

Kansas Administrative Regulations

Kansas Department of Revenue—Division of Alcoholic Beverage Control

Article 21.—Drinking Establishments

14-21-6. Change of drinking establishment status.

(a) If a licensee desires to change the status of its license from a drinking establishment to either a class A or class B club, the licensee shall make application, at least 45 days prior to the desired date of the change, for the type of license sought and shall voluntarily cancel the current license upon the issuance of the new type license. The licensee shall receive a refund for the license voluntarily cancelled as required by K.A.R. 14-21-7.

(b) If a drinking establishment fails an audit conducted by the director or the secretary to establish that at least 30% of its gross receipts are derived from the sale of food, then that drinking establishment's license as a drinking establishment shall be canceled. The drinking establishment licensee shall have 10 days from the receipt of its notice of cancellation to make application to become a class B club. On the tenth day after receipt of notice of cancellation, the drinking establishment license will be canceled and the drinking establishment shall begin conducting business as a class B club pending the processing of the application for said class B club license. If the application for a class B club license is denied or if the applicant fails to process its application within 30 days, then the applicant shall discontinue operations under the club and drinking establishment act and surrender its license to the director. This provision shall not apply to any drinking establishment located in a county that has eliminated this requirement.

(c) If one of the drinking establishments owned by a licensee which holds multiple licenses pursuant to the provisions of K.A.R. 14-21-8, fails an audit conducted by the director or the secretary to establish that at least 30% of its gross receipts are derived from the sale of food, then that drinking establishment's license as a drinking establishment shall be canceled. The licensee shall have 10 days from receipt of notice

of cancellation to advise the director, in writing, of its intent to sell the drinking establishment and the date upon which the sale will be effective. If the effective sale date is within 30 days of the delivery of the licensee's notice of intent to sell, then the license shall be canceled on the effective date of the sale. If the licensee fails to give the notice of intent to sell or the effective date is longer than 30 days from the receipt of the licensee's notice of intent to sell, the licensee's license shall be canceled 40 days from the date the licensee receives the director's notice of cancellation and the licensee shall discontinue operations under the club and drinking establishment act and surrender its license to the director. This provision shall not apply to any drinking establishment located in a county that has eliminated this requirement.

(Authorized by K.S.A. 1989 Supp. 41-2634; implementing K.S.A. 1989 Supp. 41-2601, 41-2623; effective, T-88-22, July 1, 1987; effective May 1, 1988; amended Aug. 6, 1990.)

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