

MINUTES OF THE SENATE FEDERAL AND STATE AFFAIRS COMMITTEE

The meeting was called to order by Chairperson Ralph Ostmeyer at 10:30 am on Tuesday, February 16, 2016, 144-S of the Capitol.

All members were present

Committee staff present:

Joanna Dolan, Legislative Research Department
Connie Burns, Kansas Legislative Committee Assistant
Mike Heim, Office of Revisor of Statutes
Heather O'Hara, Legislative Research Department

Conferees appearing before the Committee:

Representative James Todd
Philip Bradley, Kansas Craft Brewers Guild
Debbi Beavers, Kansas Alcoholic Beverage Control

Others in attendance:

[See Attached List](#)

Introduction of Bills

Senator Faust-Goudeau requested a bill introduction concerning the attorney general; relating to duties to investigate and prosecute; law enforcement officers.

There being no objection from any member present, the Chairman declared a motion to introduce the bill adopted by consensus.

Senator LaTurner requested a bill introduction for a trigger bill relating to single strength alcohol.

There being no objection from any member present, the Chairman declared a motion to introduce the bill adopted by consensus.

Senator Olson requested two bill introductions:

- 1) Concerning construction contracts
- 2) Concerning removing the fees required for licensing and permits for the fireworks, fire extinguisher, and propane industries.

There being no objection from any member present, the Chairman declared a motion to introduce the bills adopted by consensus.

CONTINUATION SHEET

MINUTES of the Committee on Federal and State Affairs at 10:30 am on Tuesday, February 16, 2016 in Room 144-S of the Capitol.

HB 2467 - Authorizing the production of hard cider by microbreweries

Chairman Ostmeyer opened the hearing on **HB 2467**.

Staff provided an overview of the bill.

Representative James Todd appeared before the committee as a proponent on the bill. ([Attachment 1](#)) The bill would allow a microbrewery to manufacture and store up to 100,000 gallons of hard cider during a calendar year and authorize the sale of hard cider under the Kansas Liquor Control Act.

Philip Bradley, Kansas Craft Brewers Guild, spoke in favor of the bill. ([Attachment 2](#)) Passage of the bill addresses one significant issue; the ability to grow by making strong cider.

Debbi Beavers, Interim Director, Kansas Alcoholic Beverage Control, (ABC) appeared neutral before the committee on the bill. ([Attachment 3](#)) The bill introduces a definition of hard cider that is slightly inconsistent with the federal definition under the Alcohol and Tobacco Tax and Trade Bureau (TTB) because it specifies that sugar may be added to correct deficiencies. The ABC would support adopting the TTB definition for consistency. This bill clarifies the definition of wine so farm wineries would continue to produce hard cider. Under current Kansas law, at least 30% of the agricultural products used by a farm winery must come from Kansas. Microbreweries do not have this requirement; therefore, farm wineries would be operating at a distinct disadvantage in the production of hard cider.

Chairman Ostmeyer closed the hearing on **HB 2467**.

HB 2469 - Increasing production limits for microbreweries

Chairman Ostmeyer opened the hearing on **HB 2469**.

Staff provided an overview of the bill.

Philip Bradley, Kansas Craft Brewers Guild, spoke in favor of the bill. ([Attachment 4](#)) The bill would allow a microbrewery to increase production and manufacturing the maximum amount of domestic beer to 60,000 barrels in a license year.

Debbi Beavers, Interim Director, Kansas Alcoholic Beverage Control, (ABC) appeared neutral before the committee on the bill. ([Attachment 5](#)) ABC respectfully requested that no further increase over 60,000 barrels would be allowed. The agency's concern is that, as the limit for microbreweries continues to increase, applicants are increasingly discouraged from obtaining a manufacturer's license, even though it is more appropriate in high volume situations.

Chairman Ostmeyer closed the hearing on **HB 2469**.

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

MINUTES of the Committee on Federal and State Affairs at 10:30 am on Tuesday, February 16, 2016 in Room 144-S of the Capitol.

SB 277 - Authorizing microbreweries to manufacture and sell hard cider and mead

Chairman Ostmeyer opened the hearing on **SB 277**.

Staff provided an overview of the bill.

Senator Richard Wilborn, appeared before the committee as a proponent on the bill. ([Attachment 6](#)) The bill would provide definitions for hard cider and mead and would allow a microbrewery to manufacture and store up to 100,000 gallons of hard cider or mead during a calendar year..

Debbi Beavers, Interim Director, Kansas Alcoholic Beverage Control, (ABC) appeared neutral before the committee on the bill. ([Attachment 7](#)) The bill introduces a definition of hard cider that is slightly inconsistent with the federal definition under the Alcohol and Tobacco Tax and Trade Bureau (TTB). The ABC would support adopting the TTB definition for consistency. Because the right of the microbrewery would allow manufacturing hard cider and mead, all microbreweries would be required to obtain either the IRC permit or the TTB Basic Permit. Clarification of the definition of wine would be required to ensure that farm wineries could continue to produce hard cider.

Philip Bradley, Kansas Craft Brewers Guild, (KCBG) appeared neutral on the bill. ([Attachment 8](#)) The KCBG feels the language and methods detailed in the bill are not workable, nor are they based on the most current Federal law.

Chairman Ostmeyer closed the hearing on **SB 277**.

The next meeting is scheduled February 17, 2016. The meeting was adjourned at 10:41 a.m.