

Approved April 14, 1983
Date

MINUTES OF THE SENATE COMMITTEE ON FEDERAL AND STATE AFFAIRS

The meeting was called to order by Senator Edward F. Reilly, Jr. at
Chairperson

9:00 a.m. ~~p.m.~~ on April 8, 19 83 in room 254-E of the Capitol.

All members were present except: Senator Winter was excused.

Committee staff present: Russell Mills, Legislative Research
Avis Swartzman, Revisor's Office
June Windscheffel, Committee Secretary

Conferees appearing before the committee: John Peterson, Wine Institute
Bill Strukel, Alcoholic Beverage Control

Senator Pomeroy moved that the committee reconsider its previous motion on SB327. 2d by Senator Gannon. Motion carried.

Senator Pomeroy moved that SB327 be reported unfavorably. 2d by Senator Gannon. Motion carried.

Sub. for HB2551 - relating to licensure and regulation of manufacture and sales of wine by farm wineries.

The Chairman recognized John Peterson who distributed a proposed amendment, which is attached and a part of the Minutes. (Attachment #1) He requested that the proposed amendment, which would treat brandy as wine is currently treated in regard to affixing tax stamps, be amended into HB2551. Senator Morris moved that the amendment be included in HB2551. 2d by Senator Roitz. Motion carried.

Senator Gannon made the conceptual motion to strike everything pertaining to limitation on number of gallons produced in HB2551. 2d by Senator Roitz. Motion carried.

Senator Gannon made the conceptual motion to tax native wines at 5¢ per gallon for both those under 14% alcohol and those above 14% alcohol. Motion failed for lack of a second.

Senator Morris moved that the tax on native wines be 15¢ on wine and 50¢ on fortified wines. 2d by Senator Gannon. Following discussion, Senator Morris moved to amend the motion to 15¢ tax for native wines and to take out the 50¢ tax for native fortified wines. 2d by Senator Gannon. Motion carried.

Senator Pomeroy moved to delete the language "has pleaded guilty" from the bill. 2d by Senator Francisco. Motion carried.

Senator Pomeroy moved HB2551 be amended to reflect the spousal exemption contained in HB2330. 2d by Senator Gannon. Motion carried.

Senator Morris moved to take out the provision which says that wine may be sampled, or anything that might be considered liquor by the drink. 2d by Senator Vidricksen. Motion carried.

Senator Gannon moved that HB2551 be amended to establish a single license fee for farm wineries of \$1100 annually. (Striking lines 197, 198, 199, 200, 269 and 270 in the bill.) 2d by Senator Parrish. Motion carried.

Senator Francisco moved the committee change the effective date from the publication in the statute book to the state register. Motion failed for lack of a second.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON FEDERAL AND STATE AFFAIRS,
room 254-E, Statehouse, at 9:00 a.m. ~~XXXX~~ on April 8, 1983.

Senator Gannon moved that HB2551 as amended be recommended favorably for passage. 2d by Senator Vidricksen.

Bill Strukel was recognized to discuss the proposed administration of HB2551.

Senator Morris made a substitute motion that the wine bottles have labels stating "made and manufactured from Kansas grapes." 2d by Senator Gannon. Motion carried.

Senator Gannon moved that HB2551 be recommended favorably for passage as amended. 2d by Senator Vidricksen. Motion carried. Senators Francisco and Pomeroy asked that they be recorded as voting "no." Motion carried.

The meeting adjourned at 10:00 a.m.

*Minutes of April 8, 1983
Attachment #1*

To: Senate Federal and State Affairs Committee
From: John Peterson and Bob Tilton, on behalf of the
Wine Institute
Re: Brandy - tax stamp amendment

The Senate Federal and State Affairs Committee recently adopted unanimously an amendment which had been proposed on behalf of the Wine Institute. That amendment to K.S.A. 41-502 would provide that brandy would be handled as we currently treat wine in regards to physically affixing tax stamps.

Since that time, this Committee has received and heard the winery bill, Substitute for House Bill 2551. As this bill would appear to be a more appropriate vehicle, we would urge the Committee to amend into H.B. 2551 the same brandy tax stamp amendment earlier endorsed by this Committee.