SESSION OF 2012

SUPPLEMENTAL NOTE ON SENATE BILL NO. 390

As Amended by Senate Committee on Federal and State Affairs

Brief*

SB 390, as amended, would allow a farm winery licensee to sell wine manufactured by the licensee for consumption on the licensed premises provided the licensed premises is located in a county where the sale of alcoholic liquor is permitted in licensed drinking establishments.

The wine sold for consumption would not be considered liquor-by-the-drink and therefore would be exempt from the liquor-by-the-drink tax.

The bill also would allow the sale of wine from a farm winery in the original, unopened container at special events monitored and regulated by the Division of Alcoholic Beverage Control.

The bill would retain the current 60 percent requirement for products utilized in the manufacture of wine by a farm winery to be grown in Kansas.

Background

Proponents of the bill included Senator Allen Schmidt, the Assistant Secretary of Agriculture, and representatives from the Grace Hill Winery, Kansas Grape Growers and Winemakers Association, and the City of DeSoto. Written testimony in support of the bill was submitted by the Wyldewood Cellars Winery and an individual.

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*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at http://www.kslegislature.org

Opponents of the bill included representatives of the Kansas Viticulture and Farm Winery Association, the Wild Hare Vineyard and Winery, the Golden Road Estate Vineyard, the Davenport Orchard, Vineyard & Winery, and the Crooked Post Vineyard. Written testimony in support of the bill was submitted by representatives of the Holyfield Vineyard and Winery, the Stone Pillar Vineyard and Winery, the Edge Vineyards, the Kugler's Vineyard, the Honey Creek Vineyard, the Bluejacket Crossing Vineyard & Winery, the Kansas City Star, the Free State Vineyards, the Cobblestone Vineyard, RSMason Enterprises, Inc., and two individuals.

The Senate Committee on Federal and State Affairs amended the bill to retain the current 60 percent requirement for products utilized in the manufacture of wine by a farm winery. The Committee also amended the bill stating that wine sold for consumption would not be considered liquor-by-the-drink.

The fiscal note on the original bill indicated SB 390 could increase liquor tax revenues in FY 2013, but the amount would be negligible. The Department of Revenue estimates the bill would increase fee fund expenditures by $4,800 in FY 2013.