

As Amended by House Committee

Session of 2017

HOUSE BILL No. 2362

By Committee on Appropriations

2-13

AN ACT concerning the department of revenue; relating to the division of alcoholic beverage control; fees; establishing the alcoholic beverage control modernization fee and the alcoholic beverage control modernization fund; **sunset of the fee**; amending K.S.A. 2016 Supp. 41-317 and 41-2606 and repealing the existing sections.

Be it enacted by the Legislature of the State of Kansas:

New Section 1. (a) In addition to any initial application or renewal application fee prescribed pursuant to K.S.A. 41-317 and 41-2606, and amendments thereto, each applicant for an initial application or a renewal application of a license shall pay at the time of application or renewal a non-refundable alcoholic beverage control modernization fee in the amount of \$20. All revenue from the alcoholic beverage control modernization fee collected and remitted to the director of alcoholic beverage control shall be remitted to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount into the state treasury to the credit of the alcoholic beverage control modernization fund. **The alcohol beverage control modernization fee shall expire on June 30, 2022.**

(b) There is hereby created in the state treasury the alcoholic beverage control modernization fund. All moneys credited to the alcoholic beverage control modernization fund shall be used by the department of revenue only for the purpose of funding the replacement of the work processes, computer hardware and software and related equipment associated with the division of alcoholic beverage control's functions related to licensing, permitting and case management and supporting administrative processes, including maintenance, operation, repair and upgrade of such computer hardware, software and related equipment. All expenditures from the alcoholic beverage control modernization fund shall be made in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the director of alcoholic beverage control or the director's designee.

Sec. 2. K.S.A. 2016 Supp. 41-317 is hereby amended to read as follows: 41-317. (a) Applications for all licenses under this act shall be completed and submitted to the director in a manner prescribed by the

1 director. **Except as provided further,** each applicant shall submit an
2 application fee of ~~\$50~~ \$30 for each initial application and \$10 for each
3 renewal application to defray the cost of processing the application. **On**
4 **and after July 1, 2022, the application fee for each initial application**
5 **shall be \$50.**

6 (b) Each applicant shall submit to the division of alcoholic beverage
7 control the full amount of the application fee and:

8 (1) The full amount of the license fee required to be paid for the kind
9 of license specified in the application; or

10 (2) one-half of the full amount of the license fee required to be paid
11 for the kind of license specified in the application.

12 (c) If the applicant elects to pay only one-half of the license fee
13 pursuant to subsection (b)(2), the remaining one-half of the license fee
14 plus 10% of such remaining balance shall be due and payable one year
15 from the date of issuance of the license. Notwithstanding any other
16 provision of law, failure to pay the full amount due under this ~~paragraph~~
17 *subsection* on the date it is due shall result in the automatic cancellation of
18 such license for the remainder of the license term. The director may, at the
19 director's sole discretion and after examination of the circumstances,
20 extend the date payment is due pursuant to this ~~paragraph~~ *subsection* for
21 not more than 30 days beyond the date such payment is originally due.

22 (d) Any license fee paid by an applicant shall be returned to the
23 applicant if the application is denied.

24 (e) Payment of all fees required to be paid pursuant to this section
25 may be made by personal, certified or cashier's check, United States post
26 office money order, debit or credit card or cash, or by electronic payment
27 authorized by the applicant in a manner prescribed by the director.

28 (f) All fees received by the director pursuant to this section shall be
29 remitted by the director to the state treasurer in accordance with the
30 provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of
31 each such remittance, the state treasurer shall deposit the entire amount in
32 the state treasury to the credit of the state general fund.

33 (g) Every applicant for a manufacturer's, distributor's, nonbeverage
34 user's, microbrewery, microdistillery, farm winery, retailer's or special
35 order shipping license shall file with the application a joint and several
36 bond on a form prescribed by the director and executed by good and
37 sufficient corporate sureties licensed to do business within the state of
38 Kansas to the director, in the following amounts:

39 (1) For a manufacturer, \$25,000;

40 (2) for a spirits distributor, \$15,000 or an amount equal to the highest
41 monthly liability of the distributor for taxes imposed by the Kansas liquor
42 control act for any of the 12 months immediately prior to renewal of the
43 distributor's license, whichever amount is greater;

(3) for a beer or wine distributor, \$5,000 or an amount equal to the highest monthly liability of the distributor for taxes imposed by the Kansas liquor control act for any of the 12 months immediately prior to renewal of the distributor's license, whichever amount is greater;

(4) for a retailer, \$2,000;

(5) for nonbeverage users, \$200 for class 1, \$500 for class 2, \$1,000 for class 3, \$5,000 for class 4 and \$10,000 for class 5;

(6) for a microbrewery, microdistillery or a farm winery, \$2,000; and

(7) for a winery holding a special order shipping license, \$750, unless the winery has already complied with subsection (g)(6).

If a distributor holds or applies for more than one distributor's license, only one bond for all such licenses shall be required, which bond shall be in an amount equal to the highest applicable bond.

(h) All bonds required by this section shall be conditioned on the licensee's compliance with the provisions of this act and payment of all taxes, fees, fines and forfeitures—~~which~~ *that* may be assessed against the licensee.

Sec. 3. K.S.A. 2016 Supp. 41-2606 is hereby amended to read as follows: 41-2606. (a) Applications for all licenses under this act shall be completed and submitted to the director in a manner prescribed by the director. **Except as provided further,** each applicant shall submit an application fee of ~~\$50~~, \$30 for each initial application; and \$10; for each renewal application; to defray the cost of processing such application. **On and after July 1, 2022, the application fee for each initial application shall be \$50.**

(b) Each application for licensure as a club shall be accompanied by a copy of the current bylaws and rules of the club and a current list of the officers of the club.

(c) Each applicant shall submit to the division of alcoholic beverage control the full amount of the application fee and:

(1) The full amount of the license fee required to be paid for the kind of license specified in the application; or

(2) one-half of the full amount of the license fee required to be paid for the kind of license specified in the application.

(d) If the applicant elects to pay only one-half of the license fee pursuant to subsection (c)(2), the remaining one-half of the license fee plus 10% of such remaining balance shall be due and payable one year from the date of issuance of the license. Notwithstanding any other provision of law, failure to pay the full amount due under this ~~paragraph~~ *subsection* on the date it is due shall result in the automatic cancellation of such license for the remainder of the license term. The director may, at the director's sole discretion and after examination of the circumstances, extend the date payment is due pursuant to this ~~paragraph~~ *subsection* for not more than 30

1 days beyond the date such payment is originally due.

2 (e) Any license fee paid by an applicant shall be returned to the
3 applicant if the application is denied.

4 (f) Payment of all fees required to be paid pursuant to this section
5 may be made by personal, certified or cashier's check, United States post
6 office money order, debit or credit card or cash, or by electronic payment
7 authorized by the applicant in a manner prescribed by the director.

8 (g) All fees collected by the director pursuant to this section shall be
9 remitted to the state treasurer in accordance with the provisions of K.S.A.
10 75-4215, and amendments thereto. Upon receipt of each such remittance,
11 the state treasurer shall deposit the entire amount in the state treasury to
12 the credit of the state general fund.

13 Sec. 4. K.S.A. 2016 Supp. 41-317 and 41-2606 are hereby repealed.

14 Sec. 5. This act shall take effect and be in force from and after its
15 publication in the statute book.