
ABC NOTICE

2010 AMENDMENTS TO KANSAS LIQUOR LAWS
Effective July 1, 2010

The 2010 legislature passed SB 452 which amends statutes in both the liquor control act and the club and drinking establishment act. The bill was signed by the governor and becomes effective July 1, 2010.

In brief, all licenses will become two-year licenses effective July 1, 2010, **except** drinking establishment licenses, which will become two-year licenses on July 1, 2011. The license fees have been adjusted accordingly. Most of the changes are related to this major amendment. Some other amendments were unrelated or minor, technical amendments.

The full text of the bill may be viewed in pdf format at the Kansas legislature's website: <http://www.kslegislature.org/>

Following are the changes made by SB 452:

K.S.A. 41-102 was amended to change the definition of "domestic fortified wine" to remove "without rectification". Domestic fortified wine may now be manufactured by adding spirits or liquid to adjust the alcohol content.

K.S.A. 41-308a was amended to reflect the special order shipping license rather than the winery shipping permit which was revoked in 2009.

K.S.A. 41-308b was amended to allow a microbrewery to serve, on the licensed premises, free samples of domestic beer manufactured by the licensee

K.S.A. 41-310 was amended to change the term of a license issued under the liquor control act from one year to two years. The license fees were adjusted to reflect the two-year license term. Also, any city or county occupation or license tax will now be a biennial tax. Any extension of the license term by the Director will automatically extend the due date for the local occupation or license tax for the same amount of time.

K.S.A. 41-311 was amended as follows:

- The requirement that the applicant have a valid lease for at least $\frac{3}{4}$ of the license term was removed. An applicant who leases its premises may qualify for licensure with a valid lease at the time of application.
- The residency requirement for an applicant for a farm winery or microbrewery license was reduced from four years to one year.
- The spouse of an applicant for a retailer's license may hold a license as a farm winery, microbrewery, or both.
- The spouse of an applicant for a farm winery license or microbrewery license may hold a retailer's license.

K.S.A. 41-317 and K.S.A. 41-2606 were amended to allow an applicant the option of paying the two-year license fee in two installments. If the applicant elects to pay the fee in installments, half is due at the time of application, and the second half, plus a fee of 10% of the remaining balance, is due one year from the date the license was issued. The license may be canceled immediately if the second installment is not timely paid. An applicant may avoid the additional 10% fee by paying the entire license fee at the time of application

K.S.A. 41-326, K.S.A. 41-2607 and K.S.A. 41-2629 were amended to allow refunds for ½ of the license fee if the licensee pays the full amount of the fee at the time of application and subsequently fails to use any of the second year of the license term. Refunds are limited to ½ of the total license fee. The ABC will be implementing regulations to establish requirements for requesting a refund.

K.S.A. 41-2607 was also amended to change the term of a class A club license from one year to two years. Any extension of the license term by the Director will automatically extend the due date for any local occupation or license tax for the same amount of time.

K.S.A. 41-350 was amended to change the license term for a special order shipping license from one year to two years. The fee for a special order shipping license was adjusted to reflect the longer license term.

K.S.A. 41-2601 was amended to define “municipal corporation” as the governing body of any city or county.

K.S.A. 41-2605 was amended to include a municipal corporation as an entity who may hold a license.

K.S.A. 41-2622 was amended to adjust the license fee for a class A club, class B club and caterer license to reflect the two-year license term. Effective July 1, 2011, the fee for drinking establishment licenses will be adjusted to reflect the two-year term as well. Also, any city or county occupation or license tax will now be a biennial tax.

K.S.A. 41-2623 was amended to change the lease requirement from at least ¾ of the license term to being a valid lease at the time of application. Also, if the premises is owned by a city or county, or is a stadium, arena, convention center, theater, museum, amphitheater or other similar premises, an applicant for a drinking establishment license may submit an executed agreement to provide alcoholic beverage service in lieu of a deed or lease.

K.S.A. 41-2629 was amended to change the license term for a class B club license or caterer’s license from one year to two years effective July 1, 2010. Effective July 1, 2011, drinking establishment licenses will become two-year licenses. Any extension of the license term by the Director will automatically extend the due date for any local occupation or license tax for the same amount of time.

It was also amended to allow refunds for ½ of the license fee if the licensee pays the full amount of the fee at the time of application and subsequently fails to use any of the second year of the license term. Refunds are limited to ½ of the total license fee. The ABC will be implementing regulations to establish requirements for requesting a refund.

Original Signature on file

Thomas W. Groneman
Director