Article 22 - CATERER

(Last amended in 1992)

14-22-1. Definitions. As used in this article of these regulations, unless the context clearly requires otherwise, the following words and phrases shall have the meanings ascribed to them in this regulation:

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

(b) "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. The term beer includes beer, ale, stout, lager beer, porter and similar beverages having such alcoholic content.

(c) "Beneficial interest" means any ownership interest by a person or that person's spouse in a business, corporation, partnership, business trust, association or other form of business organization which exceeds 5% of the outstanding shares of that corporation or similar holding in any other form of business organization.

(d) "Bulk wine" means wine that is sold to a caterer either by a retailer or a distributor, in barrels, casks or bulk containers which individually exceed 20 liters.

(e) "Cereal malt beverage" means any fermented but undistilled liquor brewed or made from malt or from a mixture of malt or malt substitute, but does not include any liquor which is more than 3.2% alcohol by weight.

(f) "Director" means the director of alcoholic beverage control of the department of revenue.

(g) "Distributor" means those persons licensed by the director, pursuant to K.S.A. 1991 Supp. 41-306, 41-306a, and 41-307, to sell or offer for sale alcoholic liquor, spirits, wine, beer or cereal malt beverage to any person authorized by law to sell alcoholic liquor, spirits, wine, beer or cereal malt beverage at retail.

(h) "Event" means any occasion at which a licensed caterer will offer for sale, sell and serve alcoholic liquor.

(i) "Licensed premises" means those areas described in an application for a club or drinking establishment license that are under the control of the applicant and that are intended as the area in which alcoholic liquor or cereal malt beverages are to be served pursuant to the applicant's license.

(j) "Morals charge" means any charge made in an indictment, information or complaint alleging crimes which involve:

1. prostitution;
2. procuring any person;
3. soliciting of a child under 18 years of age for any immoral act involving sex;
4. possession or sale of narcotics, marijuana, amphetamines or barbiturates;
5. rape;
6. incest;
7. gambling;
8. adultery; or
9. bigamy.

(k) "Organization" means any nonprofit charitable organization that conducts charitable activities in the state.

(l) "Permitted premises" means those areas described in the notification of an event that are under the control of the caterer and are intended as the areas in which alcoholic liquor may be served to the public.

(m) "Person" means any natural person, corporation, trust or partnership.
(n) "Principal place of business" means the place from which a caterer will conduct its business, other than events, which is described in the caterer's application.

(o) "Retailer" means a person licensed by the director to sell at retail, or offer for sale at retail, alcoholic liquor for consumption off the licensed premises of the retailer.

(p) "Spirits" means any beverage that contains alcohol obtained by distillation, mixed with water or other substances in solution. The term "spirits" includes brandy, rum, whiskey, gin or other spirituous liquors, and liquors when rectified, blended or otherwise mixed with alcohol or other substances.

(q) "Sponsor" means the person or organization which contracts with a caterer to conduct an event.

(r) "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 those beverages containing added alcohol or spirits or containing sugar added for the purpose of correcting natural deficiencies.


**14-22-2. Applications and renewals; documents required.** Each application for a caterer's license shall be made upon forms prepared by the director and shall contain all information as the director deems necessary. Any application which does not contain all required information may be returned to the applicant without the application being considered on its merits.

(a) General requirements. Each application for a caterer's license shall be accompanied by the following documents and all other documents the director deems necessary:

1. a copy of a written lease, with at least nine months remaining in its term from the date the license is issued, or proof of ownership by the applicant of the principal place of business sought to be licensed;
2. the registration fee in the form of a certified check, cashier's check, money order or cash. Personal or business checks shall not be accepted;
3. the license fee in the form of a certified check, cashier's check, money order or cash. Personal or business checks shall not be accepted; and
4. a disclosure statement listing each officer, manager, director, trustee, owner, partner, grantor, beneficiary or stockholder owning a beneficial interest in a corporate applicant, and the spouses of these individuals. The disclosure statement shall certify that all the individuals listed are not disqualified from obtaining a caterer's license as provided in K.A.R. 14-22-3.

(b) Corporations. In addition to the documents required under subsection (a), each application on behalf of a corporation shall include:

1. a certified copy of the articles of incorporation as a Kansas domestic for-profit corporation;
2. a copy of the corporate bylaws; and
3. an appointment of process agent together with a power of attorney authorizing said agent to conduct the business of the caterer and receive all service of process on behalf of the caterer. The process agent shall be an individual.

(c) Partnerships. In addition to the documents required by subsection (a), each application on behalf of a partnership shall include a copy of the partnership agreement.

(d) Trusts. In addition to the documents required by subsection (a), each application on behalf of a trust shall include a copy of the declaration of trust or other documents setting forth the aims and purposes of the trust.

14-22-3. **Requirements for caterer's license.** (a) A caterer's license shall not be issued to any corporation, partnership, trust or individual if any owner, partner, grantor, trustee, beneficiary, officer, manager, director or stockholder owning a beneficial interest in a 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 or to the beneficiary of a trust;
(5)(A) appoints or supervises any law enforcement officer, other than as a member of the governing body of a city or county;
(B) who is a law enforcement official; or
(C) who is an employee of the director;
(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 to the spouse of the individual;
(8) has had any license or permit issued by the director under the club and drinking establishment act revoked; or
(9) has a beneficial interest in the manufacture, preparation, wholesale or retail sale of alcoholic liquors.

(b) A corporation shall not be issued a caterer's license if any officer, manager, director or stockholder owning a beneficial interest in the corporation has been an officer, manager, director or stockholder owning a beneficial interest in a corporation which:

(1) has had a license revoked under the provisions of the club and drinking establishment act; or
(2) has been convicted of a violation of the club and drinking establishment act or the cereal malt beverage laws of this state.

(c) A partnership, trust or individual shall not be issued a caterer's license if any owner, manager, grantor, trustee, beneficiary or partner:

(1) has been a citizen of the United States for less than 10 years; or
(2) has been a resident of the state of Kansas for less than one year immediately preceding the date of application.

(d) Each corporate applicant shall be a Kansas domestic for-profit corporation.

(e) For the purpose of determining qualifications under subsections (a), (b) and (c) of this regulation, any person who provides financing to or leases premises to a caterer upon terms which result in that person having a beneficial interest in the caterer's business, shall be deemed to be a partner in the caterer's business. A person who provides financing to a caterer shall be deemed to have a beneficial interest in the caterer's business if the terms for repayment are conditioned on the amount of the caterer's receipts or profits from the sale of alcoholic liquor or other items to be mixed with alcoholic liquor. A lessor shall be deemed to have a beneficial interest in a caterer's business, if the lessor receives as rent, in whole or in part, a percentage of the caterer's receipts or profits from the sale of alcoholic liquor or other items to be mixed with alcoholic liquor. Financing or percentage rent provisions that exclude these items shall be subject to review and approval by the director. The restrictions of this paragraph shall not be applied if the lessor is a city, county, the state of Kansas or any department or agency thereof.
14-22-4. Issuance of license. (a) An annual caterer's license shall be issued to each applicant determined by the director to have satisfied the requirements of the club and drinking establishment act and this article of these regulations.

(b) An application for a license may be rejected by the director if:

1. the applicant, officers, directors, partners, registered agents, trustees, managers or owners have previously owned or operated any type of retail liquor club, drinking establishment or caterer's license, and at the time the previous license was surrendered, the licensee had been ordered to appear and show cause why the license should not be revoked or suspended;

2. the application is for premises which were the subject of the order to appear and show cause as set forth in paragraph (1) above, and it appears that the new application for a license is an attempt to avoid any possible remedial action taken by the director against the former licensee;

3. the applicant's officers, directors, partners, registered agent, managers or owners, are currently delinquent in payment of any excise or enforcement tax, fees or fines to the State of Kansas; or

4. the applicant, officers, directors, partners, registered agent, trustees, managers or owners have previously owned or operated any type of retail liquor club, drinking establishment or caterer's license, and at the time the previous license was surrendered, the licensee was delinquent in payment of any excise or enforcement tax, fees or fines to the State of Kansas; or

5. the application is for premises which were the subject of the delinquent taxes as set forth in paragraph (3), above, and it appears that the new application for a license is an attempt to avoid payment of the tax.


14-22-5. Licenses, loss or destruction of; application for and issuance of duplicate. Whenever any license issued by the director is lost or destroyed before its expiration, the caterer to whom the license was issued, may make written application to the director for a duplicate license. The application shall set forth all the facts and circumstances concerning the loss or destruction of the license and shall be sworn to by each person applying for the duplicate. Upon review of the application, a duplicate license may be issued by the director. The caterer may request additional certified copies of its license for the purpose of conducting more than one function at a time at which the license is required to be displayed. Upon payment of the cost thereof, the director may issue such additional copies or duplicates of a caterer's license as it appears is necessary.

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

14-22-6. Events; filings; notice; food sales required. (a) Each caterer, under this article, may offer for sale, sell and serve alcoholic liquor for consumption at an event.

(b) Each caterer shall notify the director not less than 10 days in advance of each event at which the caterer will sell alcoholic liquor by the individual drink.

(c) For each event to be catered in an incorporated city, the caterer shall file with the law enforcement agency for the city in which the event will be held, a notice that an event will be held. The notice shall contain that information required by subsection (e).
(d) For each event to be catered outside an incorporated city, the caterer shall file with the sheriff of
the county in which the event will be held, a notice that an event will be held. The notice shall contain
that information required by subsection (e).

(e) Each notice required by subsections (c) or (d) shall contain:
   (1) a copy of the catering contract, in force or proposed, with the sponsor of an event, if applicable;
   (2) a clear description of the event premises which shall be in enough detail that the event premises
       are identifiable;
   (3) disclosure of all personnel who will be mixing or dispensing alcoholic liquor at the event; and
   (4) a statement of the dates the event will be conducted and the hours of operation on each date.

(f) The licensee shall prominently display at each event, upon a poster or other device located at the
entrance to the event premises:
   (1) the caterer's name;
   (2) the caterer's license;
   (3) the name of the sponsor; and
   (4) a copy of the notice required by subsections (c) or (d).

(g) A caterer shall not:
   (1) conduct an event upon licensed premises unless the caterer also holds the license for the
       licensed premises;
   (2) conduct an event for longer than seven days, unless the director first approves the longer
       duration;
   (3) deny access to an event to any law enforcement officer;
   (4) operate an event between the hours of 2:00 A.M. and 6:00 A.M.; or
   (5) sell cereal malt beverage or non-alcoholic malt beverages at an event.

(h) For each event, the caterer shall keep records for three years which:
   (1) demonstrate the ratio of food sales to alcoholic beverage sales is not less than 30% in a 12
       month period. This shall not apply to events conducted in a county which has eliminated this
       requirement;
   (2) demonstrate that all excise taxes have been paid; and
   (3) demonstrate that all sales taxes have been paid.

   (Authorized by K.S.A. 41-2634, 79-3618, 79-41a03; implementing K.S.A. 1989 Supp. 41-2613,
   Ch. 179, Sec. 7; effective, T-88-22, July 1, 1987; effective May 1, 1988; amended July 1, 1990;
   amended July 1, 1991.)

14-22-7. Refund upon voluntary cancellation. If a caterer's license is cancelled, except through
revocation or suspension, the licensee shall be eligible for a refund of a portion of the annual license
fee. The refund shall be equal to one-twelfth of the annual license fee for each full calendar month of
the license year that remains at the time of cancellation. The refund shall be made only upon
application to the director.

   (Authorized by and implementing K.S.A. 41-2607, 41-2629 as amended by L. 1987, Ch. 182, Sec.
   80; effective, T-88-22, July 1, 1987; effective May 1, 1988.)

14-22-8. Drinking establishments/caterer criteria for determination; gross receipts affidavit;
estimates. Any drinking establishment may also obtain a license as a caterer under the provisions of
the club and drinking establishment act and these regulations. Each person seeking both licenses shall
comply with all the provisions of the club and drinking establishment act and these regulations and
complete such forms required by the director. Each dual license holder shall maintain separately the
records for the events it caters from those for the drinking establishment. Sales of food or beverage at a
catered event shall not be included in the sales of the drinking establishment for the purposes of determining the gross receipts ratio of the drinking establishment.

(Authorized by K.S.A. 41-2634 as amended by L. 1987, Ch. 182, Sec. 85; implementing 41-2623 as amended by L. 1987, Ch. 182, Sec. 75; L. 1987, Ch. 182, Sec. 89 and 90; effective, T-88-22, July 1, 1987; effective May 1, 1988.)

14-22-9. Employees; registration of same; those prohibited. (a) Each caterer shall register the caterer's employees who will mix, sell, serve, or dispense alcoholic liquor with the director, on forms supplied by the director, within five days after the employee begins work for the caterer and upon each renewal of the caterer's license.

(b) A caterer shall not employ or continue to employ any person:
   (1) who is under the age of 18 years to serve alcoholic liquor;
   (2) who is under the age of 21 years to mix or dispense drinks containing alcoholic liquor;
   (3) who is under the age of 21 years and is not supervised by the licensee or an employee who is at least 21 years of age;
   (4) who has been convicted of a felony or of any crime involving a morals charge in Kansas, any other state or the United States to dispense, mix or serve alcoholic liquor;
   (5) who has been convicted within the previous two years of a violation of any intoxicating liquor law of Kansas, any other state or the United States, to dispense, mix or serve alcoholic liquor; or
   (6) who is a manufacturer, distributor or retailer or an employee of a manufacturer, distributor or retailer in the capacity of a person registered to mix, serve, sell or dispense alcoholic liquor.


14-22-10. Purchase of alcoholic liquor; requirements and restrictions. (a) Each caterer shall purchase alcoholic liquor only from a retailer. However, any caterer may purchase bulk wine and beer from a distributor.

(b) Any caterer may receive delivery of alcoholic liquor from a retailer and delivery of bulk wine or beer from a distributor to its principal place of business.

(c) A caterer shall not purchase alcoholic liquor or beer from any retailer who does not possess a federal wholesaler's basic permit and who does not have on display at the retail establishment a sign that states that the licensee is a "Wholesale Liquor Dealer Under Federal Law." A caterer shall not warehouse any liquor on any retail liquor store premises in accordance with K.A.R. 14-13-9(h).

(d) A caterer shall not purchase wine or beer from any distributor who does not possess a federal wholesaler's basic permit and who does not have on display at the wholesale establishment a sign that states that the licensee is a "Wholesale Liquor Dealer Under Federal Law." A caterer shall not warehouse any liquor on any distributor's premises.

(e) Each caterer, when making alcoholic liquor purchases from retailers or distributors, shall obtain and keep, for a period of not less than three years from the date of purchase, a sales slip that contains:
   (1) The date of purchase;
   (2) the name and address of the retailer or distributor;
   (3) the name and address of the caterer;
   (4) the brand, size and amount of all alcoholic liquor purchased; and
   (5) the subtotal of the cost of the alcoholic liquor and the total cost of the order including enforcement tax and delivery charge, if any.

(f) Each caterer shall purchase alcoholic liquor through a registered employee of the licensed caterer who shall be at least 21 years of age. The caterer shall provide to the registered employee identification sufficient to demonstrate to the retailer or distributor who possesses the federal wholesale basic permit that the individual making the purchase on behalf of the caterer is so registered.
(g) Each caterer shall maintain at its principal place of business all records of all alcoholic liquor purchased. These records shall be available for inspection by the director or any agent or employee of the director or secretary upon request.

(Authorized by K.S.A. 41-210 as amended by L. 1987, Ch. 182, Sec. 10, 41-211, 41-2634 as amended by L. 1987, Ch. 182, Sec. 85, 79-41a03 as amended by L. 1987, Ch. 182, Sec. 119; implementing K.S.A. 41-301, K.S.A. 41-306 as amended by L. 1987, Ch. 182, Sec. 13, 41-307 as amended by L. 1987, Ch. 182, Sec. 16, 41-308 amended by L. 1987, Ch. 182, Sec. 18, 41-2611 as amended by L. 1987, Ch. 182, Sec. 66, 41-2621 as amended by L. 1987, Ch. 182, Sec. 73, 79-41a03 as amended by L. 1987, Ch. 182, Sec. 119; effective, T-88-22, July 1, 1987; effective May 1, 1988.)

14-22-11. Caterer's responsibility for conduct of business and employees. Each caterer shall be responsible for the conduct of each event catered. Each caterer shall be responsible for all violations of the club and drinking establishment act by the following people while on the event premises:

(a) An employee of the caterer;

(b) an employee of any person contracting with the caterer to provide services or food at an event; or

(c) any person serving or mixing alcoholic liquor at an event.

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

14-22-12. Storage of liquor. (a) At the time of application for a caterer's license, each caterer shall inform the director as to the location of the liquor storage area that the caterer plans to use at its principal place of business. A caterer shall not store its liquor in any place other than the principal place of business of the caterer unless the caterer has received prior approval from the director. For each event, the caterer shall make a record of the amount of unused alcoholic liquor and its disposition and keep the record with those records required by K.A.R. 14-22-10(g).

(b) Each caterer holding a license as a drinking establishment shall keep all alcoholic liquor intended for use at catered functions in separate storage facilities from that intended for use in the drinking establishment.


14-22-13. Removal of liquor from event premises prohibited; alcoholic liquor sales by caterer and drinking establishment licensees. A caterer shall not sell alcoholic liquor for removal from or consumption off of the event premises. The removal of alcoholic liquor sold by the caterer from the premises of an event or from the principal place of business of the caterer, other than transportation to an event, is prohibited. A caterer who also holds a license as a drinking establishment may sell alcoholic liquor upon the drinking establishment's licensed premises.

(Authorized by K.S.A. 41-2634 as amended by L. 1987, Ch. 182, Sec. 85; implementing L. 1987, Ch. 182, Sec. 89; effective, T-88-22, July 1, 1987; effective May 1, 1988.)

14-22-14. Nontaxed liquor and individual alcoholic liquor on event premises prohibited. A caterer shall dispense alcoholic liquor from original containers bearing Kansas alcoholic liquor identification stamps. Any individual may be allowed to bring bottles onto the event premises upon the following conditions:

(a) A caterer shall not warehouse any bottles upon the event premises;

(b) each person bringing any bottles onto the event premises shall remove the bottles when departing from the event premises;

(c) each bottle shall bear a Kansas alcoholic liquor identification stamp if required by law.

14-22-16. Minimum prices for drinks; how determined. (a) A licensed caterer shall not sell any drink to any person for less than the acquisition cost of that drink to the caterer.
(b) The cost of each of the following items shall be included in the acquisition cost of a drink:
   (1) All alcoholic liquor contained in the drink; and
   (2) any liquid of a non-alcoholic nature contained in the drink.
   (c) Any of the following items shall not be required to be included in the acquisition cost:
      (1) City service or tap water;
      (2) ice;
      (3) employee salaries or other usual overhead; and
      (4) any other items of clearly negligible value used in the drink.
   (3) In determining the minimum price, a caterer shall not include the drink tax as imposed by K.S.A. 79-41a02. This tax shall be collected in addition to the minimum price for the drink itself.

14-22-17. Caterers charge the same price for the same drink all day; day defined. (a) A caterer shall not sell a drink to any person for less than the price charged for that same drink to all other patrons on that day. Any particular drink that is offered for sale at any time during the day shall be offered at the same price for the entire day.
   (b) The term "day" shall mean from 6:00 a.m. until 2:00 a.m. the following calendar day.

14-22-18. Federal retail stamp. Each caterer licensee shall purchase from the United States bureau of alcohol, tobacco and firearms a federal retail stamp and shall display that stamp, or proof of payment for the stamp, in public view at the caterer's principal place of business.

14-22-19. Excise tax shall be current. Any caterer that fails to register for an excise tax registration number with the director of taxation shall be subject to cancellation of its license or fine by the director. Any caterer that is delinquent in the payment of its excise taxes levied on alcoholic liquors shall be subject to cancellation of its license or fine by the director.
14-22-20. Suspension and revocation; grounds for; procedure. The license of any caterer may be revoked, canceled or suspended by the director for any one or more of the following reasons, subject to the procedures and other provisions of K.A.R. 14-16-14 et seq.:

(a) The caterer has omitted or misstated a material fact in the caterer's application;

(b) the caterer has operated in a manner materially different from that represented in the application;

(c) the caterer has engaged in a prohibited act or transaction;

(d) the caterer has violated any provision of the liquor control act, the club and drinking establishment act, or any regulations adopted pursuant thereto;

(e) there has been a violation of the laws of Kansas pertaining to the sale of alcoholic liquor or cereal malt beverage or a violation of the laws of the United States pertaining to the sale of intoxicating liquor or a violation involving a morals charge upon the caterer's principal place of business or at an event;

(f) the caterer, its managing officers or any employee has purchased and displayed, on the event premises or at the principal place of business a federal wagering occupational stamp or a federal coin operated gambling device stamp issued by the United States treasury department;

(g) the caterer has refused to allow the director or any agent or employee of the director or secretary to inspect the permitted premises, any alcoholic liquor upon the permitted premises or any records required to be kept by these regulations; or

(h) the caterer has allowed a person who is under the age of 21 years to possess alcoholic liquor while on the permitted premises.

(Reviewed and amended by K.S.A. 41-2634 as amended by L. 1987, Ch. 182, Sec. 85; implementing K.S.A. 41-2611 as amended by L. 1987, Ch. 182, Sec. 66, effective, T-88-22, July 1, 1987; effective May 1, 1988.)