

**HOUSE BILL No. 2366**

By Committee on Federal and State Affairs

2-14

1 AN ACT concerning alcoholic beverages; relating to the beer and cereal  
2 malt beverage keg registration act; including hard cider in the  
3 provisions thereof; amending K.S.A. 2016 Supp. 41-311, 41-2703, 41-  
4 2708, 41-2901, 41-2902, 41-2903, 41-2904, 41-2905 and 41-2906 and  
5 repealing the existing sections.  
6

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

8 Section 1. K.S.A. 2016 Supp. 41-311 is hereby amended to read as  
9 follows: 41-311. (a) No license of any kind shall be issued pursuant to the  
10 liquor control act to a person:

- 11 (1) Who is not a citizen of the United States;
- 12 (2) who has been convicted of a felony under the laws of this state,  
13 any other state or the United States;
- 14 (3) who has had a license revoked for cause under the provisions of  
15 the liquor control act, ~~the beer and cereal malt beverage~~ keg registration  
16 act or who has had any license issued under the cereal malt beverage laws  
17 of any state revoked for cause except that a license may be issued to a  
18 person whose license was revoked for the conviction of a misdemeanor at  
19 any time after the lapse of 10 years following the date of the revocation;
- 20 (4) who has been convicted of being the keeper or is keeping any  
21 property, whether real or personal, where sexual relations are being sold or  
22 offered for sale by a person who is 18 years of age or older or has forfeited  
23 bond to appear in court to answer charges of being a keeper of any  
24 property, whether real or personal, where sexual relations are being sold or  
25 offered for sale by a person who is 18 years of age or older;
- 26 (5) who has been convicted of being a proprietor of a gambling  
27 house, pandering or any other crime opposed to decency and morality or  
28 has forfeited bond to appear in court to answer charges for any of those  
29 crimes;
- 30 (6) who is not at least 21 years of age;
- 31 (7) who, other than as a member of the governing body of a city or  
32 county, appoints or supervises any law enforcement officer, who is a law  
33 enforcement official or who is an employee of the director;
- 34 (8) who intends to carry on the business authorized by the license as  
35 agent of another;
- 36 (9) who at the time of application for renewal of any license issued

1 under this act would not be eligible for the license upon a first application,  
2 except as provided by subsection (a)(12);

3 (10) who is the holder of a valid and existing license issued under  
4 article 27 of chapter 41 of the Kansas Statutes Annotated, and amendments  
5 thereto, unless the person agrees to and does surrender the license to the  
6 officer issuing the same upon the issuance to the person of a license under  
7 this act, except that a retailer licensed pursuant to K.S.A. 41-2702, and  
8 amendments thereto, shall be eligible to receive a retailer's license under  
9 the Kansas liquor control act;

10 (11) who does not own the premises for which a license is sought, or  
11 does not, at the time of application, have a written lease thereon;

12 (12) whose spouse would be ineligible to receive a license under this  
13 act for any reason other than citizenship, residence requirements or age,  
14 except that this subsection (a)(12) shall not apply in determining eligibility  
15 for a renewal license;

16 (13) whose spouse has been convicted of a felony or other crime  
17 which would disqualify a person from licensure under this section and  
18 such felony or other crime was committed during the time that the spouse  
19 held a license under this act;

20 (14) who does not provide any data or information required by  
21 K.S.A. 2016 Supp. 41-311b, and amendments thereto; or

22 (15) who, after a hearing before the director, has been found to have  
23 held an undisclosed beneficial interest in any license issued pursuant to the  
24 liquor control act which was obtained by means of fraud or any false  
25 statement made on the application for such license.

26 (b) No retailer's license shall be issued to:

27 (1) A person who is not a resident of this state;

28 (2) a person who has not been a resident of this state for at least four  
29 years immediately preceding the date of application;

30 (3) a person who has a beneficial interest in a manufacturer,  
31 distributor, farm winery or microbrewery licensed under this act, except  
32 that the spouse of an applicant for a retailer's license may own and hold a  
33 farm winery license, microbrewery license, or both, if the spouse does not  
34 hold a retailer's license issued under this act;

35 (4) a person who has a beneficial interest in any other retail  
36 establishment licensed under this act, except that the spouse of a licensee  
37 may own and hold a retailer's license for another retail establishment;

38 (5) a copartnership, unless all of the copartners are qualified to obtain  
39 a license;

40 (6) a corporation; or

41 (7) a trust, if any grantor, beneficiary or trustee would be ineligible to  
42 receive a license under this act for any reason, except that the provisions of  
43 subsection (a)(6) shall not apply in determining whether a beneficiary

1 would be eligible for a license.

2 (c) No manufacturer's license shall be issued to:

3 (1) A corporation, if any officer or director thereof, or any  
4 stockholder owning in the aggregate more than 25% of the stock of the  
5 corporation would be ineligible to receive a manufacturer's license for any  
6 reason other than citizenship and residence requirements;

7 (2) a copartnership, unless all of the copartners shall have been  
8 residents of this state for at least five years immediately preceding the date  
9 of application and unless all the members of the copartnership would be  
10 eligible to receive a manufacturer's license under this act;

11 (3) a trust, if any grantor, beneficiary or trustee would be ineligible to  
12 receive a license under this act for any reason, except that the provisions of  
13 subsection (a)(6) shall not apply in determining whether a beneficiary  
14 would be eligible for a license;

15 (4) an individual who is not a resident of this state;

16 (5) an individual who has not been a resident of this state for at least  
17 five years immediately preceding the date of application; or

18 (6) a person who has a beneficial interest in a distributor, retailer,  
19 farm winery or microbrewery licensed under this act, except as provided in  
20 K.S.A. 41-305, and amendments thereto.

21 (d) No distributor's license shall be issued to:

22 (1) A corporation, if any officer, director or stockholder of the  
23 corporation would be ineligible to receive a distributor's license for any  
24 reason. It shall be unlawful for any stockholder of a corporation licensed  
25 as a distributor to transfer any stock in the corporation to any person who  
26 would be ineligible to receive a distributor's license for any reason, and  
27 any such transfer shall be null and void, except that: (A) If any stockholder  
28 owning stock in the corporation dies and an heir or devisee to whom stock  
29 of the corporation descends by descent and distribution or by will is  
30 ineligible to receive a distributor's license, the legal representatives of the  
31 deceased stockholder's estate and the ineligible heir or devisee shall have  
32 14 months from the date of the death of the stockholder within which to  
33 sell the stock to a person eligible to receive a distributor's license, any such  
34 sale by a legal representative to be made in accordance with the provisions  
35 of the probate code; or (B) if the stock in any such corporation is the  
36 subject of any trust and any trustee or beneficiary of the trust who is 21  
37 years of age or older is ineligible to receive a distributor's license, the  
38 trustee, within 14 months after the effective date of the trust, shall sell the  
39 stock to a person eligible to receive a distributor's license and hold and  
40 disburse the proceeds in accordance with the terms of the trust. If any legal  
41 representatives, heirs, devisees or trustees fail, refuse or neglect to sell any  
42 stock as required by this subsection, the stock shall revert to and become  
43 the property of the corporation, and the corporation shall pay to the legal

1 representatives, heirs, devisees or trustees the book value of the stock.  
2 During the period of 14 months prescribed by this subsection, the  
3 corporation shall not be denied a distributor's license or have its  
4 distributor's license revoked if the corporation meets all of the other  
5 requirements necessary to have a distributor's license;

6 (2) a copartnership, unless all of the copartners are eligible to receive  
7 a distributor's license;

8 (3) a trust, if any grantor, beneficiary or trustee would be ineligible to  
9 receive a license under this act for any reason, except that the provisions of  
10 subsection (a)(6) shall not apply in determining whether a beneficiary  
11 would be eligible for a license; or

12 (4) a person who has a beneficial interest in a manufacturer, retailer,  
13 farm winery or microbrewery licensed under this act.

14 (e) No nonbeverage user's license shall be issued to a corporation, if  
15 any officer, manager or director of the corporation or any stockholder  
16 owning in the aggregate more than 25% of the stock of the corporation  
17 would be ineligible to receive a nonbeverage user's license for any reason  
18 other than citizenship and residence requirements.

19 (f) No microbrewery license, microdistillery license or farm winery  
20 license shall be issued to a:

21 (1) Person who is not a resident of this state;

22 (2) person who has a beneficial interest in a manufacturer or  
23 distributor licensed under this act, except as provided in K.S.A. 41-305,  
24 and amendments thereto;

25 (3) person, copartnership or association which has a beneficial  
26 interest in any retailer licensed under this act or under K.S.A. 41-2702, and  
27 amendments thereto, except that the spouse of an applicant for a  
28 microbrewery or farm winery license may own and hold a retailer's license  
29 if the spouse does not hold a microbrewery or farm winery license issued  
30 under this act;

31 (4) copartnership, unless all of the copartners are qualified to obtain a  
32 license;

33 (5) corporation, unless stockholders owning in the aggregate 50% or  
34 more of the stock of the corporation would be eligible to receive such  
35 license and all other stockholders would be eligible to receive such license  
36 except for reason of citizenship or residency; or

37 (6) a trust, if any grantor, beneficiary or trustee would be ineligible to  
38 receive a license under this act for any reason, except that the provisions of  
39 subsection (a)(6) shall not apply in determining whether a beneficiary  
40 would be eligible for a license.

41 (g) The provisions of subsections (b)(1), (b)(2), (c)(3), (c)(4), (d)(3),  
42 (f)(1) and K.S.A. 2016 Supp. 41-311b, and amendments thereto, shall not  
43 apply in determining eligibility for the 10<sup>th</sup>, or a subsequent, consecutive

1 renewal of a license if the applicant has appointed a citizen of the United  
 2 States who is a resident of Kansas as the applicant's agent and filed with  
 3 the director a duly authenticated copy of a duly executed power of  
 4 attorney, authorizing the agent to accept service of process from the  
 5 director and the courts of this state and to exercise full authority, control  
 6 and responsibility for the conduct of all business and transactions within  
 7 the state relative to alcoholic liquor and the business licensed. The agent  
 8 must be satisfactory to and approved by the director, except that the  
 9 director shall not approve as an agent any person who:

10 (1) Has been convicted of a felony under the laws of this state, any  
 11 other state or the United States;

12 (2) has had a license issued under the alcoholic liquor or cereal malt  
 13 beverage laws of this or any other state revoked for cause, except that a  
 14 person may be appointed as an agent if the person's license was revoked  
 15 for the conviction of a misdemeanor and 10 years have lapsed since the  
 16 date of the revocation;

17 (3) has been convicted of being the keeper or is keeping any property,  
 18 whether real or personal, where sexual relations are being sold or offered  
 19 for sale by a person who is 18 years of age or older or has forfeited bond to  
 20 appear in court to answer charges of being a keeper of any property,  
 21 whether real or personal, where sexual relations are being sold or offered  
 22 for sale by a person who is 18 years of age or older;

23 (4) has been convicted of being a proprietor of a gambling house,  
 24 pandering or any other crime opposed to decency and morality or has  
 25 forfeited bond to appear in court to answer charges for any of those  
 26 crimes; or

27 (5) is less than 21 years of age.

28 Sec. 2. K.S.A. 2016 Supp. 41-2703 is hereby amended to read as  
 29 follows: 41-2703. (a) After examination of an application for a retailer's  
 30 license, the board of county commissioners or the director shall, if they  
 31 approve the same, issue a license to the applicant. The governing body of  
 32 the city shall, if the applicant is qualified as provided by law, issue a  
 33 license to such applicant.

34 (b) No retailer's license shall be issued to:

35 (1) A person who is not a resident of the county in which the place of  
 36 business covered by the license is located, has not been a resident of such  
 37 county for at least six months or has not been a resident in good faith of  
 38 the state of Kansas.

39 (2) A person who has not been a resident of this state for at least one  
 40 year immediately preceding application for a retailer's license.

41 (3) A person who is not of good character and reputation in the  
 42 community in which the person resides.

43 (4) A person who is not a citizen of the United States.

1 (5) A person who, within two years immediately preceding the date  
2 of application approval, has been convicted of, released from incarceration  
3 for or released from probation or parole for a felony or any crime  
4 involving moral turpitude, drunkenness, driving a motor vehicle while  
5 under the influence of intoxicating liquor or violation of any other  
6 intoxicating liquor law of any state or of the United States.

7 (6) A partnership, unless all the members of the partnership are  
8 otherwise qualified to obtain a license.

9 (7) A corporation, if any manager, officer or director thereof, or any  
10 stockholder owning in the aggregate more than 25% of the stock of such  
11 corporation, would be ineligible to receive a license hereunder for any  
12 reason other than the citizenship and residency requirements.

13 (8) A person whose place of business is conducted by a manager or  
14 agent unless the manager or agent possesses all the qualifications of a  
15 licensee.

16 (9) A person whose spouse would be ineligible to receive a retailer's  
17 license for any reason other than citizenship, residence requirements or  
18 age, except that this subsection (b)(9) shall not apply in determining  
19 eligibility for a renewal license.

20 (10) A person whose spouse has been convicted of a felony or other  
21 crime which would disqualify a person from licensure under this section  
22 and such felony or other crime was committed during the time that the  
23 spouse held a license under this act.

24 (c) After examination of an application for a retailer's license, the  
25 board of county commissioners or the governing body of a city may deny a  
26 license to a person, partnership or corporation if any manager, officer or  
27 director thereof, or any stockholder owning in the aggregate more than  
28 25% of the stock of such corporation, has been an officer, manager,  
29 director or a stockholder owning in the aggregate more than 25% of the  
30 stock, of a corporation which has:

31 (1) Had a retailer's license revoked under K.S.A. 41-2708, and  
32 amendments thereto; or

33 (2) been convicted of a violation of the club and drinking  
34 establishment act or the cereal malt beverage laws of this state.

35 (d) Retailers' licenses shall be issued either on an annual basis or for  
36 the calendar year. If such licenses are issued on an annual basis, the board  
37 of county commissioners or the governing body of the city shall notify the  
38 distributors supplying the county or city on or before April 1 of the year if  
39 a retailer's license is not renewed.

40 (e) In addition to, and consistent with the requirements of K.S.A. 41-  
41 2701 et seq., and amendments thereto, the board of county commissioners  
42 of any county or the governing body of any city may provide by resolution  
43 or ordinance for the issuance of a special event retailers' permit which

1 shall allow the permit holder to offer for sale, sell and serve cereal malt  
2 beverage for consumption on unpermitted premises, which may be open to  
3 the public, subject to the following:

4 (1) A special event retailers' permit shall specify the premises for  
5 which the permit is issued;

6 (2) a special event retailers' permit shall be issued for the duration of  
7 the special event, the dates and hours of which shall be specified in the  
8 permit;

9 (3) no more than four special event retailers' permits may be issued to  
10 any one applicant in a calendar year; and

11 (4) a special event retailers' permit shall not be transferable or  
12 assignable.

13 (f) A special event retailers' permit holder shall not be subject to the  
14 provisions of the ~~beer and cereal malt beverage~~ keg registration act, K.S.A.  
15 41-2901 et seq., and amendments thereto.

16 Sec. 3. K.S.A. 2016 Supp. 41-2708 is hereby amended to read as  
17 follows: 41-2708. (a) The board of county commissioners or the governing  
18 body of any city, upon five days' notice to the persons holding a license,  
19 may revoke or suspend the license for any one of the following reasons:

20 (1) The licensee has violated any of the provisions of K.S.A. 41-2701  
21 et seq., and amendments thereto, or any rules or regulations made by the  
22 board or the city, as the case may be;

23 (2) drunkenness of the licensee or permitting any intoxicated person  
24 to remain in or upon the licensee's place of business;

25 (3) the sale of cereal malt beverages to any person under the legal age  
26 for consumption of cereal malt beverage;

27 (4) permitting any person to mix drinks with materials purchased in  
28 or upon the place of business or brought in for that purpose;

29 (5) the sale or possession of, or permitting any person to use or  
30 consume on the licensed premises, any alcoholic liquor as defined by  
31 K.S.A. 41-102, and amendments thereto; or

32 (6) the licensee has been convicted of a violation of the ~~beer and~~  
33 ~~cereal malt beverage~~ keg registration act.

34 (b) The provisions of subsections (a)(4) and (5) shall not apply if the  
35 place of business or premises also are currently licensed as a club or  
36 drinking establishment pursuant to the club and drinking establishment act.

37 (c) The board of county commissioners or the governing body of any  
38 city, upon five days' notice to the persons holding a license, shall revoke or  
39 suspend the license for any one of the following reasons:

40 (1) The licensee has fraudulently obtained the license by giving false  
41 information in the application therefor;

42 (2) the licensee has become ineligible to obtain a license under this  
43 act;

- 1 (3) the nonpayment of any license fees;
- 2 (4) permitting any gambling in or upon the licensee's place of  
3 business;
- 4 (5) the employment of persons under 18 years of age in dispensing or  
5 selling cereal malt beverages;
- 6 (6) the employment or continuation in employment of a person in  
7 connection with the sale, serving or dispensing of cereal malt beverages if  
8 the licensee knows such person has been, within the preceding two years,  
9 adjudged guilty of a felony or of any violation of the intoxicating liquor  
10 laws of this state, another state or the United States; or
- 11 (7) there has been a violation of K.S.A. 21-4106 or 21-4107, prior to  
12 their repeal, or K.S.A. 2016 Supp. 21-6204, and amendments thereto, in or  
13 upon the licensee's place of business.

14 (d) Within 20 days after the order of the board revoking or  
15 suspending any license, the licensee may appeal to the district court and  
16 the district court shall proceed to hear such appeal as though such court  
17 had original jurisdiction of the matter. Any appeal taken from an order  
18 revoking or suspending the license shall not suspend the order of  
19 revocation or suspension during the pendency of any such appeal.

20 Sec. 4. K.S.A. 2016 Supp. 41-2901 is hereby amended to read as  
21 follows: 41-2901. This section and K.S.A. 2016 Supp. 41-2902 through  
22 41-2906, and amendments thereto, shall be known and may be cited as the  
23 ~~beer and cereal malt beverage~~ keg registration act.

24 Sec. 5. K.S.A. 2016 Supp. 41-2902 is hereby amended to read as  
25 follows: 41-2902. Any ordinance or resolution adopted by a city or county  
26 which supplements or is in conflict with or contrary to the provisions of  
27 the ~~beer and cereal malt beverage~~ keg registration act shall be null and  
28 void.

29 Sec. 6. K.S.A. 2016 Supp. 41-2903 is hereby amended to read as  
30 follows: 41-2903. Nothing in the ~~beer and cereal malt beverage~~ keg  
31 registration act shall be construed as creating a private cause of action  
32 against a retailer or a retailer's agent or employee.

33 Sec. 7. K.S.A. 2016 Supp. 41-2904 is hereby amended to read as  
34 follows: 41-2904. In any civil or administrative action brought against a  
35 retailer or a retailer's agent or employee for a violation of the ~~beer and~~  
36 ~~cereal malt beverage~~ keg registration act, in which the defendant is the  
37 prevailing party, the court or presiding officer may award to the defendant  
38 reasonable attorney's fees and all other reasonable costs if the court or  
39 presiding officer finds the action was not brought in good faith or was  
40 brought without a reasonable basis in fact or law.

41 Sec. 8. K.S.A. 2016 Supp. 41-2905 is hereby amended to read as  
42 follows: 41-2905. (a) Prior to the sale at retail of any beer *or hard cider* in  
43 a container having a liquid capacity of four or more gallons, the retailer or

1 the retailer's employee or agent shall affix to the beer *or hard cider*  
2 container a keg identification number or otherwise uniquely identify the  
3 container in accordance with this act and rules and regulations adopted by  
4 the secretary. At the time of sale at retail of any such container of beer *or*  
5 *hard cider*, the retailer or the retailer's employee or agent shall record the  
6 keg number; the date of the sale; the purchaser's name and address; and the  
7 number on the purchaser's driver's license, Kansas nondriver's  
8 identification card or other official or apparently official document that  
9 reasonably appears to contain both the purchaser's picture and the  
10 purchaser's signature, which shall be exhibited at the time of sale. Such  
11 record shall be kept by the retailer at the premises where the sale was  
12 made. Such record shall be kept by the retailer until the container is  
13 returned or until the expiration of six months following the date of the  
14 sale.

15 (b) For the purpose of investigating a violation of laws prohibiting the  
16 furnishing to or possession or consumption of beer *or hard cider* by  
17 persons under the age of 21 and if such violation involves a container  
18 required to be registered under the ~~beer and cereal malt beverage~~ keg  
19 registration act and if there is reason to believe that a retailer sold such  
20 container, such retailer's records relating to the sale of such container  
21 which are required to be kept by this section shall be available for  
22 inspection by any law enforcement officer during normal business hours of  
23 the retailer. Records required to be kept by this section shall not be  
24 available for inspection or use or subject to subpoena in any civil or  
25 administrative action or criminal prosecution other than a civil or  
26 administrative action or criminal prosecution relating to a specific  
27 violation of this section or K.S.A. 21-3610, prior to its repeal, or  
28 ~~subsection (a) of K.S.A. 2016 Supp. 21-5607(a)~~, and amendments thereto,  
29 or K.S.A. 41-727, and amendments thereto. Except as specifically  
30 provided by this subsection, records required to be kept by this section  
31 shall not be sold, distributed or otherwise released to any person other than  
32 an agent of the retailer or to a law enforcement agency.

33 (c) Upon a determination that a retailer or a retailer's employee or  
34 agent has violated this section or any rules and regulations adopted  
35 pursuant to this section, the director may suspend or revoke the retailer's  
36 license in the manner provided by K.S.A. 41-320, and amendments  
37 thereto, and may impose a fine as provided by K.S.A. 41-328, and  
38 amendments thereto.

39 (d) It is a class B nonperson misdemeanor for a person who is not a  
40 retailer acting in the ordinary course of business to: (1) Remove from a  
41 beer *or hard cider* container all or part of a keg identification number  
42 required pursuant to this section; (2) make unreadable all or any part of a  
43 keg identification number required by this section to be affixed to a beer

1 *or hard cider* container; or (3) possess a beer *or hard cider* container  
2 required to be registered under this act that does not have the keg  
3 identification number required by this section.

4 (e) The secretary of revenue shall adopt any rules and regulations  
5 necessary to implement the provisions of this section. Such rules and  
6 regulations shall include, but shall not be limited to, provisions relating to  
7 records and establishing standards for marking and handling containers  
8 which are required to be registered by this act.

9 (f) The secretary of revenue shall provide any keg identification tags  
10 or labels required by this section. Such tags or labels shall be designed so  
11 that when affixed to a keg, such tags or labels do not mar or otherwise  
12 damage the keg. There shall be no charge for such tags or labels.

13 (g) If a person sold beer *or hard cider* in compliance with the  
14 provisions of this section and any rules and regulations adopted pursuant  
15 thereto, it shall be a defense to any criminal prosecution or proceeding or  
16 civil or administrative action under this section.

17 (h) The provisions of this section shall not apply to sales of kegs by  
18 distributors or retailers to clubs, drinking establishments, hotel drinking  
19 establishments and caterers licensed under the club and drinking  
20 establishment act.

21 (i) Words or phrases used in this section shall have the meaning  
22 ascribed thereto by K.S.A. 41-102, and amendments thereto, *except that*  
23 *for the purposes of this act, "retailer" shall also include any licensed farm*  
24 *winery or microbrewery.*

25 Sec. 9. K.S.A. 2016 Supp. 41-2906 is hereby amended to read as  
26 follows: 41-2906. (a) Prior to the sale by a retailer or a retailer's employee  
27 or agent of any cereal malt beverage in a container having a liquid capacity  
28 of four or more gallons, the retailer or the retailer's employee or agent shall  
29 affix to the cereal malt beverage container a keg identification number or  
30 otherwise uniquely identify the container in accordance with rules and  
31 regulations adopted by the secretary. At the time of sale of any such  
32 container of cereal malt beverage, the retailer, or the retailer's employee or  
33 agent, shall record the keg number; the date of the sale; the purchaser's  
34 name and address; and the number on the purchaser's driver's license,  
35 Kansas nondriver's identification card or other official or apparently  
36 official document that reasonably appears to contain both the purchaser's  
37 picture and the purchaser's signature, which shall be exhibited at the time  
38 of sale. Such record shall be kept by the retailer at the premises where the  
39 sale was made. Such record shall be kept by the retailer until the container  
40 is returned or until the expiration of six months following the date of the  
41 sale.

42 (b) For the purpose of investigating a violation of laws prohibiting the  
43 furnishing to or possession or consumption of cereal malt beverage by

1 persons under the legal age for consumption of cereal malt beverage and if  
2 such violation involves a container required to be registered under the ~~beer~~  
3 ~~and cereal malt beverage~~ keg registration act and if there is reason to  
4 believe that such retailer sold such container, such retailer's records  
5 relating to the sale of such container which are required to be kept by this  
6 section shall be available for inspection by any law enforcement officer  
7 during normal business hours. Records required to be kept by this section  
8 shall not be available for inspection or use or subject to subpoena in any  
9 civil or administrative action or criminal prosecution other than a civil or  
10 administrative action or criminal prosecution relating to a specific  
11 violation of this section or K.S.A. 21-3610, prior to its repeal, or  
12 ~~subsection (a) of K.S.A. 2016 Supp. 21-5607(a)~~, and amendments thereto,  
13 or K.S.A. 41-727, and amendments thereto. Except as specifically  
14 provided by this subsection, records required to be kept by this section  
15 shall not be sold, distributed or otherwise released to any person other than  
16 an agent of the retailer or to a law enforcement agency.

17 (c) Upon a determination that a retailer or a retailer's employee or  
18 agent has violated this section or any rules and regulations adopted  
19 pursuant to this section, the board of county commissioners or the  
20 governing body of the city may suspend or revoke the retailer's license in  
21 the manner provided by K.S.A. 41-2708, and amendments thereto, and  
22 may impose a fine pursuant to K.S.A. 41-2711, and amendments thereto.

23 (d) It is a class B nonperson misdemeanor for a person who is not a  
24 retailer acting in the ordinary course of business to: (1) Remove from a  
25 cereal malt beverage container all or part of a keg identification number  
26 required pursuant to this section; (2) make unreadable all or any part of a  
27 keg identification number required by this section to be affixed to a cereal  
28 malt beverage container; or (3) possess a cereal malt beverage container  
29 required to be registered under this act that does not have the keg  
30 identification number required by this section.

31 (e) The secretary of revenue shall adopt any rules and regulations  
32 necessary to implement the provisions of this section. Such rules and  
33 regulations shall include, but shall not be limited to, provisions relating to  
34 records and establishing standards for marking and handling containers  
35 which are required to be registered by this act.

36 (f) The secretary of revenue shall provide any keg identification tags  
37 or labels required by this act. There shall be no charge for such tags or  
38 labels. Such tags or labels shall be designed so that when affixed to a keg,  
39 such tags or labels do not mar or otherwise damage the keg.

40 (g) If a person sold cereal malt beverage in compliance with the  
41 provisions of this section and any rules and regulations adopted pursuant  
42 thereto, it shall be a defense to any criminal prosecution or proceeding or  
43 civil or administrative action under this section.

1 (h) Words and phrases used in this section shall have the meaning  
2 ascribed thereto by K.S.A. 41-2701, and amendments thereto.

3 Sec. 10. K.S.A. 2016 Supp. 41-311, 41-2703, 41-2708, 41-2901, 41-  
4 2902, 41-2903, 41-2904, 41-2905 and 41-2906 are hereby repealed.

5 Sec. 11. This act shall take effect and be in force from and after its  
6 publication in the statute book.