K.S.A. 41-2642, and amendments thereto, a licensed
12 food service establishment ~~which~~ *that*, as determined by the director,
13 derives from sales of food for consumption on the licensed drinking
14 establishment premises not less than 30% of its gross receipts from all
15 sales of food and beverages on such premises in a 12-month period; and

16 (3) in the case of a drinking establishment subject to no food sales
17 requirement under K.S.A. 41-2642, and amendments thereto, a licensed
18 food service establishment.

19 (t) "RV resort" means premises where a place to park recreational
20 vehicles, as defined in K.S.A. 75-1212, and amendments thereto, is offered
21 for pay, primarily to transient guests, for overnight or longer use while
22 such recreational vehicles are used as sleeping or living accommodations.

23 (u) "Sample" means a serving of alcoholic liquor that contains not
24 more than: (1) One-half ounce of distilled spirits; (2) one ounce of wine; or
25 (3) two ounces of beer or cereal malt beverage. A sample of a mixed
26 alcoholic beverage shall contain not more than ½ ounce of distilled spirits.

27 (v) "Secretary" means the secretary of revenue.

28 (w) "Temporary permit" means a temporary permit issued pursuant to
29 K.S.A. 2020 Supp. 41-1201, and amendments thereto.

30 Sec. 2. K.S.A. 2020 Supp. 41-2637 is hereby amended to read as
31 follows: 41-2637. (a) A license for a class A club shall allow the licensee
32 to:

33 (1) Offer for sale, sell and serve alcoholic liquor for consumption on
34 the licensed premises by members and their families, and guests
35 accompanying them; ~~and~~

36 (2) serve samples of alcoholic liquor free of charge for consumption
37 by members and their families and guests accompanying them; *and*

38 (3) *offer for sale, sell and serve alcoholic liquor for consumption on*
39 *the licensed premises by individuals other than those individuals specified*
40 *in paragraph (1) during an event held in accordance with subsection (d).*

41 (b) No charge of any sort may be made for a sample serving. Samples
42 may not be served to a minor. No samples may be removed from the
43 licensed premises. No consideration shall be requested or required for

1 entry onto the premises, participation in any event taking place on the
2 premises or to remain on the premises.

3 ~~(b)~~(c) (1) Subject to the provisions of subsection ~~(b)(2)~~ (c)(2), any
4 two or more class A or class B clubs may permit, by an agreement filed
5 with and approved by the director, the members of each such club to have
6 access to all other clubs ~~which~~ that are parties to such agreement. The
7 privileges extended to the visiting members of other clubs under such an
8 agreement shall be determined by the agreement and, if the agreement so
9 provides, any club ~~which~~ that is a party to such agreement may sell, offer
10 for sale and serve, to any person who is a member of another club ~~which~~
11 that is a party to such agreement, alcoholic liquor for consumption on the
12 licensed premises by such person and such person's family, and guests
13 accompanying them.

14 (2) A class B club may enter into a reciprocal agreement authorized
15 by subsection ~~(b)(1)~~ (c)(1) only if the class B club is a restaurant.

16 ~~(e)~~(d) (1) *A licensee may offer for sale, sell and serve alcoholic*
17 *liquor for consumption on the licensed premises by individuals other than*
18 *members of the licensee, their families or guests during an event. The*
19 *licensee shall provide electronic notification to the director at least 48*
20 *hours prior to any such event. The director shall make the electronic*
21 *notification available to local law enforcement. Such notice shall consist*
22 *of the date, time, location and the names of the contracting parties of the*
23 *event. The licensee shall retain all documents for a period of three years*
24 *for inspection by the director. The documents retained shall include*
25 *agreements, receipts and records of alcohol purchased.*

26 (2) *For purposes of this subsection, the term "event" means any*
27 *function, occasion, celebration or other event held on the licensed*
28 *premises for a specified duration of time and during which individuals*
29 *who are not members of the licensee, their families or guests are permitted*
30 *to enter and use the licensed premises pursuant to an agreement between*
31 *the licensee and the contracting party.*

32 (e) A licensee may store on its premises wine sold to a customer for
33 consumption at a later date on its premises in the unopened container. Such
34 wine must be kept separate from all other alcohol stock and in a secure
35 locked area separated by customer. Such wine shall not be removed from
36 the licensed premises in its unopened condition.

37 Sec. 3. K.S.A. 2020 Supp. 41-2601 and 41-2637 are hereby repealed.

38 Sec. 4. This act shall take effect and be in force from and after its
39 publication in the statute book.