

MINUTES OF THE HOUSE FEDERAL AND STATE AFFAIRS COMMITTEE

The meeting was called to order by Chairperson Steve Brunk at 9:00 am on Wednesday, February 18, 2015, 346-S of the Capitol.

All members were present

Committee staff present:

Natalie Nelson, Legislative Research Department  
Joanna Wochner, Legislative Research Department  
Stephen Bainum, Kansas Legislative Committee Assistant  
Jason Long, Office of Revisor of Statutes

Conferees appearing before the Committee:

Scott Schneider, Kansas Restaurant and Hospitality Association  
Philip Bradley, Kansas Licensed Beverage Association  
Janez Lomchek, Partner, Talk of the Town  
Richard Klemp, Director of Governmental Affairs, Kansas Star Casino  
Bill Roe, Proprietor, Blue Moon Caterers  
Dean Reynoldson, Director, Alcoholic Beverage Control  
Jason Watkins, Executive Director, Kansas Beer Wholesalers Association  
R.E. "Tuck" Duncan, Kansas Wine and Spirits Wholesalers Association

Others in attendance:

[See Attached List](#)

**Bill introductions:**

Chairman Brunk called for any bill introductions.

Representative Broderick Henderson introduced three bills:

1. A bill to make various amendments to the emergency medical services board statutes.
2. A bill to grant the emergency medical services board the power to issue subpoenas for investigations.
3. A bill to join an interstate compact on emergency medical services.

Representative Scott Schwab introduced a bill about State Fair alcohol permits.

Scott Schneider introduced a bill about wine machines.

All the bills were received without exception.

**Hearing on: HB2223 — Alcoholic liquor; dispensing liquor and infusing flavor.**

Chairman Brunk opened the hearing on **HB2223**. Jason Long, Revisor of Statutes gave the Committee a briefing on the legislation under consideration. ([Attachment 1](#))

Scott Schneider testified in support of the bill stating that it clarifies the existing statutes regarding the serving of a mixed drink. The bill also seeks to streamline the licensed catering notification

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requirements. Mr. Schneider responded to questions from Committee members. ([Attachment 2](#))

Philip Bradley testified in support of the bill stating that the bill will allow for full and timely notice while addressing the needs of the small business licensee. Mr. Bradley responded to questions from Committee members. ([Attachment 3](#))

Janez Lomchek testified in support of the bill as he is observing a growing trend in businesses like his to "infuse" vodka, gin and other spirits with flavoring to enhance the flavor and provide a unique experience. ([Attachment 4](#))

Richard Klemp testified in support of the bill stating that they would like to allow customers to directly dispense wine from a machine that is both a wine preservation and serving system. Allowing a wine connoisseur to directly operate the machine which uses smart card technology will enhance the dining experience, improve customer services and allow restaurants to offer a wider variety of premium wines by the glass without costly spoilage of expensive wine products. ([Attachment 5](#))

Bill Rowe testified in support of the bill stating that Blue Moon Caterers is a leading catering company located in Wichita, Kansas, serving the eastern two thirds of the state. The company executes over 600 events per year including weddings, banquets, receptions, private parties, fund raisers, and a wide assortment of events where food, beverage, and service staff are required. Blue Moon Catering supports this bill. Mr. Rowe responded to questions from Committee members. ([Attachment 6](#))

Dean Reynoldson testified as neutral on the bill but wanted to bring a couple of things to your attention. ABC respectively suggests the definition of "dispense" be amended to state that the liquor must be dispensed and served by the licensee or licensee's employee to ensure it is not interpreted as allowing for self-dispensing machines Mr. Reynoldson responded to questions from Committee members. ([Attachment 7](#))

Chairman Brunk closed the hearing on **HB2223**.

### **Hearing on: HB2331 — Consumption of alcoholic liquor on public property at a catered event.**

Chairman Brunk opened the hearing on **HB2331**. Jason Long, Revisor of Statutes gave the Committee a briefing on the legislation under consideration. ([Attachment 8](#))

Philip Bradley testified in support of the bill stating that if the bill is passed it would be an excellent example of how the notification process would work and asking the Committee to advance this favorable legislation. ([Attachment 9](#))

Scott Schneider testified in support of the bill stating that the bill clarifies the existing statutes regarding where a catering event may be held and by whom. This bill is good public policy and supports the state's interest in a well-regulated alcohol industry. ([Attachment 10](#))

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Dean Reynoldson testified in support of the bill suggesting that an amendment to require approval by the director for events on public property rather than mere notification be made. A reason is that events on public roads are inherently a higher risk than other catered events where permission by the director is not required. ([Attachment 11](#))

Chairman Brunk closed the hearing on **HB2331**.

### **Hearing on: HB2332 — Authorizing microbreweries to manufacture and sell hard cider and mead.**

Chairman Brunk opened the hearing on **HB2332**. Jason Long, Revisor of Statutes gave the Committee a briefing on the legislation under consideration. ([Attachment 12](#))

Philip Bradley testified in support of the bill stating that these adjustments will only enhance the business climate of Kansas are of no harm to the state or its citizens. The bill simply addresses one significant issue, the ability to grow by making Mead and Cider. Many states do this very thing and it makes for a very orderly and convenient market. Mr. Bradley answered questions from the Committee. ([Attachment 13](#))

Jason Watkins testified in support of the bill stating that craft brewers have brought fresh life to the beer industry. Passage of the bill would allow Kansas craft brewers to produce this product under their current microbreweries license and prevent an additional layer of licensure and the associated expense. We urge the Committee to report the bill favorably for passage. Mr. Watkins answered questions from the Committee. ([Attachment 14](#))

R.E. "Tuck" Duncan testified as an opponent of the bill and shared the answers to several questions made by the U.S. Alcohol Trade and Tax Bureau (TTB). 1. Do I need to obtain a permit from TTB to produce apple wine (cider) for commercial purposes? Yes, The FFA Act requires anyone wishing to engage in the business of producing or blending wine (including cider) that contains not less than 7 percent alcohol by volume must first obtain a basic permit from TTB. 2. May a brewer produce honey wine (mead) on brewery premises? No, it is not permitted. 3. I would like to blend honey wine (mead) and beer. Is that permitted under TTB regulations. No. Under Federal law & TTB regulations, blending of wine (including mead) and beer is not an authorized operation at a winery or brewery. In conclusion it is clear that the federal regulations are not conducive to the intent of this bill. Mr. Duncan stood for questions from the Committee. ([Attachment 15](#))

Dean Reynoldson testified as neutral on the bill stating that the Alcoholic Beverage Control had no problem with the concept of allowing a microbrewery to produce hard cider or mead. It would, however, come with additional burdens for all microbreweries. 1. Require microbreweries to obtain a federal Alcohol and Tobacco Tax Bureau (TTB) license as a wine manufacturer. 2. Require microbreweries to qualify with TTB for alternating premises in order to produce beer and cider/mean

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on the same premises. Mr. Reynoldson stood for questions from the Committee. Mr. Reynoldson answered questions from the Committee. ([Attachment 16](#))

Chairman Brunk said that he would keep the hearing open to a later date.

The meeting was adjourned at 10:40 am.