



Nick Jordan, Secretary
Debbi Beavers, Interim Director

Sam Brownback, Governor

MEMORANDUM

TO: Representative Janice Pauls, Chairman, House Committee on Federal and State Affairs

FROM: Debbi Beavers, Interim Director of Kansas Alcoholic Beverage Control

DATE: 16 March 2016

SUBJECT: Senate Bill 326

Madam Chair and members of the committee. Thank you for the opportunity to testify neutral on this bill which increases the amount of barrels a microbrewery could manufacture in a calendar year from 30,000 barrels to 60,000.

ABC would respectfully request that no further increase over 60,000 barrels (1,860,000 gallons) per year be allowed for a microbrewery. A beer manufacturer's license is available and fees are based upon the daily barrel capacity and range from \$400 to \$3200 for a two year license. The agency's concern is that, as the production limit for a microbrewery continues to increase, applicants are increasingly discouraged from obtaining a manufacturer's license, even though it is more appropriate in high volume situations. It should be noted that a licensed beer manufacturer cannot also possess a drinking establishment or a caterer's license.

As amended by the Senate Committee, a microbrewery licensee with 10% or more ownership in more than one microbrewery license would cap the combined number of barrel production at 60,000 barrels per calendar year.

This bill also allows a microbrewery to sell and transfer its beer to a licensed drinking establishment or caterer on the same premises and also provides a mechanism for a

microbrewery licensee to transfer its beer from one microbrewery to another for sale or storage provided there is 10% or more common ownership in the microbreweries.

Thank you madam chairman, for the opportunity to testify on this bill.