

Approved 3-26-90  
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

11:05 a.m./~~p.m.~~ on March 21, 1990 in room 254-E of the Capitol.

All members were present ~~except~~:

Committee staff present:

Mary Torrence, Revisor of Statutes Office  
Mary Galligan, Legislative Research  
Emalene Correll, Legislative Research  
Deanna Willard, Committee Secretary

Conferees appearing before the committee:

Chuck Magerl, Free State Brewing Co.  
Tuck Duncan, Kansas Wine and Spirits Wholesalers Association  
Rev. Richard Taylor, Kansans for Life at Its Best

Action on: House Sub for SB 129 - Requiring notification of certain persons prior to abortion

Motions made in previous meetings by Senators Vidricksen and Daniels on this bill were withdrawn.

A motion was made by Senator Strick to adopt the amendment on P. 4(b) of the balloon presented to committee 3-20-90 (as Attachment 5): (1) notice presented in person or in writing to a parent at usual place of abode or (2) by mail as specified not less than 72 hours before a pending abortion; Senator Daniels seconded the motion. It carried.

A motion was made by Senator Yost and seconded by Senator Strick that the age on Line 17 be changed to 18. It appeared the motion carried; this was later questioned, and a recount will be taken at the next meeting.

A motion was made by Senator Bond and seconded by Senator Morris that the bill be recommended favorably as it came to the committee from the House. The motion failed.

A motion was made by Senator Yost and seconded by Senator Daniels that the bracketed language be deleted on P. 4, Lines 22 - 25. The motion carried.

A motion was made by Senator Yost and seconded by Senator Strick that the work "actual" be stricken on P. 4, Line 32. The motion carried.

A motion was made by Senator Yost and seconded by Senator Strick that P. 4 (b) Lines 38 - 43 be stricken. The motion carried.

A motion was made by Senator Yost and seconded by Senator Strick that the notations be changed to clean up P. 4, New Sec. 2. The motion carried.

A motion was made by Senator Yost and seconded by Senator Strick that P. 5, New Sec. 3 be stricken and language substituted on typed Sec. 3 to provide for a judicial bypass if ruled necessary by the Supreme Court.

A substitute motion was made by Senator Walker and seconded by Senator Bond that--subject to the need for a judicial bypass--the original

CONTINUATION SHEET

MINUTES OF THE Senate COMMITTEE ON Federal and State Affairs,  
room 254-E, Statehouse, at 11:05 a.m./~~a~~m. on March 21, 1990.

language as the bill came from the House be used. The motion failed.

A motion was made by Senator Strick and seconded by Senator Yost that Section 3(c) contain a provision that a district court must rule on a judicial bypass request within 15 days and the same for the appellate court. The motion carried.

A motion was made by Senator Yost and seconded by Senator Strick that the words "or health" be stricken from P. 6, Lines 8 & 9. The motion carried.

A conceptual motion was made by Senator Yost and seconded by Senator Strick that P. 6(c), Line 18 - 22 be merged into Section 3 just adopted so this will apply regardless of the Supreme Court decision. The motion carried.

A motion was made by Senator Yost and seconded by Senator Strick to adopt the balloon for New Sec. 5(a) and (c). The motion carried.

A conceptual motion was made by Senator Yost and seconded by Senator Strick that an action may be filed by any of the parties to whom a notice was owed. The motion carried.

A motion was made by Senator Yost and seconded by Senator Strick to move the bill favorably as amended. The motion carried.

Senator Walker introduced the pages: his daughter Andrea Walker, Kristen Kuder, and Myron Chase, all from Osawatomie.

Hearing on: SB 761 - concerning microbreweries

Chuck Magerl, Free State Brewing Co., asked for support for extension of microbrewery regulations. (Attachment 1)

Tuck Duncan, Kansas Wine and Spirits Wholesalers Association, said the current 3.2 system has served the state well. Microbreweries now use wine distributors to distribute their product in Kansas. The provision in Lines 19 - 21 opens a door that is unnecessary and should be deleted; the price of distribution is too high to do it independently.

Rev. Richard Taylor, Kansans for Life at its Best, asked that P. 2, Lines 1 & 2 be deleted and the stricken language restored. He said alcohol is our major drug problem; this would allow it to be available more hours and includes Sunday carry out beer sales.

The Kansas Lottery Organizational Chart was distributed, as requested at a previous meeting. (Attachment 2)

The meeting was adjourned at 12:05 p.m.

SENATE FEDERAL AND STATE AFFAIRS COMMITTEE

VISITORS

Date: 3-21-90

Name	Address	Organization	Wish to testify?	Bill No.	Proponent or Opponent
ALBERT LOLLAR	Topeka	Ka RETAIL LIQUOR ASSOC	NO		
PATRICIA OPPITZ	Topeka	KS RETAIL LIQUOR DEALERS	NO		
BERNARD J. DUNN	TOPEKA	PRIVATE ATTORNEY	YES	626	PROponent
B. Bartel	Wichita	Wichita Eagle	NO		
Bob Wunsch	Lawrence	KUMC			
J.P. Small	Topeka	Norman Hanson	NO	—	
Pat Goodson	St Marys	Right to Life			
Valerie Jones	Topeka Ks	Kansas for Life			

## SENATE FEDERAL AND STATE AFFAIRS COMMITTEE

## VISITORS

Date: March 21, 1990

Name	Address	Organization	Wish to testify?	Bill No.	Proponent or Opponent
RICHARD TAYLOR	TOPEKA	LIFE AT ITS BEST	YES	761	OPP
Alan Weldon	651 So Roosevelt Wichita, KS 67218	Ransoms For Life	NO	SB129	proponent
Gene Ambruster	3624 EVENINGSIDE TOPEKA	Topeka Pro-Life Coalition	NO	SB129	proponent
Marlin Rein	KL	Kumc	NO	<del>755</del> 557	OPP
Sandy Basse	FOP	ATLN	NO	SB129	PROPOONENT
Anto Swisher	Marion	visitor	NO		
Penney Shepherd	Overland Park	visitor	NO		
John C. Bittner	Topeka	KSWSWA	NO		
Matt Trevel	Topeka	AP	NO		
M. Hawver	"	Capital-Journal	NO		
Dan Hamer	Topeka	KRC	NO		
Don Brown Ken Evans	TOPEKA	WBW-TV	NO		

SENATE FEDERAL AND STATE AFFAIRS COMMITTEE

VISITORS

Date: March 21, 1990

Name	Address	Organization	Wish to testify?	Bill No.	Proponent or Opponent
Tom Burgess	Topeka	Superior Sales	No	617	
Rebecca Linn	"	KRLDA			
Jim Conant	Top	ABC			
Chuck Magerl	Lawrence	Free State Brewing	Yes	761	
Matt Strathman	Top	Strathman Sales	No		
Neal Whitaker	Topeka	KBWA	Yes	765	
Tuck DUNN	Topeka	KWSWA	Yes	761 765	
Whitney Jamron	Topeka	DISCUS	No		
Jodie Van Mier	"	NOU			
Barbara Reinert	"	LWV	No		
Beth Powers	Topeka	Kansas Choice Alliance			
Feggy Jarman	Wichita	Women's Health Care Services			

Chuck Magerl  
Free State Brewing Co.  
636 Massachusetts  
Lawrence, Kansas 66044  
(913)843-3512

March 21, 1990

Good morning Senators. Thank you for the opportunity to present my support for the extension of microbrewery regulations as listed in S.B. 761. My name is Chuck Magerl. I am the brewer and principal owner of the Free State Brewing Company in Lawrence.

Three years ago I appeared before the Federal and State Affairs Committee in support of legislation for microbrewery licensing. The legislation I was promoting was included in S.B. 141, the bill that changed many aspects of Kansas alcoholic beverage laws. The passage of those laws by the 1987 session of the Legislature permitted the return of small brewery operations to Kansas.

After two years of development and construction we opened the first legal brewery in Kansas since 1880 (there were 113 here prior to 1880), in Lawrence. We've just completed our first year of business, we've been well received by the community and we're proud of the quality of our product and our operation. We run a restaurant operation with our brewery, and actually sell more food than beverage.

During the year of 1989, we produced slightly over 700 barrels of beer. Since we've established our production processes and shown a good record for compliance with all the state and federal agencies, we are looking to grow as a business. Some of that will require adoption of legislation to permit our expansion.

On March 29, 1988, this committee approved S.B. 598, permitting farm wineries to sell wine manufactured by the winery to licensed wine distributors, clubs, drinking establishments, and retailers. The bill allowed farm wineries to sell wine for off premise consumption between 6 a.m. and midnight Monday through Saturday and between noon and 6 p.m. on Sunday.

In discussions with ABC personnel, they suggested microbreweries should probably have been included in this legislation. They further stated they would have no objections should these operations be extended to microbreweries. The bill currently before you, S.B. 761, would achieve that balance.

This legislation would be valuable because it would permit the steady, deliberate development of our business. We began strictly as an on-premise sales operation, allowing us to assure the quality control of our product. It was an opportunity for us to introduce our product and business to the State of Kansas at a size manageable for us and our state regulators. We've proven the quality of our product and the responsibility toward reporting and tax payments as required by ABC.

We've received permission to sell kegs of our beer to consumers, and we're exploring our options for bottling our product.

Senate F&SA  
3-21-90  
Att. #1

We would like to begin limited self-distribution to drinking establishments in our area as a way to establish our business in the beverage market. Self-distribution would allow small operations like ours the opportunity to do the groundwork to make their product more attractive to larger volume distributors in the state. Once a track record has been established and self-distribution has gone smoothly, the greater resources of large distributors could become an advantage for a growing Kansas brewery.

From my 15 years experience in food service and food retailing, I know that unreliable small suppliers can be the most frustrating part of the business. Frankly, there have been problems in other parts of the country with small breweries not being able to control the consistency or the volume of their output. This has resulted in problems for the retailers they service. If the product is not up to standards, or is simply not always available, it causes frustration for those people who are attempting to serve their public. Many distributors are unwilling to risk their established reputation on such an unknown situation.

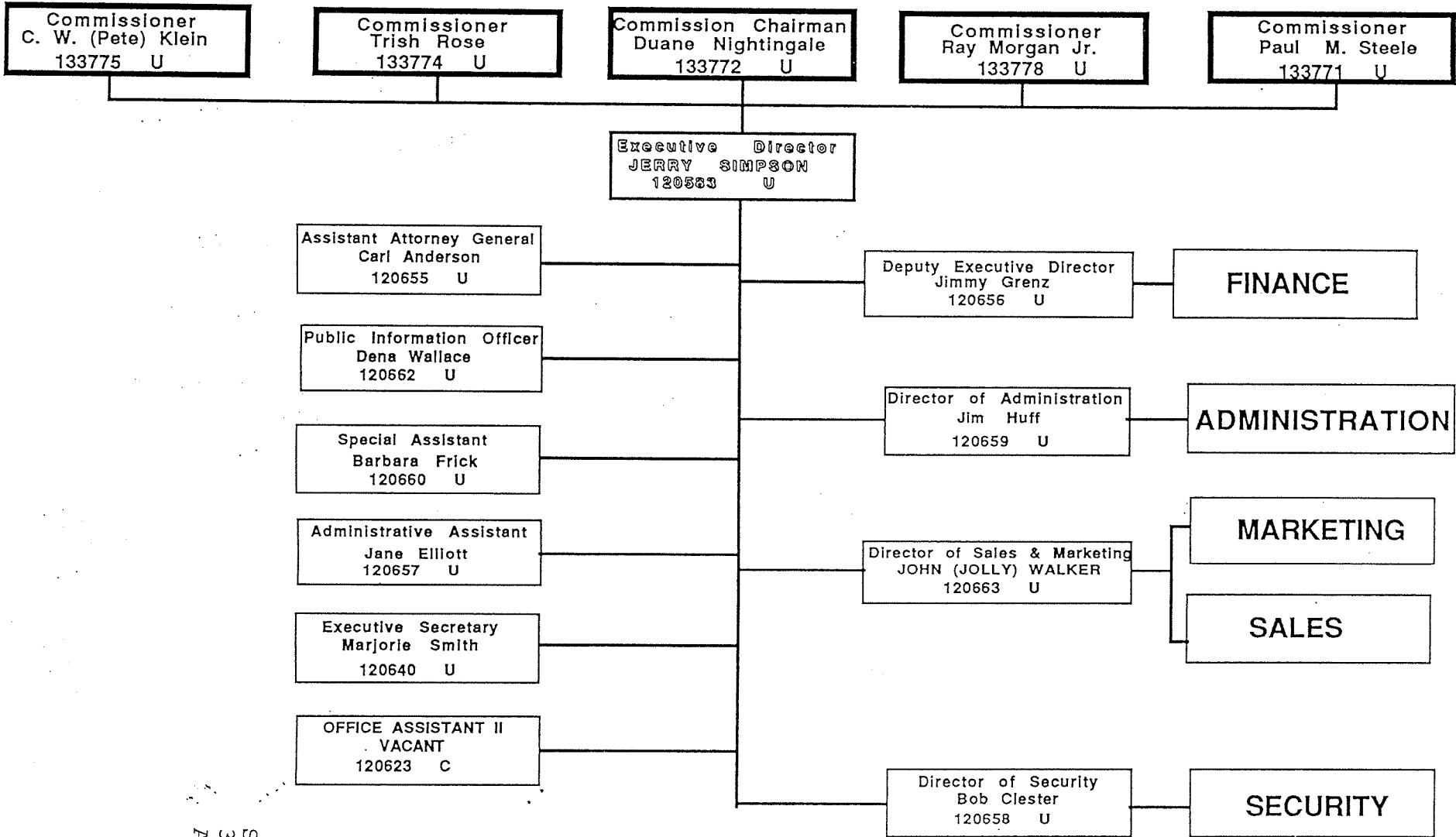
S.B. 761 would grant the opportunity for small brewers to prove their product and service as well as prove their market, and take the risk off the distributors. Honestly, very few brewers of any size find it rewarding to control all of their own distribution in those states that do permit it. Distributors are simply much better equipped for mass marketing work. The value in self-distribution is generally as an entry vehicle into the larger market.

We are currently facing competition from a Kansas City Missouri brewery that enjoys that state's permission for self-distribution. We would like to build our business on the same foundation that Missouri allows their breweries and wineries and that Kansas allows our wineries.

We feel the provisions of S.B. 761 would allow a transition for businesses like ours into the framework of the statewide distribution networks currently established.

Thank you for the opportunity to address the Committee, and I urge your approval of this legislation.

# THE KANSAS LOTTERY ORGANIZATIONAL CHART



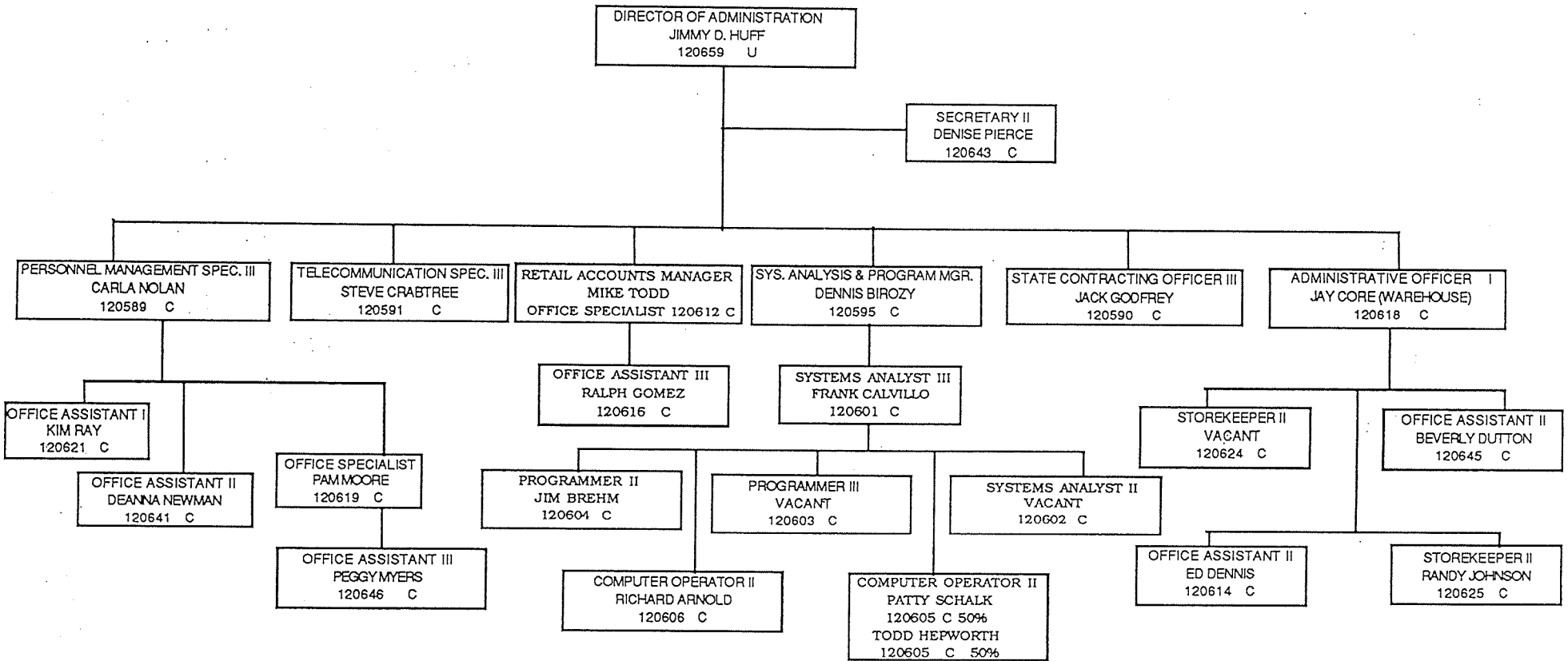
Senate F&SA  
 3-21-90  
 Att. 2

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Senate F&SA  
 3-21-90  
 Att. #2



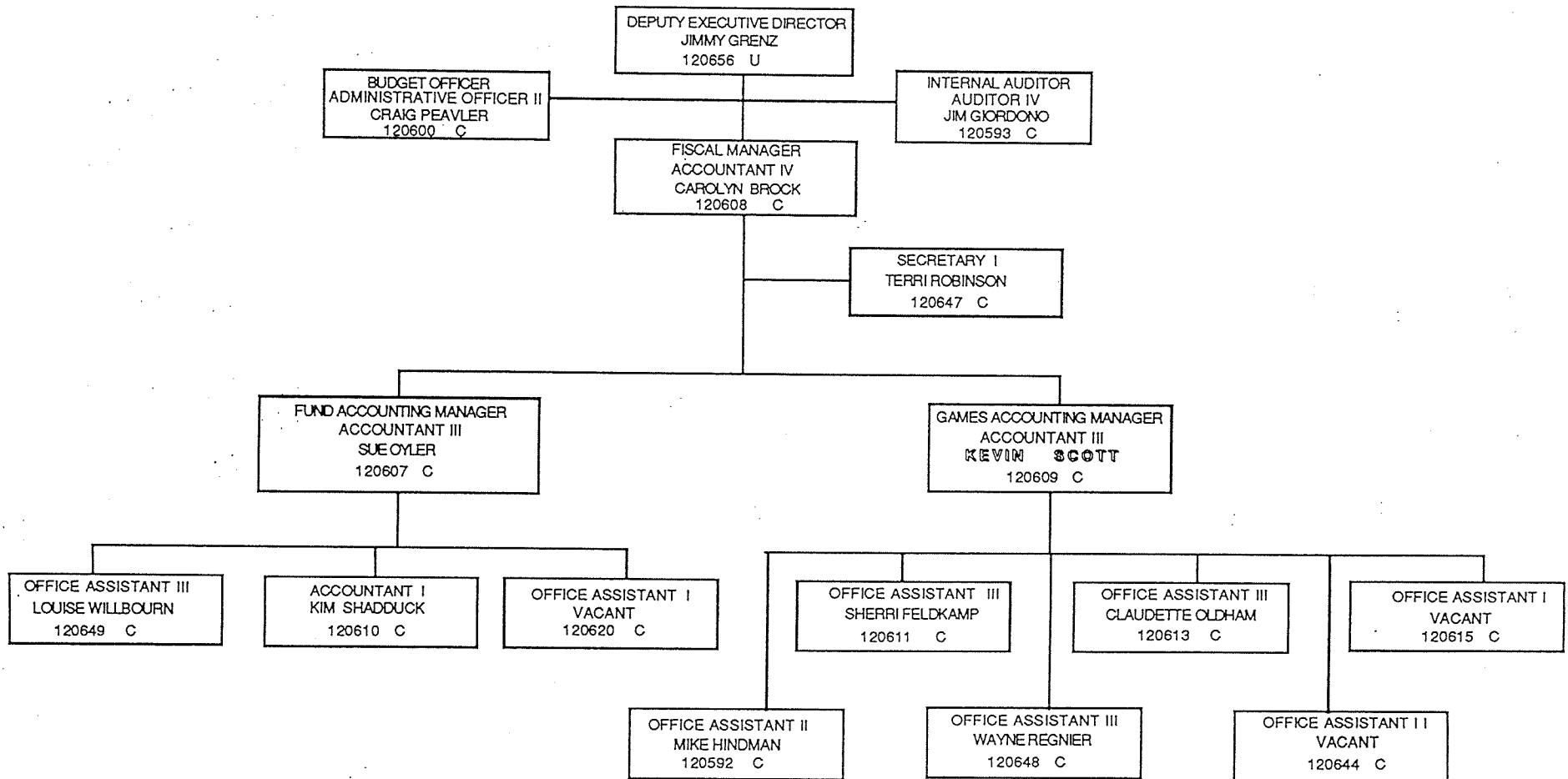
# ADMINISTRATION ORGANIZATIONAL CHART



MARCH 31, 1990

2-2

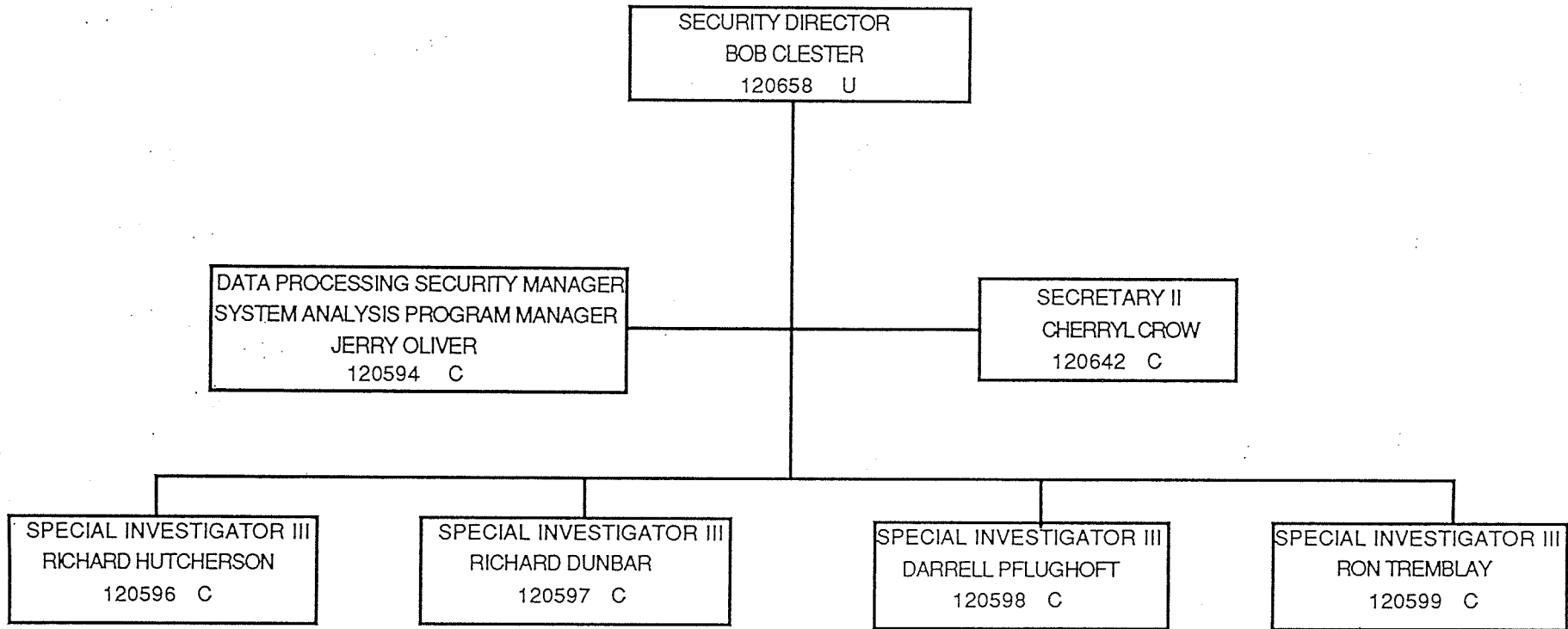
# FINANCE ORGANIZATIONAL CHART



MARCH 31, 1990

2-6

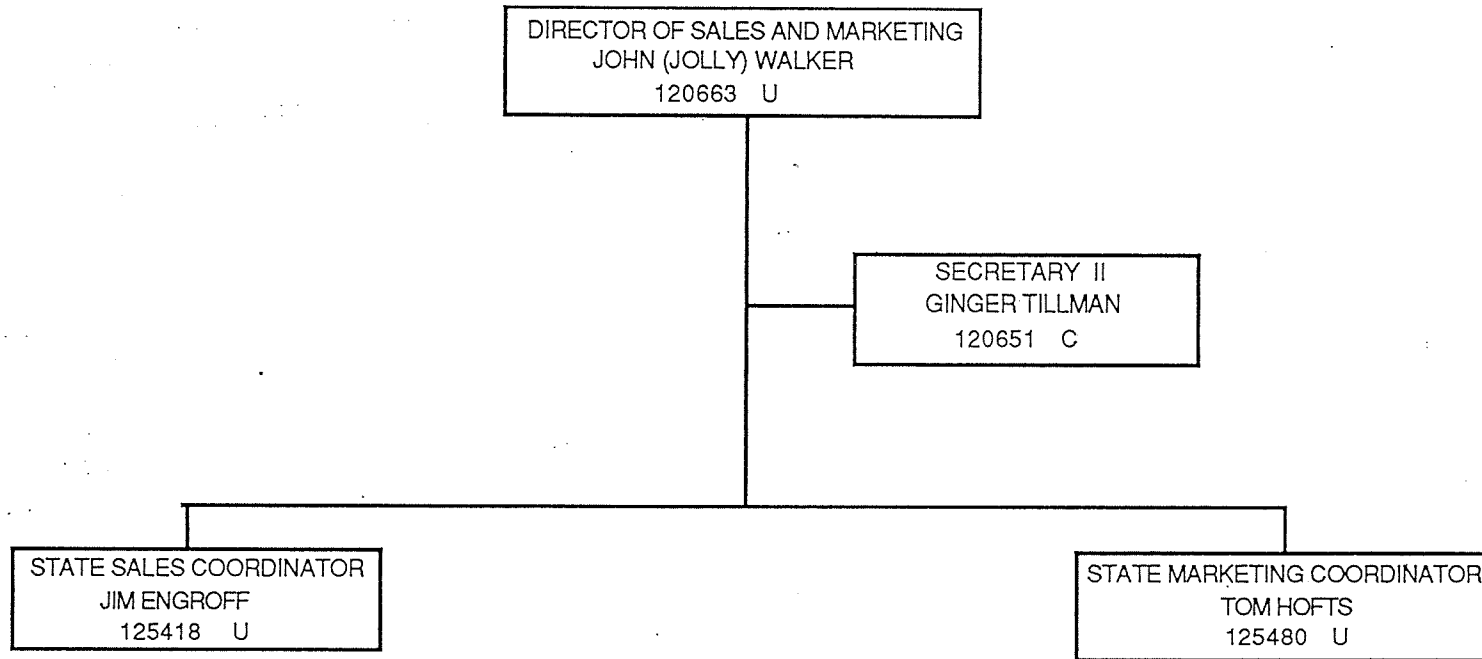
# SECURITY ORGANIZATIONAL CHART



MARCH 31, 1990

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7-4

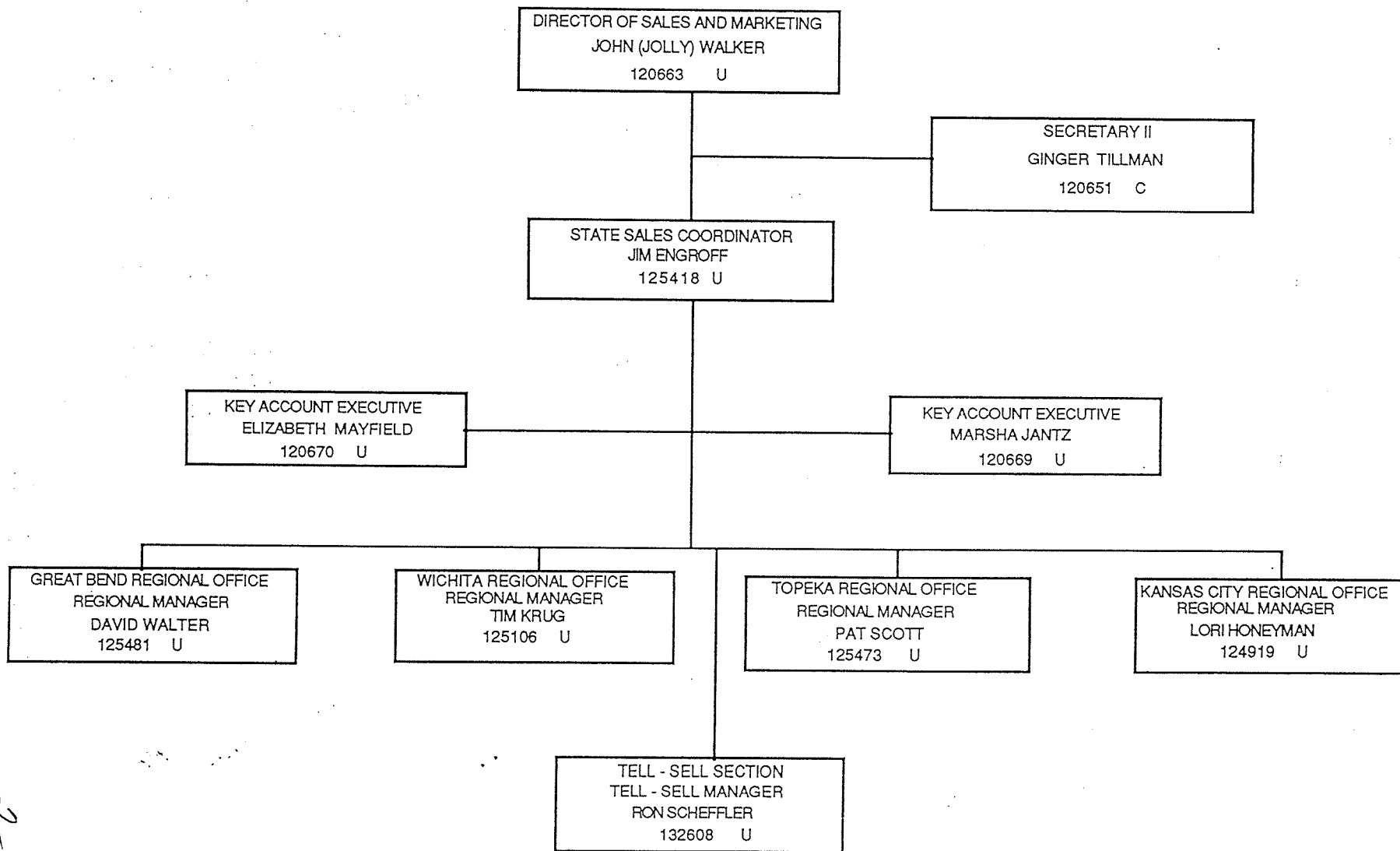
# SALES AND MARKETING ORGANIZATIONAL CHART



MARCH 31, 1990

2-5

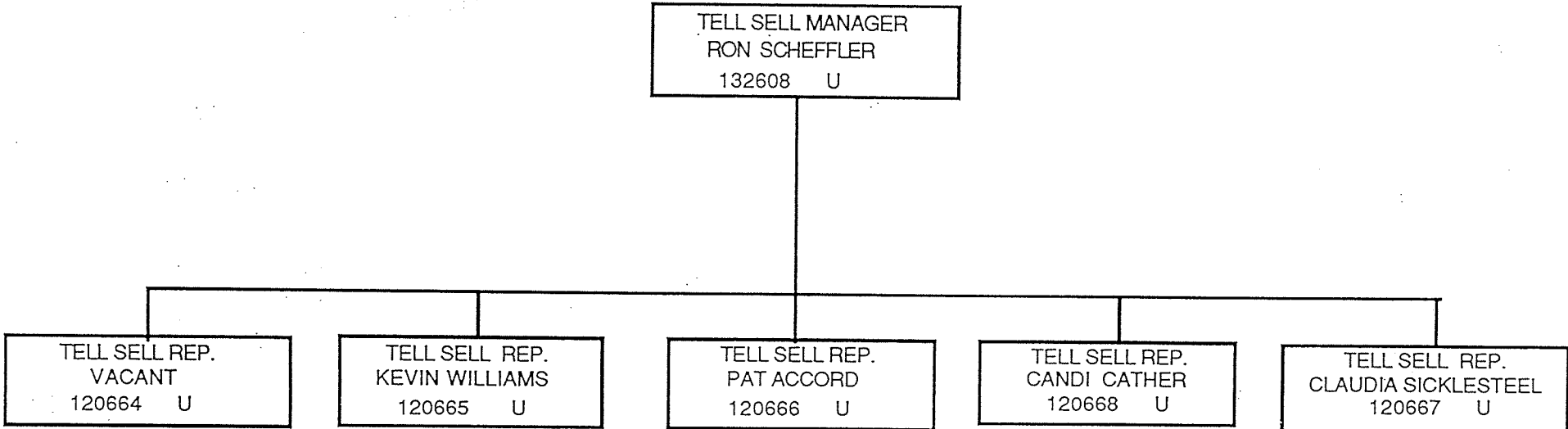
# SALES ORGANIZATIONAL CHART



MARCH 31, 1990

2-6

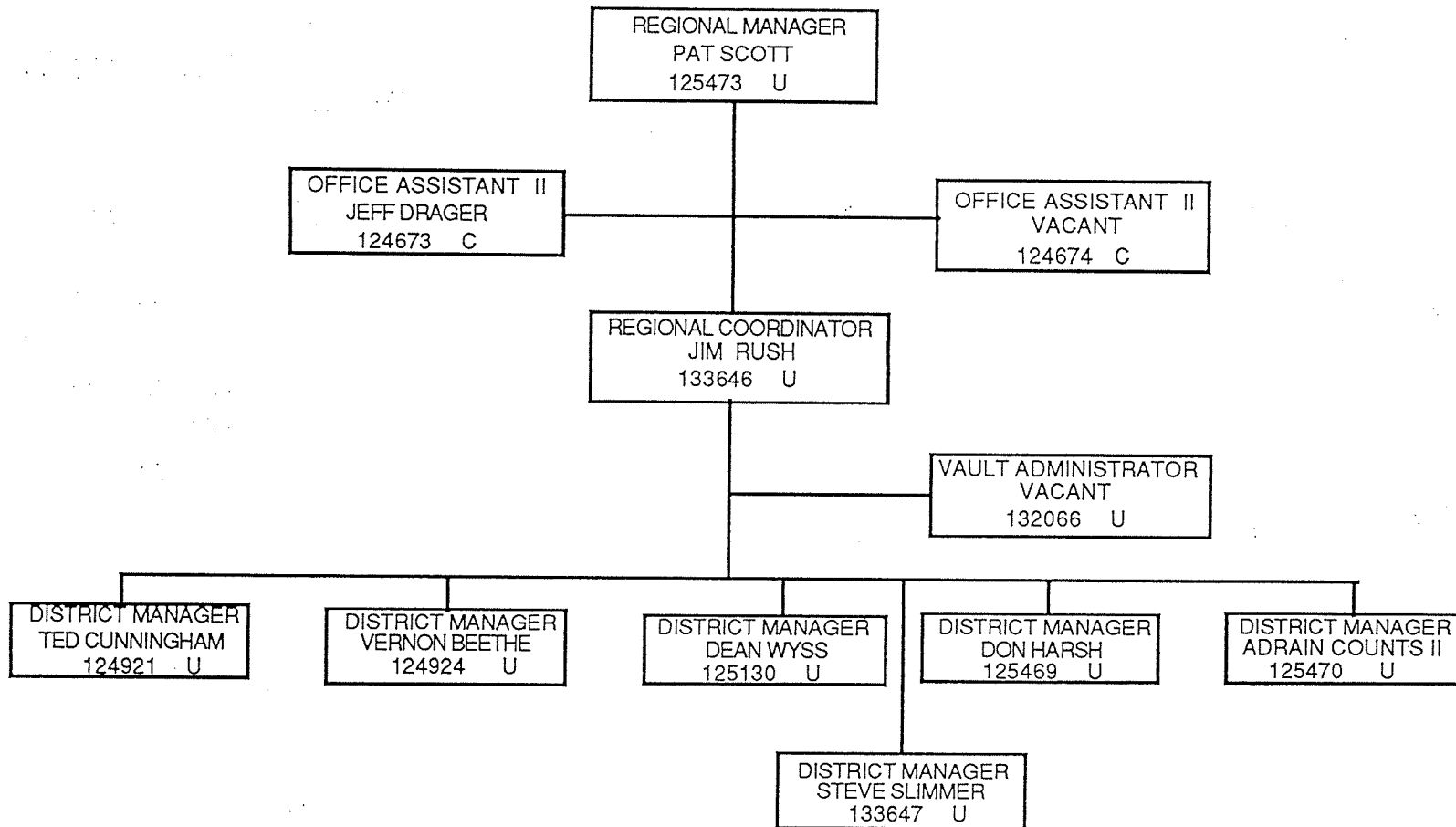
# TELL SELL ORGANIZATIONAL CHART



MARCH 31, 1990

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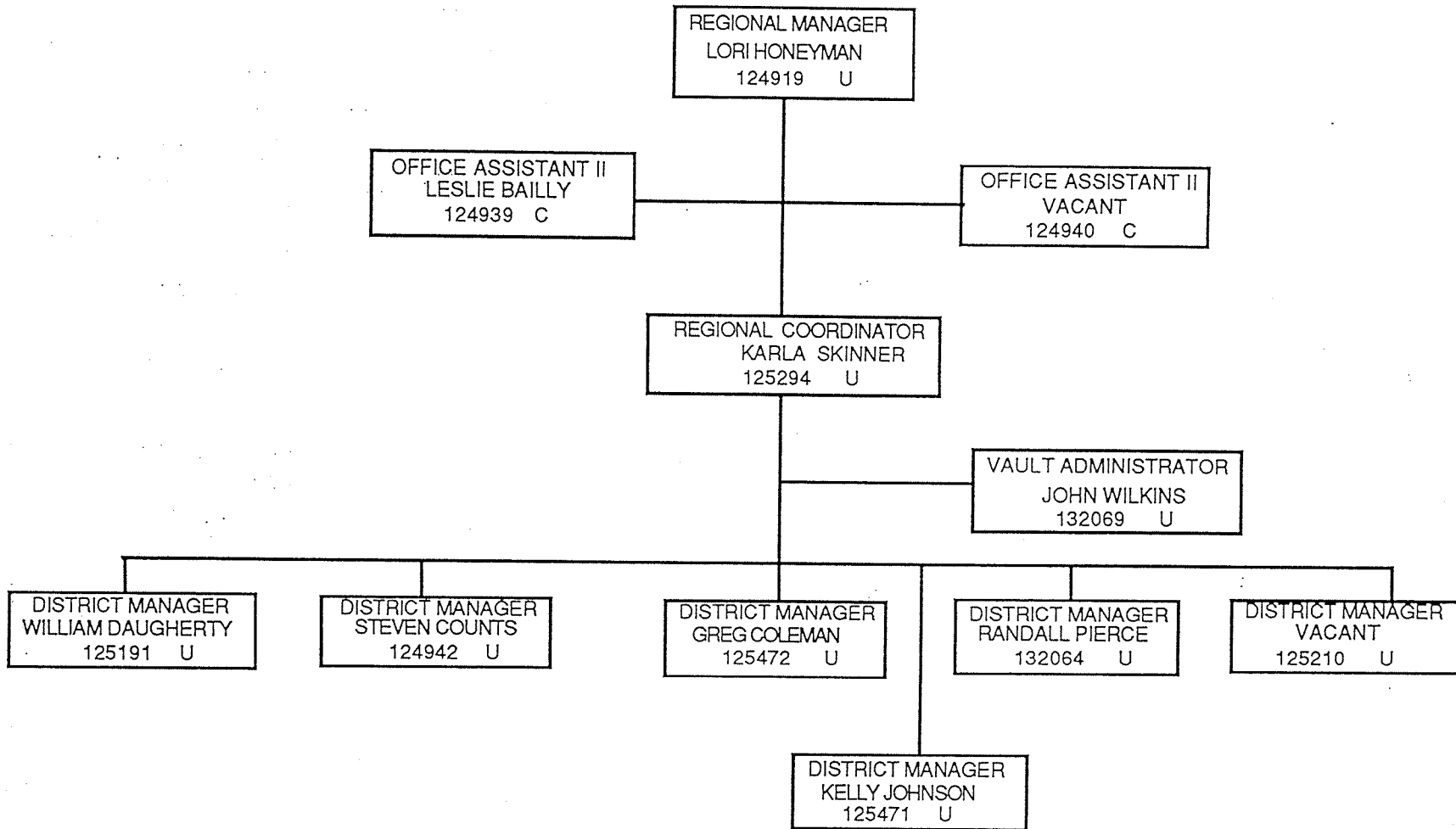
# TOPEKA REGIONAL OFFICE



MARCH 31, 1990

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# KANSAS CITY REGIONAL OFFICE

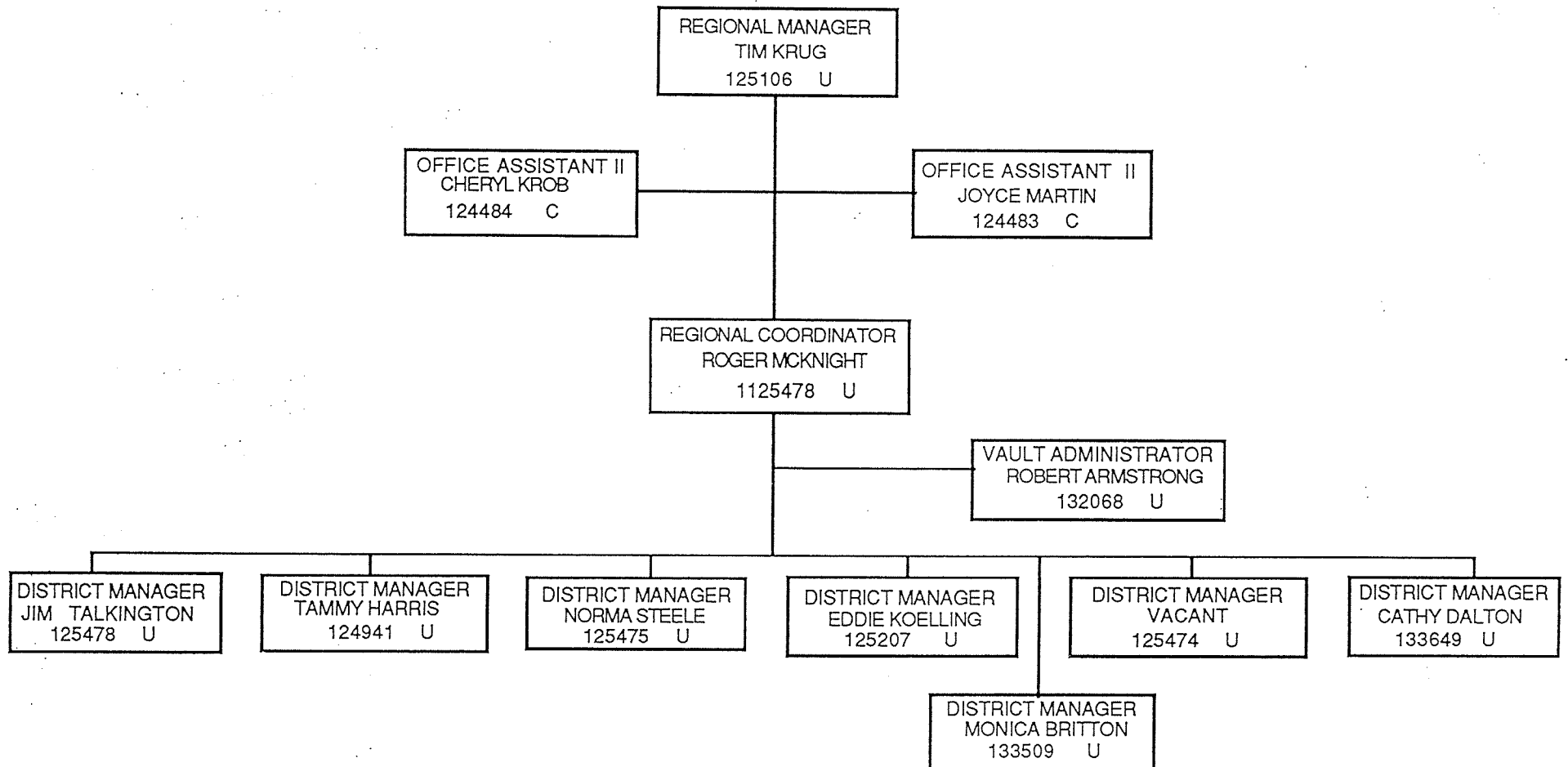


MARCH 31, 1990

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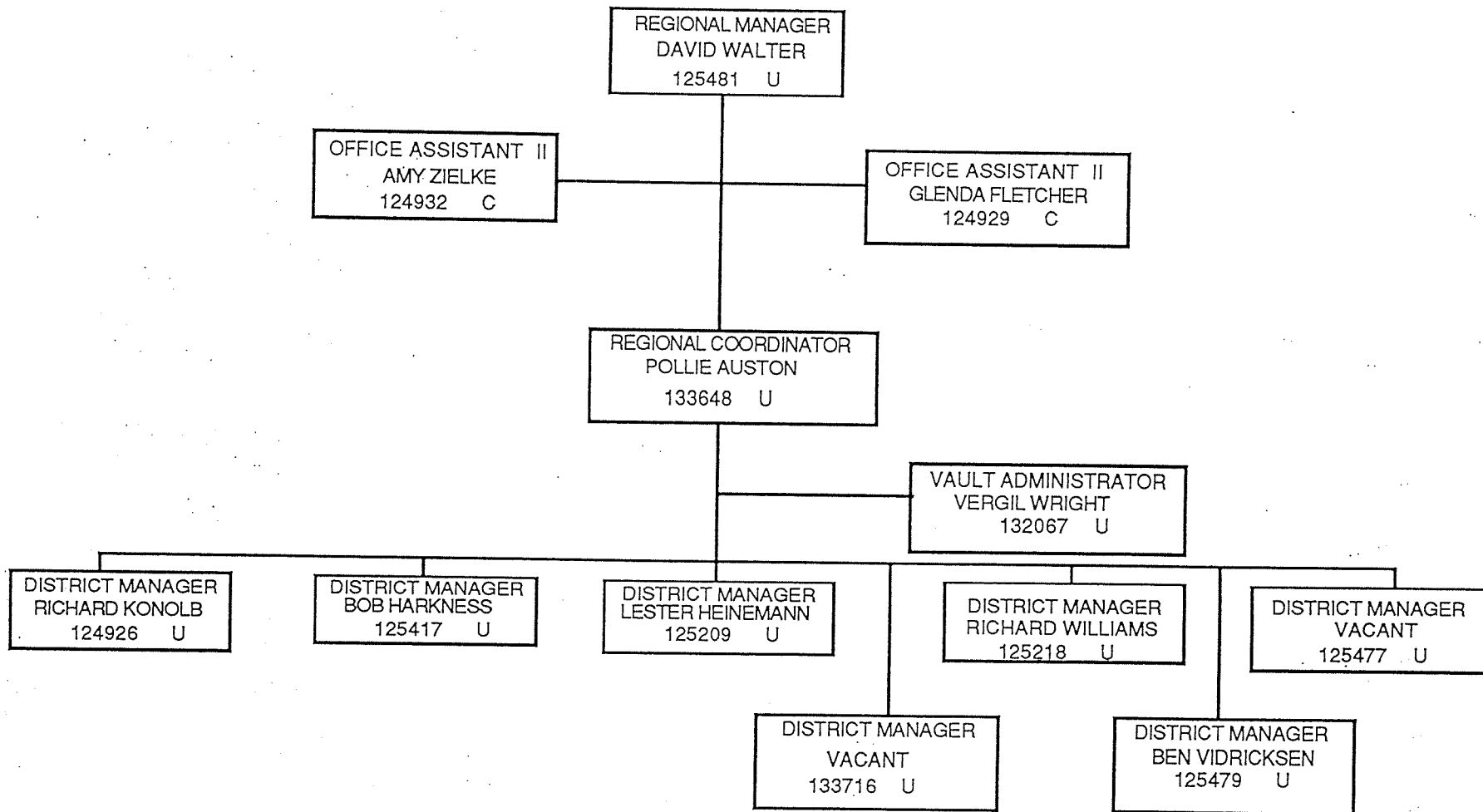
# WICHITA REGIONAL OFFICE



MARCH 31, 1990

01-2

# GREAT BEND REGIONAL OFFICE



MARCH 31, 1990

11-2