

Kansas Administrative Regulations

Kansas Department of Revenue—Division of Alcoholic Beverage Control

Article 19.—Class A Clubs

14-19-16. Requirements for class A club license.

(a) Corporations. A corporation shall not be issued a class A club license if any officer, manager, director, stockholder owning a beneficial interest in the corporation or spouse of these individuals:

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

(2) has been convicted of being the keeper or is keeping a house of prostitution or has forfeited bond to appear in court to answer charges of being a keeper of a house of prostitution;

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

(4) is not at least 21 years of age. This shall not apply to the spouse of the individual;

(5) (A) Appoints or supervises any law enforcement officer, other than as a member of the governing body of a city or county;

(B) is a law enforcement official; or

(C) is an employee of the director.

Paragraph (5), above, shall not apply to an officer of a post home, a congressionally chartered service or fraternal organization or a benevolent association or society thereof;

(6) intends to act as the agent of another in exercising control of the license;

(7) at the time of application for renewal of the license issued by the director would be ineligible for the license upon a first application. This shall not apply if the officer's, director's, manager's or stockholder's spouse is ineligible upon the application for renewal;

(8) has had any license or permit issued by the director revoked;

(9) has a beneficial interest in the manufacture, preparation or wholesale or retail sale of alcoholic liquors or a beneficial interest in any other club or drinking establishment licensed by the director. Any officer, manager, director, stockholder or spouse of these individuals may own a beneficial interest in a distributor or retailer if the club purchases no alcoholic liquor from that distributor or retailer; and

(10) has been an officer, manager or director or a stockholder owning a beneficial interest in a corporation which:

(A) Has had a license revoked under the provisions of the club and drinking establishment act; or

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

(b) Business trusts or associations. A business trust or association shall not be issued a class A club license if any officer, director, manager, owner who owns a beneficial interest in the business trust or association or a spouse of any of these individuals:

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

(2) has been convicted of being the keeper or is keeping a house of prostitution or has forfeited bond to appear in court to answer charges of being a keeper of a house of prostitution;

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

(4) is not at least 21 years of age. This shall not apply to the spouse of the individual;

(5) (A) Appoints or supervises any law enforcement officer, other than as a member of the governing body of a city or county;

(B) is a law enforcement official; or

(C) is an employee of the director;

Paragraph (5), above, shall not apply to an officer of a post home, a congressionally chartered service or fraternal organization or a benevolent association or society thereof;

(6) intends to act as the agent of another in exercising control of the license;

(7) at the time of application for renewal of the license issued by the director would be ineligible for the license upon a first application. This shall not apply if the officer's, director's, manager's or owner's spouse is ineligible upon the application for renewal;

(8) has had any license or permit issued by the director revoked;

(9) has a beneficial interest in the manufacture, preparation or wholesale or retail sale of alcoholic liquors or a beneficial interest in any other club or drinking establishment licensed by the director. Any officer, director, manager, owner or spouse of the same may own a beneficial interest in a distributor or retailer if the club licensed by the director purchases no alcoholic liquor from the distributor or retailer; and

(10) has been an officer, manager, director or stockholder owning a beneficial interest of a corporation which:

(A) Has has a license revoked under the provisions of the club and drinking establishment act; or

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

(c) Partnerships. A partnership shall not be issued a class A club license if any manager, partner or spouse of a manager or partner:

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

(2) has been convicted of being the keeper or is keeping a house of prostitution or has forfeited bond to appear in court to answer charges of being a keeper of a house of prostitution;

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

(4) is not at least 21 years of age. This shall not apply to the spouse of the partner or manager;

(5) (A) Appoints or supervises any law enforcement officer, other than as a member of the governing body of a city or county;

(B) is a law enforcement official; or

(C) is an employee of the director;

Paragraph (5), above, shall not apply to an officer of a post home, congressionally chartered service or fraternal organization or a benevolent association or society thereof;

(6) intends to act as the agent of another in exercising control of the license;

(7) at the time of application for renewal of the license issued by the director would be ineligible for the license upon a first application. This shall not apply if the manager's or partner's spouse is ineligible upon the application for renewal;

(8) has had any license or permit issued by the director revoked;

(9) has a beneficial interest in the manufacture, preparation or wholesale or retail sale of alcoholic liquors or a beneficial interest in any other club or drinking establishment licensed by the director. A manager, partner or spouse of the same may own a beneficial interest in a distributor or retailer if the club licensed by the director purchases no alcoholic liquor from that distributor or retailer;

(10) has been an officer, manager, director or stockholder owning a beneficial interest of a corporation which:

(A) Has had a license revoked under the provisions of the club and drinking establishment act; or

(B) has been convicted of a violation of the club and drinking establishment act or the cereal malt beverage laws of this state;

(11) has been a citizen of the United States for less than 10 years. This shall not apply to the spouse of the manager or partner;

(12) has been a resident of the state of Kansas for less than one year immediately preceding the date of application. This shall not apply to the spouse of the manager or partner; and

(13) is not a resident of the county in which the club is to be located. This shall not apply to the spouse of the manager or partner.

(d) Every corporate applicant shall be a Kansas domestic not-for-profit corporation.

(e) For the purpose of determining qualifications under subsections (a), (b) and (c) of this regulation, any person who leases premises to a class A club upon terms which result in the lessor having a beneficial interest in the club's business, shall be deemed to be a partner in the club's business. A lessor shall be deemed to have a beneficial interest in a club's business, if the lessor receives as rent, in whole or in part, a percentage of the club's gross receipts or profits from the sale of alcoholic liquor, other items to be mixed with alcoholic liquor, or club membership fees. Percentage rent provisions that exclude these items shall be subject to review and approval by the director.

(Authorized by K.S.A. 41-2634 as amended by L. 1987, Ch. 182, Sec. 85; implementing K.S.A. 41-2623 as amended by L. 1987, Ch. 182, Sec. 75; effective, T-88-22, July 1, 1987; effective May 1, 1988.)

***** Authenticated Kansas Administrative Regulation *****