

SESSION OF 2014

SUPPLEMENTAL NOTE ON SENATE BILL NO. 346

As Amended by House Committee on Federal
and State Affairs

Brief*

SB 346, as amended, would raise from 15,000 to 30,000 barrels of domestic beer that may be produced in a calendar year by a Kansas microbrewery licensee. The bill also would remove the requirement that any person seeking a license under the Kansas Liquor Control Act must wait ten years after becoming a U.S. citizen before applying for a license, instead requiring only citizenship.

Background

The bill, as introduced, would have raised the maximum allowable domestic beer production by a Kansas microbrewery licensee from 15,000 to 60,000 barrels. Currently, Kansas has four licensed microbreweries annually producing between 1,000 and 10,000 barrels of domestic beer per year. None currently produces more than 10,000 barrels.

Proponents for the bill in the Senate Committee on Federal and State Affairs included representatives of the Kansas Department of Agriculture, the Kansas Craft Brewers Guild, and Free State Brewing Company. Written testimony supporting the bill was submitted by the High Noon Saloon and Brewery and by the Tallgrass Brewing Company.

Neutral testimony was presented by a representative of the Kansas Wine and Spirits Wholesalers.

*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>

Opposing the bill was a representative of the Kansas Beer Wholesalers Association.

The Senate Committee amended the bill by reducing the new proposed production limit for domestic beer from 60,000 to 30,000 barrels and by clarifying the period of time for a production limit. The bill, as introduced, used an obsolete reference to a license year period, which in current law would be a two-year licensing period, not one calendar year.

At the hearing in the House Committee on Federal and State Affairs, representatives from the Kansas Craft Brewers Guild and the Kansas Beer Wholesalers Association appeared in support of the bill. Written testimony in support of the bill was submitted by the Kansas Department of Agriculture, the Kansas Craft Brewers Guild, Tallgrass Brewing Company, Free State Brewing Company, and High Noon Saloon and Brewery. There was no other testimony on the bill.

The House Committee amended the bill by striking a current requirement that any person seeking a license under the Kansas Liquor Control Act must wait ten years after becoming a U.S. citizen to apply for a license. The provision requiring only citizenship, with no subsequent waiting period, had been included in 2013 HB 2196 by the House Committee, as well as in other bills considered previously by the Legislature, but was never enacted.

The fiscal note provided by the Division of the Budget stated the Department of Revenue indicates the bill, as introduced, would have no fiscal effect on state revenues, unless there would be an increase in liquor tax receipts if additional barrels of domestic beer were manufactured and sold by microbreweries. No fiscal note was available for the bill as amended.