

## ORDINANCE NO. 141013

Amending Chapter 10, Code of Ordinances, by repealing Section 10-102, Eligibility & requirements for a sales-by-drink license, and enacting in lieu thereof a new section that will allow the Managing Officer of a manufacturer or microbrewery an opportunity to apply for and receive a retail sales by drink license to sell alcoholic beverages by the drink or by the package of only those products manufactured on the licensed premise.

WHEREAS, there are manufacturers and microbreweries that have expressed an interest in having the ability to sell only those alcoholic beverages manufactured or brewed on the licensed premise to the public; and

WHEREAS, the ordinance currently states that all sales-by-drink license holders must assure that more than 60% of all alcoholic beverages sold on the licensed premise must be sold by the drink and consumed on the licensed premise which likely prevents all manufacturers or microbreweries from having the ability to sell their products by the drink on their licensed premise; NOW, THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. That Chapter 10, Code of Ordinances of the City of Kansas City, Missouri, is hereby amended by repealing Section 10-102, Eligibility and requirements for a sales-by-drink license, and enacting in lieu thereof a new section, to read as follows:

### **Sec. 10-102. Eligibility and requirements for sales by drink license.**

(a) A full sales-by-drink license authorizes the licensee to sell all kinds of alcoholic beverages by the drink for consumption on the licensed premises and to sell alcoholic beverages in the original package on the licensed premises. Each license shall be further classified into one of the sales-by-drink classifications set forth in this chapter.

(b) Unless otherwise stated in this section, a sales-by-drink license may only be issued to a licensee or applicant when liquor-by-drink sales or projected sales are over 80 percent of all liquor sales. No sales-by-drink license authorized under sections 10-102, 10-103, 10-104, 10-105, 10-106, 10-107, 10-108, 10-109, 10-110 and of this chapter shall be issued to any of the following businesses:

- (1) Drugstore.
- (2) Cigar and tobacco store.
- (3) Grocery store.
- (4) Convenience-grocery store.
- (5) General merchandising store.
- (6) Confectionery store.

ORDINANCE NO. 141013

- (7) Any store that sells gasoline, a gasoline service station, or motor vehicle repair garage.

(c) A sales-by-drink combination license may only be issued to a licensee or applicant when liquor-by-drink sales or projected sales are over 60 percent of all liquor sales. No sales-by-drink combination license authorized under sections 10-102, 10-103, 10-104, 10-105, 10-106, 10-107, 10-108, 10-109, 10-110, and of this chapter shall be issued to any of the following businesses:

- (1) Drugstore.
- (2) Cigar and tobacco store.
- (3) Grocery store.
- (4) Convenience-grocery store.
- (5) General merchandising store.
- (6) Confectionery store.
- (7) Any store that sells gasoline, a gasoline service station, or motor vehicle repair garage.

(d) A caterer with a full sales-by-drink license authorizes the caterer to sell all kinds of alcoholic beverages by the drink for consumption away from the licensed premises at other premises approved by the director. Each license shall be further classified into one of the sales-by-drink classifications set forth in this chapter.

(e) A wine manufacturer may apply for a full sales-by-drink license which authorizes the licensee to sell all kinds of alcoholic beverages by the drink for consumption on the premises where sold, if the premises so licensed is in close proximity to the winery. The licensed premises pursuant to this subsection shall also be exempt from the provisions of section 10-211 provided that the licensed premises are located in or upon the premises of a manufacturing facility and the manufacturing facility produces no less than 10,000 barrels of any kind of alcohol per annum. Each license shall be further classified into one of the sales-by-drink classifications set forth in this chapter.

(f) A licensee holding a current full original package sales license or an applicant who is eligible under section 10-211(2) of this chapter to receive a full original package sales license may apply for a sales-by-drink specialty license which will authorize the licensee to sell alcoholic beverages in the original package and light wine by the drink for consumption on the premises as long as the following criteria are met:

- (1) The licensee must follow all sections of the ordinance that apply to a sales by drink licensed premises as outlined in this chapter; and

ORDINANCE NO. 141013

- (2) The licensee must meet the consent requirement as outlined in section 10-214 of this chapter; and
- (3) The licensee must derive a minimum of 80 percent of their total gross sales from the sale of alcoholic beverages; and
- (4) The only type of alcoholic beverages the licensee is permitted to sell or serve is light wine by the drink in a serving size not to exceed five ounces; and
- (5) A licensee who has a sales-by-drink specialty license may only derive a maximum of 20 percent of their gross alcoholic beverage sales from the sale of light wine sold by the drink for consumption on the premises; and
- (6) The licensee will not allow any form of entertainment on the premises as outlined in section 10-332 of this chapter; and
- (7) The licensee will be prohibited from licensing any exterior part of the premises; and
- (8) The licensee will submit the fees listed in section 10-127 for a full sales-by-drink license and the corresponding Sunday license before the sales-by-drink specialty license will be issued.

A licensee that holds a sales-by-drink specialty license will be treated as a retail sales-by-package license holder under section 10-211(2), for density purposes, of this chapter.

(g) A manufacturer or microbrewery, as defined in this chapter, may apply for a sales-by-drink license which authorizes the licensee to sell only those alcoholic beverages by the drink or by the package that are manufactured on the licensed premises and will not be required to meet a minimum percentage of liquor-by-drink sales or projected sales as required in subsections (b) or (c) of this section. Each license shall be further classified into one of the sales-by-drink classifications set forth in this chapter.

---

Approved as to form and legality:

---

Kathy Adams  
Assistant City Attorney