

14-13-1. Definitions. As used in this article of the division's regulations, unless the context clearly requires otherwise, each of the following terms shall have the ~~meanings~~ meaning specified in this regulation:

(a) "Adjacent premises" means an enclosed permanent structure that is contiguous to the licensed premises and may be located in front of, beside, behind, below, or above the licensed premises. Adjacent premises shall be under the direct or indirect control of the retailer. This term shall not include empty lots, parking lots, temporary structures, or enclosed structures not contiguous to the licensed premises.

(b) "Beneficial interest" means any ownership interest by a person or that person's spouse in a business, corporation, partnership, trust, association, or other form of business organization.

(c) "Bulk wine" means wine that is sold to a club by either ~~by~~ a retailer or a distributor in barrels, casks, or bulk containers that individually exceed 20 liters.

(d) "Cereal malt beverage" has the meaning specified in K.S.A. 41-2701, and amendments thereto.

(e) "Church" means a building that is owned or leased by a religious organization and is used exclusively as a place for religious worship and other activities ordinarily conducted by a religious organization.

(~~e~~) (f) "Crime opposed to decency and morality" means a crime involving any of the following:

(1) Prostitution;

(~~2~~) ~~procuring any person;~~

~~(3)~~ (2) solicitation of a child under 18 years of age for any immoral act involving sex;

~~(4)~~ (3) possession or sale of narcotics, marijuana, amphetamines, or barbiturates;

~~(5)~~ (4) rape;

~~(6)~~ (5) incest;

~~(7)~~ (6) gambling;

~~(8)~~ (7) adultery; ~~or~~ ;

~~(9)~~ (8) bigamy; ; or

(9) procuring any person to be involved in the commission of any of the criminal acts specified in paragraphs (f) (1)-(8).

~~(f)~~ (g) “Licensed premises” means those areas described in an application for a retailer’s license that are under the control of the applicant and are intended as the area in which alcoholic liquor is to be sold for consumption off the licensed premises or stored for later sale.

~~(g)~~ (h) “Manager” means a person with the status, duties, and authority to have control over the licensee’s business operation, finances, or disbursement of business funds including any of the following:

(1) The authority to make decisions concerning the day-to-day operations of the business;

(2) the authority to hire or fire employees;

(3) the authority to sign business checks;

(4) the authority to direct payment of business funds; or

(5) supervision of those employees responsible for any of these duties.

~~(h)~~ (i) “Mixer” means any liquid capable of being consumed by a human being that ~~may~~ can be combined with alcoholic liquor for consumption.

~~(i)~~ (j) “Tasting event” means any time during which a retailer or supplier is serving free samples of alcoholic liquor on the retailer’s licensed premises or at adjacent premises monitored and regulated by the director. (Authorized by K.S.A. 41-210 and K.S.A. 2017 Supp. 41-212; implementing K.S.A. ~~2011~~ 2017 Supp. 41-102, ~~as amended by L. 2012, ch. 144, sec. 4~~; effective May 1, 1988; amended Aug. 6, 1990; amended, T-14-11-9-92, Nov. 9, 1992; amended Dec. 21, 1992; amended, T-14-6-28-12, July 1, 2012; amended, T-14-10-25-12, Oct. 29, 2012; amended Feb. 22, 2013; amended P-_____.)

14-13-2. Application for retail liquor license; requirements, conditions, and restrictions on issuance of license. (a) A retailer's license shall be issued by the director to each applicant who is determined by the director to have ~~satisfied~~ met the requirements of the liquor control act.

(b) Each application for a retailer's license shall be submitted on forms prescribed by the director and include ~~all of~~ the following:

(1) A copy of any partnership agreement, operating agreement of a limited liability company, declaration of trust, or other documents ~~setting forth~~ specifying the aims and purposes of the trust, if applicable;

(2) a copy of a written lease or proof of ownership of the premises to be licensed;

(3) a certified statement from the applicant that the licensed premises are located in one of the following areas:

(A) An area where the zoning regulations of the city, township, or county allow the operation of a retail liquor store; or

(B) an area where no zoning regulations have been adopted;

(4) the proper license fee and registration ~~fees~~ fee;

(5) a bond, pursuant to K.S.A. 41-317 and amendments thereto;

(6) a diagram of the licensed premises, showing the area or areas in which alcoholic liquor will be stored and sold. Subject to the prior approval of the director, the licensed premises may include either of the following:

(A) Those areas outside the main sales area that are within 100 yards of the main sales area and located upon property that is subject to the applicant's legal control; or

(B) a detached storage area, located within 100 yards of the main sales area and used exclusively for storage of alcoholic liquor by the retailer; and

(7) all other information necessary to complete the application process.

(c) On and after April 1, 2020, in addition to the items specified in subsection (b), each application for a renewal of a retailer's license shall include a statement of gross receipts from the previous 12-month period showing that the sale of all goods and services other than cereal malt beverage and alcoholic liquor is not more than 20 percent of the retailer's total gross sales. For the purposes of this calculation, all fees derived from the sale of lottery tickets and cigarette and tobacco products shall be excluded.

(d) The initial application for any retailer's license, or any renewal application for a retailer's license, may be rejected by the director for any of the following reasons:

(1) The applicant does not provide all the information necessary for completion of the application process.

(2) The applicant does not include the proper license fee and registration fees fee.

(3) The applicant does not include the required bond.

(4) The applicant or its owners, officers, resident agent, or managers have violated a provision of the liquor control act or these regulations relating to the sales of alcoholic liquor that may have been grounds for license revocation.

(5) The applicant or its owners, officers, resident agent, or managers are currently delinquent in payment of any gallonage tax, liquor enforcement tax, liquor drink tax,

license fees, or liquor-related fines to the state of Kansas.

(6) The applicant or its owners, officers, resident agent, or managers previously held a license issued under the liquor control act or the club and drinking establishment act, and when that license expired or was surrendered, the licensee was delinquent in payment of any gallonage tax, liquor enforcement tax, liquor drink tax, license fees, or liquor-related fines to the state of Kansas.

(7) The applicant has had a liquor license revoked for cause in Kansas or another state.

(8) The applicant or its owners, officers, resident agent, or managers have been convicted of a crime opposed to decency and morality.

(9) For any renewal application received on or after April 1, 2020, the licensee has failed to demonstrate that the sale of all goods and services other than cereal malt beverage and alcoholic liquor is not more than 20 percent of the retailer's total gross sales pursuant to subsection (c).

~~(d)~~ (e) Each person who provides financing to or leases premises to a retailer upon terms that result in that person having a beneficial interest in the retailer's business shall be deemed to be a partner in the retailer's business. Each person who provides financing to a retailer shall be deemed to have a beneficial interest in the retailer's business if the terms for repayment are conditioned on the amount of the retailer's receipts or profits from the sale of alcoholic liquor. A lessor shall be deemed to have

a beneficial interest in a retailer's business if the lessor receives as rent, in whole or in part, a percentage of the retailer's receipts or profits from the sale of alcoholic liquor.

(Authorized by K.S.A. 41-210 and K.S.A. 2017 Supp. 41-212; implementing K.S.A. 2011 2017 Supp. 41-308, K.S.A. 2017 Supp. 41-310, ~~as amended by L. 2012, ch. 144, sec. 13~~, K.S.A. 2017 2011 Supp. 41-311, K.S.A. 41-315, ~~as amended by L. 2012, ch. 144, sec. 14~~, K.S.A. 2011 Supp. and K.S.A. 2017 Supp. 41-317, ~~as amended by L. 2012, ch. 144, sec. 17~~; effective May 1, 1988; amended Aug. 6, 1990; amended, T-14-11-9-92, Nov. 9, 1992; amended Dec. 21, 1992; amended Feb. 22, 2013; amended P-_____.)

14-13-10. Records of purchases and sales; retention of records; reports. (a) Each retailer purchasing alcoholic liquor from a licensed distributor shall obtain a numbered invoice, purchase order, or sales ticket that contains the following information:

- (1) The date of purchase;
- (2) the name, address, and license number of the retailer;
- (3) the name, address, and license number of the distributor;
- (4) the name of the individual making the purchase for the retailer;
- (5) the brand, size, and amount of each brand purchased;
- (6) the unit cost and total price for each brand and size; and
- (7) the subtotal of the cost of the alcoholic liquor purchased and the total cost of the

order including delivery charge, if any.

(b) Each retailer engaged in sales to licensed clubs, drinking establishments, caterers, public venues, or temporary permit holders shall provide a numbered invoice, purchase order, or sales ticket in connection with all purchases, which shall include the following information:

- (1) The date of purchase;
- (2) the name, address, and license number of the retailer;
- (3) the name, address, and license number of the club, drinking establishment, caterer, public venue, or temporary permit holder;

(4) the name of the individual making the purchase for the club, drinking establishment, caterer, public venue, or temporary permit holder and that individual's

position with the club, drinking establishment, caterer, public venue, or temporary permit holder;

(5) the brand, size, and amount of each brand purchased;

(6) the unit cost and total price for each brand and size; and

(7) the subtotal of the cost of the alcoholic liquor sold and the total cost of the order including enforcement tax and delivery charge, if any.

(c) Each retailer who holds a federal wholesale basic permit shall, between the first and the fifteenth day of each month, upon a form prescribed by the director, submit a certified report of all sales made to any licensed club, drinking establishment, caterer, public venue, or temporary permit holder during the preceding month. The report shall include the following information for each order placed by and sold to a club, drinking establishment, caterer, public venue, or temporary permit holder:

(1) The date of the order;

(2) the name, address, and license number of the club, drinking establishment, caterer, public venue, or temporary permit holder; and

(3) the total price paid for each order.

(d) On and after April 1, 2019, each retailer shall keep all sales receipts from the sale to any customer of all alcoholic liquor, cereal malt beverage, and any other goods or services, excluding the sales of lottery tickets and cigarette and tobacco products.

(e) The retailer shall keep a copy of each invoice, purchase order, or sales ticket required by this regulation for at least three years from the date the alcoholic liquor was sold.

~~(e)~~ (f) The records required by this regulation shall be available for inspection by the director, any agent or employee of the director, or the secretary upon request.

(1) Each record required by ~~the~~ this regulation shall be maintained on the retailer's licensed premises for at least 90 days after the sale. These records may be maintained in electronic format and shall be capable of being printed immediately upon request.

(2) After 90 days, all records required by this regulation may be stored and maintained off the licensed premises and shall be provided in electronic or paper format upon request. (Authorized by K.S.A. 41-210 and K.S.A. 2017 Supp. 41-212; implementing K.S.A. 2017 Supp. 41-308 ~~as amended by L. 2012, ch. 144, sec. 10,~~ K.S.A. 41-407, K.S.A. 41-703, and K.S.A. 41-708; effective May 1, 1988; amended Feb. 22, 2013; amended P-_____.)

14-13-13. Prohibited conduct of retailer. (a) A retailer shall not permit gambling or the possession of a any gambling or gaming device ~~of any kind or character~~ on ~~or in~~ the licensed premises. However, any retailer may sell, operate, possess, and offer to the public lottery tickets permitted by the Kansas lottery act if the retailer is authorized by the Kansas lottery commission to do so.

(b) A retailer shall not, as a condition for the sale or delivery of alcoholic liquor to a customer or to any other licensee who is licensed under the liquor control act or the club and drinking establishment act, require that the other licensee or customer purchase or contract to purchase alcoholic liquor of another form, quantity, or brand in addition to or partially in lieu of that specifically ordered or ~~desired~~ wanted by the licensee or customer.

(c) A retailer shall not sell or deliver alcoholic liquor of a particular form or brand to a customer or to any other licensee who is licensed under the liquor control act or the club and drinking establishment act under any arrangement, agreement, or understanding, direct or implied, such that the sale or delivery will be made only if the other licensee or customer also buys or accepts delivery of a quantity of alcoholic liquor of another form or brand.

(d) A retailer shall not refuse to permit the director or any agent or employee of the director to inspect the licensed premises and any alcoholic liquor in the retailer's possession or under the retailer's control upon the licensed premises or upon any other premises where the retailer has stored any alcoholic liquor.

(e) A retailer shall not make any false or misleading representations with respect to any alcoholic liquor product or any licensed premises or in connection with a sales transaction relating to brand, type, proof, or age of an alcoholic liquor or beer. A retailer shall not deceive or attempt to deceive a customer by removing or changing any label or sanitation cover from a container of alcoholic liquor.

(f) A retailer shall not sell or remove any alcoholic liquor from the licensed premises on any day other than a legal day for the sale of alcoholic liquor at retail, after the legal closing hour or before the legal opening hour.

(g) A retailer shall not, directly or indirectly, offer or furnish any gifts, prizes, premiums, rebates, or similar inducements with the sale of any alcoholic liquor, nor shall any retailer directly or indirectly offer, furnish, or sell any alcoholic liquor at less than its cost plus enforcement tax, except according to the following:

(1) Any retailer may include in the sale of alcoholic liquor any goods included by the manufacturer in packaging with the alcoholic liquor. Goods included by the manufacturer shall be packaged with one or more original packages of alcoholic liquor in such a manner as to be delivered to the consumer as a single unit. A retailer shall not sell or give away goods included by a manufacturer that are not packaged as a single unit with the original package of alcoholic liquor as shipped by the manufacturer.

(2) Any retailer may distribute consumer advertising specialty items, subject to the limitations imposed by this regulation. For the purposes of this regulation,

consumer advertising specialty items shall be limited to the following: ashtrays, bottle or can openers, corkscrews, matches, printed recipes, informational pamphlets, cards and leaflets, blotters, ~~post cards~~ postcards, posters, printed sports schedules, pens, pencils, and other items of minimal value as approved by the director. Each consumer advertising specialty item shall contain advertising material relating to a brand name of alcoholic liquor or to the operation of the retail liquor store distributing the consumer advertising specialty item. No charge may be made for any consumer advertising specialty item or any purchase required in order to receive any consumer advertising specialty item.

(h) A retailer shall not open or permit to be opened, on the licensed premises, any container or original package containing alcoholic liquor or cereal malt beverage, except as provided in K.A.R. 14-13-16 and K.A.R. 14-13-17.

(i) A retailer shall not permit the drinking of alcoholic liquors or cereal malt beverage ~~in, on, or~~ about the licensed premises, except that any consumer who is at least 21 years of age may sample alcoholic liquor available for sale by the retailer, on the licensed premises and at adjacent premises monitored and regulated by the director, in accordance with ~~the provisions of~~ K.A.R. 14-13-16 and K.A.R. 14-13-17.

(j) A retailer shall not allow an intoxicated person to frequent, loiter, or be employed upon the licensed premises. A retailer's manager or employee shall not ~~become~~ be intoxicated while on duty for the licensee.

(k) A retailer shall not permit any other person to use the licensed premises for the purpose of carrying on any business activity other than the sale of alcoholic liquor.

(l) A retailer shall not accept or receive from any agent or employee of any licensed distributor any cash rebate or thing of value, or enter into or be a party to any agreement or transaction with any licensed distributor, directly or indirectly, that would result in, or have as its purpose, the purchase of any alcoholic liquor by the retailer at a price less than the listed price that has been filed by the distributor in the office of the director.

(m) A retailer shall not sell, give, or deliver any intoxicating liquor to any person under the age of 21 years. A retailer shall not sell, give, or deliver any intoxicating liquor to any person if the retailer knows or has reason to know that the intoxicating liquor is being obtained for a person under 21 years of age.

(n) A retailer shall not purchase or sell any alcoholic liquor on credit. A retailer shall not enter into any transaction or scheme the purpose of which is to buy or sell alcoholic liquor on credit. The following transactions shall be considered to be buying or selling alcoholic liquor on credit:

- (1) Taking or giving a postdated check;
- (2) giving an insufficient funds check;
- (3) taking a check with knowledge that there are insufficient funds to pay the check upon presentment;
- (4) accepting delivery from a distributor without making payment for the alcoholic

liquor when delivered or before delivery;

(5) making delivery to a club, drinking establishment, or caterer without receiving payment before or at the time of delivery; and

(6) allowing any alcoholic liquor to be removed from the licensed premises without receiving payment for the alcoholic liquor.

(o) A retailer shall not fail to make the reports or keep the records required by these regulations. ~~A retailer shall not do anything that is otherwise prohibited by any other provision of these regulations.~~

(p) A retailer who is authorized by the Kansas lottery commission to sell lottery tickets shall not commingle the proceeds from the sale of the lottery tickets with the proceeds from the sale of alcoholic liquor.

(q) A retailer shall not refill a package of alcoholic liquor and shall not sell alcoholic liquor in anything other than the original package. (Authorized by K.S.A. 41-210; implementing K.S.A. 41-211, K.S.A. 2017 Supp. 41-308, ~~as amended by L. 2012, ch. 144, sec. 10~~; K.S.A. 41-702, K.S.A. 41-703, K.S.A. 2017 Supp. 41-717, ~~as amended by L. 2012, ch. 144, sec. 26~~; K.S.A. 2017 Supp. 41-718, ~~as amended by L. 2012, ch. 144, sec. 27~~; effective May 1, 1988; amended, T-14-11-9-92, Nov. 9, 1992; amended Dec. 21, 1992; amended, T-14-6-28-12, July 1, 2012; amended, T-14-10-25-12, Oct. 29, 2012; amended Feb. 22, 2013; amended P-_____.)