

Kansas Administrative Regulations

Kansas Department of Revenue—Division of Alcoholic Beverage Control

Article 13.—Retail Liquor Dealer

14-13-14. Management of retail liquor store by any person or entity other than the owner or owners.

(a) "Performance of management or operational services" shall mean the exercise of independent control by any person or entity, other than the owner or owners of a retail liquor store, over any of the following activities:

- (1) Hiring, firing, or supervising the store's employees;
- (2) determining the amount or type of inventory to be ordered or maintained by the store, ordering inventory for the store, or coordinating deliveries of inventory to the store;
- (3) determining the advertising, marketing, or promotional programs that are enlisted, offered, or utilized by the store;
- (4) negotiating, entering into, or executing contracts to which the store is a party;
- (5) paying for or authorizing payment for services provided to or purchases made by the store; or
- (6) performing any other task essential to the operation of or the ability to operate the store.

(b) An employee of a retail liquor store who meets both of the following criteria shall not be considered to be involved in the performance of management or operational services:

- (1) Engages or participates in any of the activities specified in subsection (a) but does not exercise independent control in performing the activities; and
- (2) is not an independent contractor.

(c) No retail liquor store owner shall authorize or allow the performance of management or operational services by any person or entity other than the owner or owners of the store, unless the owner or owners provide the following to the director:

(1) The terms by which any person or entity other than the owner or owners will perform the management or operational services, specifying the following:

(A) That the person or entity will be paid a fixed rate of compensation, not based on or derived from a percentage of the gross receipts from liquor sales; and

(B) that the compensation will not include payment of any business expenses in a way that effectively circumvents the terms of paragraph (c)(1)(A);

(2) the name, address, date of birth, social security number, and all other information required on forms provided by the director, for any person, or in the case of an entity, for any officer, manager, or director, or any stockholder owning in the aggregate more than five percent of the common or preferred stock in the entity, who will perform the management or operational services; and

(3) a disclosure of any interest or involvement in any other retail liquor store or business involving alcoholic liquor that is held by any person or entity performing management or operational services, submitted on forms provided by the director.

(d) Each retail liquor store owner shall be expressly prohibited from performing the following activities:

(1) Authorizing or allowing any person or entity that would not qualify to obtain and hold the store's retail liquor license to perform management or operational services for or on behalf of the owner or owners of the store;

(2) commingling any inventory between or among multiple retail liquor stores; and

(3) streamlining business processes with those of another retail liquor store or any other entity, or allowing the collective performance of management or operational services for the retail liquor store and any other store, in a manner suggesting to the public that multiple stores are part of a chain or are owned or operated by a corporation, including any of the following:

(A) Using a "d/b/a" or trade name in violation of K.A.R. 14-13-15;

(B) having employees wear uniforms or accessories identical to those worn by employees of another retail liquor store or corporate entity;

(C) delivering products in sacks or bags bearing the same trade name, logo, or other identifying mark that is used by any other retail liquor store or a corporate entity; or

(D) limiting access or offering discounts only to those persons who are members of, or possess membership or access credentials for, any corporate entity.

(Authorized by K.S.A. 41-210; implementing K.S.A. 41-104, 41-210, 41-211, and K.S.A. 2001 Supp. 41-311; effective July 5, 2002.)

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