## SENATE BILL No. 253

By Committee on Federal and State Affairs

2-15

AN ACT concerning alcoholic beverages; authorizing the delivery of alcoholic liquor and cereal malt beverage by licensed retailers, licensed clubs, drinking establishments and restaurants and third-party delivery services to patrons; amending K.S.A. 41-327, 41-2601, 41-2701 and 41-2728 and K.S.A. 2022 Supp. 41-102 and repealing the existing sections.

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

New Section 1. (a) A third-party delivery service permit shall allow the permit holder to deliver alcoholic liquor or cereal malt beverage on behalf of a retailer, a cereal malt beverage retailer as defined in K.S.A. 41-2701, and amendments thereto, or a club and drinking establishment act licensee as defined in section 3, and amendments thereto, in accordance with the provisions of sections 2, 3 and 4, and amendments thereto, except that such deliveries shall only occur within this state.

- (b) An application for a third-party delivery service permit shall be submitted in such form and manner as prescribed by the director and shall include payment of the delivery service permit fee in the amount of \$1,500. Each application shall contain an affirmation by the applicant that the applicant is registered to do business in this state and that all of the following is true for each individual conducting deliveries on behalf of the applicant:
- (1) The individual is at least 21 years of age and holds a valid driver's 24 license:
  - (2) the individual will maintain or otherwise be covered by primary automobile insurance that meets the minimum coverage requirements in K.S.A. 40-284 and 40-3107, and amendments thereto; and
- 28 (3) the individual will comply with the provisions of sections 2, 3 and 29 4, and amendments thereto, in conducting deliveries of alcoholic liquor 30 and cereal malt beverage.
  - (c) A third-party delivery service permit shall commence on the date specified on the permit and expire one year after such date.
- 33 (d) A delivery service permit holder shall be liable for violations of 34 K.S.A. 41-715, and amendments thereto, and sections 2, 3 and 4, and 35 amendments thereto, that are committed by any individual conducting 36 deliveries on behalf of such third-party delivery service permit holder.

 (e) The secretary shall adopt rules and regulations necessary to implement the provisions of this section.

- (f) Personal data collected solely to comply with the requirements of this section shall be limited to what is adequate, relevant and reasonably necessary in relation to the purposes for which such data is processed, as disclosed to the consumer. A retailer, licensee or third-party delivery service permit holder shall implement and maintain reasonable security procedures and practices, including administrative, physical and technical safeguards appropriate to the nature of the data and the purposes for which the data will be used to protect the data collected from the unauthorized use, disclosure, access, destruction or modification to comply with the requirements of this section.
- (g) Nothing in sections 2, 3 and 4, and amendments thereto, shall be construed to require a company that only provides technology services to a retailer or licensee to obtain a third-party delivery service permit if the company does not employ or contract with delivery drivers but only provides software or an application that connects consumers and licensed retailers.
- (h) The provisions of this section shall be a part of and supplemental to the Kansas liquor control act.
- (i) At the time of application and for any changes at renewal, a thirdparty delivery service shall submit an outline of internal or external training for individuals engaged in delivery that addresses topics such as identifying underage persons, intoxicated persons and fake or altered identification.
- (j) Individuals engaged in a delivery service shall use an identification scanning software technology or an alternative approved by the director, to verify the age of the consumer upon delivery.
- New Sec. 2. (a) In addition to the rights of a retailer under the Kansas liquor control act, a retailer license shall allow the retailer to deliver alcoholic liquor and cereal malt beverage in the original unopened container that is sold by such retailer to a patron at an address designated by such patron for consumption off the licensed premises and not for resale. Such delivery must occur within this state.
- (b) Prior to any alcoholic liquor or cereal malt beverage being removed from a retailer's licensed premises for delivery under this section, such retailer shall finalize all payments for such alcoholic liquor or cereal malt beverage made by the purchasing patron or obtain a debit or credit card authorization for the total amount charged for such alcoholic liquor or cereal malt beverage, including any additional fees to be charged in connection with the delivery. All alcoholic liquor and cereal malt beverage shall be assembled, packaged and fulfilled for delivery at such retailer's licensed premises and from the retailer's inventory located at such

premises.

- (c) (1) A retailer may authorize deliveries on such retailer's behalf through a contractual agreement with a third-party delivery service. A third-party delivery service shall hold a valid delivery permit prior to entering into any such contractual agreement with a retailer.
- (2) A third-party delivery service may offer to conduct deliveries on behalf of a retailer pursuant to this section if the retailer expressly agrees in writing to allow the third-party delivery service to offer the delivery of orders on behalf of such retailer.
- (3) Any provision in an agreement between a third-party delivery service and a retailer that is contrary to this subsection is void and unenforceable.
- (d) (1) A retailer may authorize a third-party delivery service to conduct other delivery-related services. A third-party delivery service that has contracted with a retailer for such services may use electronic means, including, but not limited to, websites and mobile device applications, to market, receive and process orders placed by patrons for alcoholic liquor and cereal malt beverage if:
- (A) The retailer retains sole discretion to determine whether to accept an order and to complete a sale transaction;
- (B) the sale transaction is between the patron placing the order and the retailer that accepts such order, and the retailer appears as the merchant of record at all times, including at the time of purchase and acceptance of the delivery; and
- (C) the retailer receives full payment from the patron placing the order for all alcoholic liquor and cereal malt beverage included in such order, and all moneys collected from such patron are automatically paid or otherwise credited to such retailer.
- (2) A third-party delivery service conducting deliveries or other delivery-related services on behalf of a retailer shall not:
- (A) Use a retailer's likeness to falsely suggest sponsorship or endorsement of such third-party delivery service by such retailer;
- (B) inflate or alter a retailer's pricing, but may assess other charges to the patron if such charges are separately itemized on the receipt provided to the patron; or
- (C) charge the retailer any fee or other expense unless such fee or other expense is clearly identified in a written agreement executed by both parties.
- (3) A third-party delivery service shall remove a retailer from such third-party delivery service's delivery and delivery-related services within 10 days after receiving a request for such removal from such retailer.
- (e) (1) All alcoholic liquor and cereal malt beverage that is removed from a retailer's licensed premises for delivery pursuant to this section

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shall remain in the possession of such retailer or the third-party delivery service. Such alcoholic liquor and cereal malt beverage shall not be transferred to any other person until delivered to the address designated by the patron or, if delivery cannot be completed, returned to the licensed premises of the retailer.

- (2) Alcoholic liquor and cereal malt beverage shall only be delivered by an individual who:
  - (A) Is at least 21 years of age;
  - (B) holds a valid driver's license;
- (C) is covered as the driver of a vehicle by primary automobile insurance that meets the minimum coverage requirements in K.S.A. 40-284 and 40-3107, and amendments thereto; and
- (D) completes a training and certification program for individuals delivering alcoholic liquor and cereal malt beverage pursuant to this section that is reviewed and approved by the director and includes, but is not limited to, identifying individuals who are less than 21 years of age or intoxicated and recognizing false or altered forms of identification.
- (f) (1) All alcoholic liquor and cereal malt beverage delivered pursuant to this section shall only be delivered to a location in a county where the qualified electors of the county approved, by a majority vote of those voting therein, the proposition to amend section 10 of article 15 of the constitution of the state of Kansas at the general election in November 1986, or have approved a proposition to allow sales of alcoholic liquor by the individual drink in public places within the county at an election pursuant to K.S.A. 41-2646, and amendments thereto, and to an individual who is at least 21 years of age and who presents valid government-issued photographic identification verifying the age of such individual. The identity and age of the individual accepting delivery of any alcoholic liquor or cereal malt beverage shall be verified, and such individual shall execute a written or electronic acknowledgment of receipt of such alcoholic liquor or cereal malt beverage and certification of such individual's age. A delivery shall be deemed completed upon proper acceptance of the alcoholic liquor or cereal malt beverage. All completed deliveries shall be final.
- (2) No delivery of alcoholic liquor or cereal malt beverage shall be completed if:
- 37 (A) There is no individual physically present at the address 38 designated by the patron placing the order who is available to accept 39 delivery;
  - (B) the individual attempting to accept delivery is:
  - (i) Less than 21 years of age;
  - (ii) unable to provide valid government-issued photographic identification; or

(iii) noticeably intoxicated; or

- (C) the address designated by the patron placing the order is:
- (i) Part of any locker, mailbox, package shipping location or similar service or storage facility business;
  - (ii) any place of worship;
  - (iii) any daycare;

- (iv) any elementary or secondary school;
- (v) any public or private postsecondary educational institution; or
- (vi) any place of business that is licensed under the Kansas liquor control act, Kansas cereal malt beverages act or the club and drinking establishment act to manufacture, distribute or sell alcoholic liquor, except that such deliveries may be made to a guest of a hotel for personal consumption and not for resale.
- (3) Deliveries of alcoholic liquor or cereal malt beverage shall only be made:
- (A) On the same calendar day that such alcoholic liquor or cereal malt beverage is removed from the retailer's license premises for delivery;
- (B) during those times when it is lawful for the retailer to sell alcoholic liquor or cereal malt beverage for consumption off the licensed premises; and
- (C) to a Kansas address that is located within a 25-mile radius from the licensed premises of the retailer that sold such alcoholic liquor or cereal malt beverage.
- (g) Each retailer delivering alcoholic liquor or cereal malt beverage pursuant to this section and each third-party delivery service shall submit to the director an outline of a training and certification program for individuals delivering alcoholic liquor and cereal malt beverage pursuant to this section that includes, but is not limited to, identifying individuals who are less than 21 years of age or intoxicated and recognizing false or altered forms of identification. The director shall review and approve or deny all submitted program outlines. The director shall provide the specific reason for the denial of any program outline along with notice to the retailer or third-party delivery service that such program outline is denied.
- (h) In addition to the powers and duties of the director provided in K.S.A. 41-201, and amendments thereto, the director and any employees or agents thereof shall have the authority to conduct an audit of any retailer's or third-party delivery service's records to determine if any provision of this section or any rule or regulation adopted by the secretary has been violated or to secure evidence of any such violation. Retailers or third-party delivery service permit holders shall maintain records of alcoholic liquor sales delivered for a period of three years.
  - (i) In addition to or in lieu of any other civil or criminal penalty

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41 42 provided by law, the director, upon a finding that a retailer or third-party delivery service has violated any provision of this section, may impose a civil fine not to exceed \$1,000 for each violation. The director may enforce the requirements of this section against a retailer or a third-party delivery service for any violations committed by a retailer or third-party delivery service contracting with such retailer. The director may impose a civil fine on a retailer or a third-party delivery service for the same violation. Nothing in this section shall be construed to limit the jurisdictional authority of the director in pursuing violations of this section against a retailer or third-party delivery service.

- A retailer aggrieved by a third-party delivery service that violates the provisions of this section may bring an action to enjoin such violation and may seek damages resulting from such violation, including all profits derived from such violation. A retailer may seek punitive damages in an amount not to exceed three times the amount of profits and damages if the defendant knowingly committed the violation or the violation was committed in bad faith. The prevailing party in any such action may recover reasonable attorney fees and court costs.
- (k) A retailer may contract with another retailer as a third-party delivery service to conduct deliveries and other delivery-related services on behalf of such other retailer in accordance with the provisions of this section. Such retailer shall hold a valid delivery permit prior to entering into any such contractual agreement with such other retailer.
- (l) The secretary shall adopt rules and regulations necessary to implement and enforce the provisions of this section.
- (m) The provisions of this section shall be a part of and supplemental to the Kansas liquor control act.
- New Sec. 3. (a) In addition to the rights of a licensee under the club and drinking establishment act, such license shall allow the licensee to deliver alcoholic liquor and cereal malt beverage in accordance with the container limitation provisions of K.S.A. 41-2653, and amendments thereto, that is sold by such licensee to a patron at an address designated by such patron for consumption off the licensed premises and not for resale. Such delivery must occur within this state.
- (b) Prior to any alcoholic liquor or cereal malt beverage being removed from a licensee's premises for delivery under this section, such licensee shall finalize all payments for such alcoholic liquor or cereal malt beverage made by the purchasing patron or obtain a debit or credit card authorization for the total amount charged for such alcoholic liquor or cereal malt beverage, including any additional fees to be charged in connection with the delivery. All alcoholic liquor and cereal malt beverage shall be assembled, packaged and fulfilled for delivery at such licensee's premises and from such inventory located at such premises.

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 (c) (1) A licensee may authorize deliveries on such licensee's behalf through a contractual agreement with a third-party delivery service. A third-party delivery service shall hold a valid delivery permit prior to entering into any such contractual agreement with a licensee.

- (2) A third-party delivery service may offer to conduct deliveries on behalf of a licensee pursuant to this section if the licensee expressly agrees in writing to allow the third-party delivery service to offer the delivery of orders on behalf of such licensee.
- (3) Any provision in an agreement between a third-party delivery service and a licensee that is contrary to this subsection is void and unenforceable.
- (d) (1) A licensee may authorize a third-party delivery service to conduct other delivery-related services. A third-party delivery service that has contracted with a licensee for such services may use electronic means, including, but not limited to, websites and mobile device applications, to market, receive and process orders placed by patrons for alcoholic liquor and cereal malt beverage if:
- (A) The licensee retains sole discretion to determine whether to accept an order and to complete a sale transaction;
- (B) the sale transaction is between the patron placing the order and the licensee that accepts such order, and the licensee appears as the merchant of record at all times, including at the time of purchase and acceptance of the delivery; and
- (C) the licensee receives full payment from the patron placing the order for all alcoholic liquor and cereal malt beverage included in such order, and all moneys collected from such patron are automatically paid or otherwise credited to such licensee.
- (2) A third-party delivery service conducting deliveries or other delivery-related services on behalf of a licensee shall not:
- (A) Use a licensee's likeness to falsely suggest sponsorship or endorsement of such third-party delivery service by such licensee;
- (B) inflate or alter a licensee's pricing, but may assess other charges to the patron if such charges are separately itemized on the receipt provided to the patron; or
- (C) charge the licensee any fee or other expense unless such fee or other expense is clearly identified in a written agreement executed by both parties.
- (3) A third-party delivery service shall remove a licensee from such third-party delivery service's delivery and delivery-related services within 10 days after receiving a request for such removal from such licensee.
- (e) (1) All alcoholic liquor and cereal malt beverage that is removed from a licensee's premises for delivery pursuant to this section shall remain in the possession of such licensee or the third-party delivery

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service. Such alcoholic liquor and cereal malt beverage shall not be transferred to any other person until delivered to the address designated by the patron or, if delivery cannot be completed, returned to the premises of the licensee.

- (2) Alcoholic liquor and cereal malt beverage shall only be delivered by an individual who:
  - (A) Is at least 21 years of age;
  - (B) holds a valid driver's license:
- (C) is covered as the driver of a vehicle by primary automobile insurance that meets the minimum coverage requirements in K.S.A. 40-284 and 40-3107, and amendments thereto; and
- (D) completes a training and certification program for individuals delivering alcoholic liquor and cereal malt beverage pursuant to this section that is reviewed and approved by the director and includes, but is not limited to, identifying individuals who are less than 21 years of age or intoxicated and recognizing false or altered forms of identification.
- (f) (1) All alcoholic liquor and cereal malt beverage delivered pursuant to this section shall only be delivered to a location in a county where the qualified electors of the county approved, by a majority vote of those voting therein, the proposition to amend section 10 of article 15 of the constitution of the state of Kansas at the general election in November 1986, or have approved a proposition to allow sales of alcoholic liquor by the individual drink in public places within the county at an election pursuant to K.S.A. 41-2646, and amendments thereto, and to an individual who is at least 21 years of age and who presents valid government-issued photographic identification verifying the age of such individual. The identity and age of the individual accepting delivery of any alcoholic liquor or cereal malt beverage shall be verified, and such individual shall execute a written or electronic acknowledgment of receipt of such alcoholic liquor or cereal malt beverage and certification of such individual's age. A delivery shall be deemed completed upon proper acceptance of the alcoholic liquor or cereal malt beverage. All completed deliveries shall be final.
- (2) No delivery of alcoholic liquor or cereal malt beverage shall be completed if:
- (A) There is no individual physically present at the address designated by the patron placing the order who is available to accept delivery;
  - (B) the individual attempting to accept delivery is:
- (i) Less than 21 years of age;
- 41 (ii) unable to provide valid government-issued photographic 42 identification; or
  - (iii) noticeably intoxicated; or

(C) the address designated by the patron placing the order is:

- (i) Part of any locker, mailbox, package shipping location or similar service or storage facility business;
  - (ii) any place of worship;
  - (iii) any daycare;

- (iv) any elementary or secondary school;
- (v) any public or private postsecondary educational institution; or
- (vi) any place of business that is licensed under the Kansas liquor control act, Kansas cereal malt beverages act or the club and drinking establishment act to manufacture, distribute or sell alcoholic liquor, except that such deliveries may be made to a guest of a hotel for personal consumption and not for resale.
- (3) Deliveries of alcoholic liquor or cereal malt beverage shall only be made:
- (A) On the same calendar day that such alcoholic liquor or cereal malt beverage is removed from the licensee's premises for delivery;
- (B) during those times when it is lawful for the licensee to sell alcoholic liquor or cereal malt beverage for consumption on the licensed premises; and
- (C) to a Kansas address that is located within a 25-mile radius from the licensed premises of the licensee that sold such alcoholic liquor or cereal malt beverage.
- (g) Each licensee delivering alcoholic liquor or cereal malt beverage pursuant to this section and each third-party delivery service shall submit to the director an outline of a training and certification program for individuals delivering alcoholic liquor and cereal malt beverage pursuant to this section that includes, but is not limited to, identifying individuals who are less than 21 years of age or intoxicated and recognizing false or altered forms of identification. The director shall review and approve or deny all submitted program outlines. The director shall provide the specific reason for the denial of any program outline along with notice to the licensee or third-party delivery service that such program outline is denied.
- (h) In addition to the powers and duties of the director provided in K.S.A. 41-201, and amendments thereto, the director and any employees or agents thereof shall have the authority to conduct an audit of any licensee's or third-party delivery service's records to determine if any provision of this section or any rule or regulation adopted by the secretary has been violated or to secure evidence of any such violation. Licensees or third-party delivery service permit holders shall maintain records of alcoholic liquor sales delivered for a period of three years.
- (i) In addition to or in lieu of any other civil or criminal penalty provided by law, the director, upon a finding that a licensee or third-party

 delivery service has violated any provision of this section, may impose a civil fine not to exceed \$1,000 for each violation. The director may enforce the requirements of this section against a licensee or a third-party delivery service for any violations committed by a licensee or third-party delivery service contracting with such licensee. The director may impose a civil fine on a licensee or a third-party delivery service for the same violation. Nothing in this section shall be construed to limit the jurisdictional authority of the director in pursuing violations of this section against a licensee or third-party delivery service.

- (j) A licensee aggrieved by a third-party delivery service that violates the provisions of this section may bring an action to enjoin such violation and may seek damages resulting from such violation, including all profits derived from such violation. A licensee may seek punitive damages in an amount not to exceed three times the amount of profits and damages if the defendant knowingly committed the violation or the violation was committed in bad faith. The prevailing party in any such action may recover reasonable attorney fees and court costs.
- (k) A licensee may contract with another licensee as a third-party delivery service to conduct deliveries and other delivery-related services on behalf of such other licensee in accordance with the provisions of this section. Such licensee shall hold a valid delivery permit prior to entering into any such contractual agreement with such other licensee.
- (l) The secretary shall adopt rules and regulations necessary to implement and enforce the provisions of this section.
- (m) "Licensee" means a club, drinking establishment and restaurant as those terms are defined in K.S.A. 41-1601, and amendments thereto, the club and drinking establishment act.
- (n) The provisions of this section shall be a part of and supplemental to the club and drinking establishment act.
- New Sec. 4. (a) In addition to the rights of a retailer under the Kansas cereal malt beverage act, a retailer license shall allow the retailer to deliver cereal malt beverage and beer containing not more than 6% alcohol by volume in the original unopened container that is sold by such retailer to a patron at an address designated by such patron for consumption off the licensed premises and not for resale, provided that such delivery occurs within the state.
- (b) Prior to any cereal malt beverage and beer containing not more than 6% alcohol by volume being removed from a retailer's licensed premises for delivery under this section, such retailer shall finalize all payments for such cereal malt beverage and beer containing not more than 6% alcohol by volume made by the purchasing patron or obtain a debit or credit card authorization for the total amount charged for such cereal malt beverage and beer containing not more than 6% alcohol by volume,

including any additional fees to be charged in connection with the delivery. All cereal malt beverage and beer containing not more than 6% alcohol by volume shall be assembled, packaged and fulfilled for delivery at such retailer's licensed premises and from the retailer's inventory located at such premises.

- (c) (1) A retailer may authorize deliveries on such retailer's behalf through a contractual agreement with a third-party delivery service. A third-party delivery service shall hold a valid delivery permit prior to entering into any such contractual agreement with a retailer.
- (2) A third-party delivery service may offer to conduct deliveries on behalf of a retailer pursuant to this section if the retailer expressly agrees in writing to allow the third-party delivery service to offer the delivery of orders on behalf of such retailer. Any provision in an agreement between a third-party delivery service and a retailer that is contrary to this subsection is void and unenforceable.
- (d) (1) A retailer may authorize a third-party delivery service to conduct other delivery-related services. A third-party delivery service that has contracted with a retailer for such services may use electronic means, including, but not limited to, websites and mobile device applications, to market, receive and process orders placed by patrons for cereal malt beverage and beer containing not more than 6% alcohol by volume if:
- (A) The retailer retains sole discretion to determine whether to accept an order and to complete a sale transaction;
- (B) the sale transaction is between the patron placing the order and the retailer that accepts such order, and the retailer appears as the merchant of record at all times, including at the time of purchase and acceptance of the delivery; and
- (C) the retailer receives full payment from the patron placing the order for all cereal malt beverage and beer containing not more than 6% alcohol by volume included in such order, and all moneys collected from such patron are automatically paid or otherwise credited to such retailer.
- (2) A third-party delivery service conducting deliveries or other delivery-related services on behalf of a retailer shall not:
- (A) Use a retailer's likeness to falsely suggest sponsorship or endorsement of such third-party delivery service by such retailer;
- (B) inflate or alter a retailer's pricing, but may assess other charges to the patron if such charges are separately itemized on the receipt provided to the patron; or
- (C) charge the retailer any fee or other expense unless such fee or other expense is clearly identified in a written agreement executed by both parties.
- (3) A third-party delivery service shall remove a retailer from such third-party delivery service's delivery and delivery-related services within

 10 days after receiving a request for such removal from such retailer.

- (e) (1) All cereal malt beverage and beer containing not more than 6% alcohol by volume that is removed from a retailer's licensed premises for delivery pursuant to this section shall remain in the possession of such retailer or the third-party delivery service conducting the delivery on behalf of such retailer. Such cereal malt beverage and beer containing not more than 6% alcohol by volume shall not be transferred to any other person until delivered to the address designated by the patron, or if delivery cannot be completed, returned to the licensed premises of the retailer.
- (2) Cereal malt beverage and beer containing not more than 6% alcohol by volume shall only be delivered by an individual who:
  - (A) Is at least 21 years of age;
  - (B) holds a valid driver's license;
- (C) is covered as the driver of a vehicle by primary automobile insurance that meets the minimum coverage requirements in K.S.A. 40-284 and 40-3107, and amendments thereto; and
- (D) completes a training and certification program for individuals delivering cereal malt beverage and beer containing not more than 6% alcohol by volume pursuant to this section that is reviewed and approved by the director and includes, but is not limited to, identifying individuals who are less than 21 years of age or intoxicated and recognizing false or altered forms of identification.
- (f) (1) All cereal malt beverage and beer containing not more than 6% alcohol by volume delivered pursuant to this section shall only be delivered to an individual who is at least 21 years of age and who presents valid government-issued photographic identification verifying the age of such individual. The identity and age of the individual accepting delivery of any cereal malt beverage and beer containing not more than 6% alcohol by volume shall be verified, and such individual shall execute a written or electronic acknowledgment of receipt of such cereal malt beverage and beer containing not more than 6% alcohol by volume and certification of such individual's age. A delivery shall be deemed completed upon proper acceptance of the cereal malt beverage and beer containing not more than 6% alcohol by volume. All completed deliveries shall be final.
- (2) No delivery of cereal malt beverage and beer containing not more than 6% alcohol by volume shall be completed if:
- (A) There is no individual physically present at the address designated by the patron placing the order who is available to accept delivery;
  - (B) the individual attempting to accept delivery is:
- (i) Less than 21 years of age;
  - (ii) unable to provide valid government-issued photographic

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1 identification; or

- (iii) noticeably intoxicated; or
- (C) the address designated by the patron placing the order is:
- (i) Part of any locker, mailbox, package shipping location or similar service or storage facility business;
  - (ii) any place of worship;
  - (iii) any daycare;
  - (iv) any elementary or secondary school;
  - (v) any public or private postsecondary educational institution; or
- (vi) any place of business that is licensed under the Kansas liquor control act, Kansas cereal malt beverages act or the club and drinking establishment act to manufacture, distribute or sell alcoholic liquor, except that such deliveries may be made to a guest of a hotel for personal consumption and not for resale.
- (3) Deliveries of cereal malt beverage and beer containing not more than 6% alcohol by volume shall only be made:
- (A) On the same calendar day that such cereal malt beverage and beer containing not more than 6% alcohol by volume is removed from the retailer's license premises for delivery;
- (B) during those times when it is lawful for the retailer to sell cereal malt beverage and beer containing not more than 6% alcohol by volume for consumption off the licensed premises; and
- (C) to a Kansas address that is located within a 25-mile radius from the licensed premises of the retailer that sold such cereal malt beverage and beer containing not more than 6% alcohol by volume.
- (g) Each retailer delivering cereal malt beverage and beer containing not more than 6% alcohol by volume pursuant to this section and each third-party delivery service shall submit to the director an outline of a training and certification program for individuals delivering cereal malt beverage and beer containing not more than 6% alcohol by volume pursuant to this section that includes, but is not limited to, identifying individuals who are less than 21 years of age or intoxicated and recognizing false or altered forms of identification. The director shall review and approve or deny all submitted program outlines. The director shall provide the specific reason for the denial of any program outline along with notice to the retailer or third-party delivery service that such program outline is denied.
- (h) In addition to the powers and duties of the director provided in K.S.A. 41-201, and amendments thereto, the director and any employees or agents thereof shall have the authority to conduct an audit of any retailer's or third-party delivery service's records to determine if any provision of this section or any rule or regulation adopted by the secretary has been violated or to secure evidence of any such violation. A retailer or

third-party delivery service shall maintain records of cereal malt beverage and beer sales delivered for a period of three years.

- (i) In addition to or in lieu of any other civil or criminal penalty provided by law, the director, upon a finding that a retailer or third-party delivery service has violated any provision of this section, may impose a civil fine not to exceed \$1,000 for each violation. The director may enforce the requirements of this section against a retailer or a third-party delivery service for any violations committed by such retailer or third-party delivery service. The director may impose a civil fine on a retailer or a third-party delivery service for the same violation. Nothing in this section shall be construed to limit the jurisdictional authority of the director in pursuing violations of this section against any retailer or third-party delivery service.
- (j) A retailer aggrieved by a third-party delivery service that violates the provisions of this section may bring an action to enjoin such violation and may seek damages resulting from such violation, including all profits derived from such violation. A retailer may seek punitive damages in an amount not to exceed three times the amount of profits and damages if the defendant knowingly committed the violation or the violation was committed in bad faith. The prevailing party in any such action may recover reasonable attorney fees and court costs.
- (k) A retailer may contract with another retailer as a third-party delivery service to conduct deliveries and other delivery-related services on behalf of such other retailer in accordance with the provisions of this section. Such retailer shall hold a valid delivery permit prior to entering into any such contractual agreement with such other retailer.
- (l) The secretary shall adopt rules and regulations necessary to implement and enforce the provisions of this section.
- (m) The provisions of this section shall be a part of and supplemental to the Kansas cereal malt beverage act.
  - Sec. 5. K.S.A. 2022 Supp. 41-102 is hereby amended to read as follows: 41-102. As used in this act, unless the context clearly requires otherwise:
  - (a) "Alcohol" means the product of distillation of any fermented liquid, whether rectified or diluted, whatever its origin, and includes synthetic ethyl alcohol but does not include denatured alcohol or wood alcohol.
    - (b) "Alcoholic candy" means:
  - (1) For purposes of manufacturing, any candy or other confectionery product with an alcohol content greater than 0.5% alcohol by volume; and
- (2) for purposes of sale at retail, any candy or other confectionery product with an alcohol content greater than 1% alcohol by volume.

 (c) "Alcoholic liquor" means alcohol, spirits, wine, beer, alcoholic candy and every liquid or solid, patented or not, containing alcohol, spirits, wine or beer and capable of being consumed by a human being, but shall not include any cereal malt beverage.

- (d) "Beer" means a beverage, containing more than 3.2% alcohol by weight, obtained by alcoholic fermentation of an infusion or concoction of barley, or other grain, malt and hops in water and includes beer, ale, stout, lager beer, porter and similar beverages having such alcoholic content.
- (e) "Caterer" means the same as defined by K.S.A. 41-2601, and amendments thereto.
- (f) "Cereal malt beverage" means the same as defined by K.S.A. 41-2701, and amendments thereto.
- (g) "Club" means the same as defined by K.S.A. 41-2601, and amendments thereto.
- (h) "Director" means the director of alcoholic beverage control of the department of revenue.
- (i) "Distributor" means the person importing or causing to be imported into the state, or purchasing or causing to be purchased within the state, alcoholic liquor for sale or resale to retailers licensed under this act or cereal malt beverage for sale or resale to retailers licensed under K.S.A. 41-2702, and amendments thereto.
- (j) "Domestic beer" means beer which contains not more than 15% alcohol by weight and which is manufactured in this state.
- (k) "Domestic fortified wine" means wine which contains more than 16%, but not more than 20% alcohol by volume and which is manufactured in this state.
- (l) "Domestic table wine" means wine which contains not more than 16% alcohol by volume and which is manufactured without rectification or fortification in this state.
- (m) "Drinking establishment" means the same as defined by K.S.A. 41-2601, and amendments thereto.
- (n) "Farm winery" means a winery licensed by the director to manufacture, store and sell domestic table wine and domestic fortified wine.
- (o) "Fulfillment house" means any location or facility for any in-state or out-of-state entity that handles logistics, including warehousing, packaging, order fulfillment or shipping services on behalf of the holder of a special order shipping license issued pursuant to K.S.A. 41-350, and amendments thereto.
  - (p) "Hard cider" means any alcoholic beverage that:
  - (1) Contains less than 8.5% alcohol by volume;
- (2) has a carbonation level that does not exceed 6.4 grams per liter; and

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 (3) is obtained by the normal alcoholic fermentation of the juice of sound, ripe apples or pears, including such beverages containing sugar added for the purpose of correcting natural deficiencies.

- (q) "Manufacture" means to distill, rectify, ferment, brew, make, mix, concoct, process, blend, bottle or fill an original package with any alcoholic liquor, beer or cereal malt beverage.
- (r) (1) "Manufacturer" means every brewer, fermenter, distiller, rectifier, wine maker, blender, processor, bottler or person who fills or refills an original package and others engaged in brewing, fermenting, distilling, rectifying or bottling alcoholic liquor, beer or cereal malt beverage.
- (2) "Manufacturer" does not include a microbrewery, microdistillery or a farm winery.
- (s) "Microbrewery" means a brewery licensed by the director to manufacture, store and sell domestic beer and hard cider.
- (t) "Microdistillery" means a facility which produces spirits from any source or substance that is licensed by the director to manufacture, store and sell spirits.
  - (u) "Minor" means any person under 21 years of age.
- (v) "Nonbeverage user" means any manufacturer of any of the products set forth and described in K.S.A. 41-501, and amendments thereto, when the products contain alcohol or wine, and all laboratories using alcohol for nonbeverage purposes.
- (w) "Original package" means any bottle, flask, jug, can, cask, barrel, keg, hogshead or other receptacle or container whatsoever, used, corked or capped, sealed and labeled by the manufacturer of alcoholic liquor, to contain and to convey any alcoholic liquor. Original container does not include a sleeve.
- (x) "Person" means any natural person, corporation, partnership, trust or association.
- (y) "Personal data" means any information that is linked or reasonably linkable to an identified natural person. "Personal data" does not include aggregate data or publicly available information.
- (z) "Powdered alcohol" means alcohol that is prepared in a powdered or crystal form for either direct use or for reconstitution in a nonalcoholic liquid.
- (z)(aa) "Primary American source of supply" means the manufacturer, the owner of alcoholic liquor at the time it becomes a marketable product or the manufacturer's or owner's exclusive agent who, if the alcoholic liquor cannot be secured directly from such manufacturer or owner by American wholesalers, is the source closest to such manufacturer or owner in the channel of commerce from which the product can be secured by American wholesalers.

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(aa)(bb) (1) "Retailer" means a person who is licensed under the Kansas liquor control act and sells at retail, or offers for sale at retail, alcoholic liquors or cereal malt beverages.

- (2) "Retailer" does not include a microbrewery, microdistillery or a farm winery.
- (bb)(cc) "Sale" means any transfer, exchange or barter in any manner or by any means whatsoever for a consideration and includes all sales made by any person, whether principal, proprietor, agent, servant or employee.

(ee)(dd) "Salesperson" means any natural person who:

- (1) Procures or seeks to procure an order, bargain, contract or agreement for the sale of alcoholic liquor or cereal malt beverage; or
- (2) is engaged in promoting the sale of alcoholic liquor or cereal malt beverage, or in promoting the business of any person, firm or corporation engaged in the manufacturing and selling of alcoholic liquor or cereal malt beverage, whether the seller resides within the state of Kansas and sells to licensed buyers within the state of Kansas, or whether the seller resides without the state of Kansas and sells to licensed buyers within the state of Kansas.
- (dd)(ee) "Sample" means a serving of alcoholic liquor that contains not more than: (1) One-half ounce of distilled spirits; (2) one ounce of wine; or (3) two ounces of beer or cereal malt beverage. A "sample" of a mixed alcoholic beverage shall contain not more than ½ ounce of distilled spirits.
  - (ee)(ff) "Secretary" means the secretary of revenue.
- (ff)(gg) (1) "Sell at retail" and "sale at retail" refer to and mean sales for use or consumption and not for resale in any form and sales to clubs, licensed drinking establishments, licensed caterers or holders of temporary permits.
- (2) "Sell at retail" and "sale at retail" do not refer to or mean sales by a distributor, a microbrewery, a farm winery, a licensed club, a licensed drinking establishment, a licensed caterer or a holder of a temporary permit.
- (gg)(hh) "To sell" includes to solicit or receive an order for, to keep or expose for sale and to keep with intent to sell.
- (hh)(ii) "Sleeve" means a package of two or more 50-milliliter or 3.2-fluid-ounce containers of spirits.
- (ii)(jj) "Spirits" means any beverage which contains alcohol obtained by distillation, mixed with water or other substance in solution, and includes brandy, rum, whiskey, gin or other spirituous liquors, and such liquors when rectified, blended or otherwise mixed with alcohol or other substances.
  - (jj)(kk) "Supplier" means a manufacturer of alcoholic liquor or cereal

1 malt beverage or an agent of such manufacturer, other than a salesperson.

(kk)(ll) "Temporary permit" means the same as defined by K.S.A. 41-2601, and amendments thereto.

- (mm) "Third-party delivery service" means any person, including any limited liability company or other legally recognized entity, that:
  - (1) Is registered to do business in this state;
- (2) does not hold any license, other than a retailer's license, issued under the Kansas liquor control act, the Kansas cereal malt beverage act or the Kansas club and drinking establishment act;
  - (3) is not affiliated with any licensed manufacturer;
- (4) holds a delivery permit issued pursuant to section 1, and amendments thereto; and
  - (5) uses employees or independent contractors to deliver.
- (H)(nn) "Wine" means any alcoholic beverage obtained by the normal alcoholic fermentation of the juice of sound, ripe grapes, fruits, berries or other agricultural products, including such beverages containing added alcohol or spirits or containing sugar added for the purpose of correcting natural deficiencies. "Wine" includes hard cider and any other product that is commonly known as a subset of wine.
- Sec. 6. K.S.A. 41-327 is hereby amended to read as follows: 41-327. Any licensee *or permittee* may renew—his *such* license at the expiration thereof if—he *such* licensee is then qualified to receive a license *or permit* and the premises for which such renewal license is sought are suitable for such purpose.
- Sec. 7. K.S.A. 41-2601 is hereby amended to read as follows: 41-2601. As used in the club and drinking establishment act:
- 27 (a) The following terms mean the same as provided by defined in K.S.A. 41-102, and amendments thereto:
  - (1) "Alcoholic liquor";
  - (2) "director";
- 31 (3) "original package";
  - (4) "person";
- 33 (5) "sale"; and
  - (6) "to sell."
  - (b) "Beneficial interest" shall not include any interest a person may have as owner, operator, lessee or franchise holder of a licensed hotel or motel on the premises of which a club or drinking establishment is located.
  - (c) "Caterer" means an individual, partnership or corporation that sells alcoholic liquor or cereal malt beverage by the individual drink, and provides services related to the serving thereof, on unlicensed premises that may be open to the public, but does not include a holder of a temporary permit, selling alcoholic liquor or cereal malt beverage in accordance with the terms of such permit.

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

- (e) "Class A club" means a premises that is owned or leased by a corporation, partnership, business trust or association and that is operated thereby as a bona fide nonprofit social, fraternal or war veterans' club, as determined by the director, for the exclusive use of the corporate stockholders, partners, trust beneficiaries or associates, hereinafter referred to as members, and their families and guests accompanying them, as provided in K.S.A. 41-2637, and amendments thereto.
- (f) "Class B club" means a premises operated for profit by a corporation, partnership or individual, to which members of such club may resort for the consumption of food or alcoholic beverages and for entertainment.
  - (g) "Club" means a class A or class B club.
- (h) "Drinking establishment" means premises that may be open to the general public, where alcoholic liquor or cereal malt beverage by the individual drink is sold. The term "Drinking establishment" includes a railway car.
- (i) "Food" means any raw, cooked or processed edible substance or ingredient, other than alcoholic liquor or cereal malt beverage, used or intended for use or for sale, in whole or in part, for human consumption.
- (j) "Food service establishment" means the same as provided by K.S.A. 36-501, and amendments thereto.
- (k) "Hotel" means the same as provided by K.S.A. 36-501, and amendments thereto.
- (l) "Individual drink" means a beverage containing alcoholic liquor or cereal malt beverage served to an individual for consumption by such individual or another individual, but which is not intended to be consumed by two or more individuals. The term "individual drink" includes beverages containing not more than:
  - (1) Eight ounces of wine;
  - (2) thirty-two32 ounces of beer or cereal malt beverage; or
  - (3) four ounces of a single spirit or a combination of spirits.
- (m) "Minibar" means a closed cabinet, whether nonrefrigerated or wholly or partially refrigerated, access to the interior of which is restricted by means of a locking device that requires the use of a key, magnetic card or similar device.
  - (n) "Minor" means a person under 21 years of age.
- (o) "Morals charge" means a charge involving the sale of sexual relations; procuring any person; soliciting of a child under 18 years of age for any immoral act involving sex; possession or sale of narcotics, marijuana, amphetamines or barbiturates; rape; incest; gambling; illegal cohabitation; adultery; bigamy; or a crime against nature.

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

- (q) "Public venue" means an arena, stadium, hall or theater, used primarily for athletic or sporting events, live concerts, live theatrical productions or similar seasonal entertainment events, not operated on a daily basis, and containing:
  - (1) Not fewer than 4,000 permanent seats; and
- (2) not fewer than two private suites that are enclosed or semienclosed seating areas, having controlled access and separated from the general admission areas by a permanent barrier.
- (r) "Railway car" means a locomotive drawn conveyance used for the transportation and accommodation of human passengers that is confined to a fixed rail route and which derives from sales of food for consumption on the railway car not less than 30% of its gross receipts from all sales of food and beverages in a 12-month period.
  - (s) "Restaurant" means:
- (1) In the case of a club, a licensed food service establishment that, as determined by the director, derives from sales of food for consumption on the licensed club premises not less than 50% of its gross receipts from all sales of food and beverages on such premises in a 12-month period;
- (2) in the case of a drinking establishment subject to a food sales requirement under K.S.A. 41-2642, and amendments thereto, a licensed food service establishment that, as determined by the director, derives from sales of food for consumption on the licensed drinking establishment premises not less than 30% of its gross receipts from all sales of food and beverages on such premises in a 12-month period; and
- (3) in the case of a drinking establishment subject to no food sales requirement under K.S.A. 41-2642, and amendments thereto, a licensed food service establishment.
- (t) "RV resort" means premises where a place to park recreational vehicles, as defined in K.S.A. 75-1212, and amendments thereto, is offered for pay, primarily to transient guests, for overnight or longer use while such recreational vehicles are used as sleeping or living accommodations.
- (u) "Sample" means a serving of alcoholic liquor or cereal malt beverage that contains not more than:
  - (1) One-half ounce of distilled spirits;
  - (2) one ounce of wine; or
  - (3) two ounces of beer or cereal malt beverage.

A sample of a mixed alcoholic beverage shall contain not more than ½ ounce of distilled spirits.

- (v) "Secretary" means the secretary of revenue.
- 42 (w) "Temporary permit" means a temporary permit issued pursuant to 43 K.S.A. 41-1201, and amendments thereto.

1 (x) "Third-party delivery service" means the same as defined in 2 K.S.A. 41-102, and amendments thereto.

- Sec. 8. K.S.A. 41-2701 is hereby amended to read as follows: 41-2701. As used in this act unless the context otherwise requires:
- (a) "Cereal malt beverage" means any fermented but undistilled liquor brewed or made from malt or from a mixture of malt or malt substitute or any flavored malt beverage, as defined in K.S.A. 41-2729, and amendments thereto, but does not include any such liquor which is more than 3.2% alcohol by weight.
- (b) "Director" means the director of alcoholic beverage control of the department of revenue.
  - (c) "Manufacturer" means a manufacturer as defined by K.S.A. 41-102, and amendments thereto.
- (d) "Person" means any individual, firm, partnership, corporation or association.
- (e) "Retailer" means any person who is licensed under the Kansas cereal malt beverage act and who sells or offers for sale any cereal malt beverage or beer containing not more than 6% alcohol by volume for use or consumption and not for resale in any form.
- (f) "Place of business" means any place at which cereal malt beverages or beer containing not more than 6% alcohol by volume are sold.
- (g) "Distributor" means a beer distributor licensed pursuant to the Kansas liquor control act.
- (h) "Legal age for consumption of cereal malt beverage" means 21 years of age, except that "legal age for consumption of cereal malt beverage" shall mean 18 years of age if at any time the provisions of P.L. 98-363 penalizing states for permitting persons under 21 years of age to consume cereal malt beverage are repealed or otherwise invalidated or nullified.
- *(i)* "Third-party delivery service" means the same as defined in K.S.A. 32 41-102, and amendments thereto.
  - Sec. 9. K.S.A. 41-2728 is hereby amended to read as follows: 41-2728. From and after November 15, 2005:
  - (a) K.S.A. 41-2701 through 41-2727, and amendments thereto, and section—14 3, and amendments thereto, shall be known and may be cited as the Kansas cereal malt beverage act.
  - (b) Except as specifically provided in the Kansas cereal malt beverage act, the power to regulate all phases of the manufacture, distribution, sale, possession, transportation and traffic in cereal malt beverages is vested exclusively in the state and shall be exercised as provided in the Kansas cereal malt beverage act. No city or county shall enact any ordinance or resolution—which that is in conflict with the

provisions of the Kansas cereal malt beverage act and any such ordinance or resolution shall be null and void.

- (c) The provisions of this act are severable. If any provision of this act is held to be invalid or unconstitutional, it shall be presumed conclusively that the legislature would have enacted the remainder of this act without such invalid or unconstitutional provision.
- Sec. 10. K.S.A. 41-327, 41-2601, 41-2701 and 41-2728 and K.S.A. 2022 Supp. 41-102 are hereby repealed.
- Sec. 11. This act shall take effect and be in force from and after its publication in the statute book.