

HOUSE BILL No. 2470

By Committee on Federal and State Affairs

1-16

Proposed Amendments to
House Bill No. 2470
Committee on Fed & State
Prepared by: Jason Long
Office of Revisor of Statutes

1 AN ACT concerning alcoholic beverages; dealing with microbreweries;
2 amending K.S.A. 2017 Supp. 41-308b and repealing the existing
3 section.

4 *Be it enacted by the Legislature of the State of Kansas:*

5 Section 1. K.S.A. 2017 Supp. 41-308b is hereby amended to read as
6 follows: 41-308b. (a) A microbrewery license shall allow:

7 (1) The manufacture of not less than 100 nor more than 60,000
8 barrels of domestic beer during the calendar year and the storage thereof,
9 if, however, the licensee holds a 10% or greater ownership interest in one
10 or more entities that also hold a microbrewery license, then the aggregate
11 number of barrels of domestic beer manufactured by all such licensees
12 with such common ownership shall not exceed the 60,000 barrel limit;

13 (2) the manufacture in the aggregate of not more than 100,000 gallons
14 of hard cider during the calendar year and the storage thereof;

15 (3) the sale to beer distributors of beer and the sale to wine
16 distributors of hard cider, manufactured by the licensee;

17 (4) the sale, on the licensed premises in the original unopened
18 container to consumers for consumption off the licensed premises, of beer
19 and hard cider manufactured by the licensee;

20 (5) the serving free of charge on the licensed premises and at special
21 events, monitored and regulated by the division of alcoholic beverage
22 control, of samples of beer and hard cider manufactured by the licensee, if
23 the premises are located in a county where the sale of alcoholic liquor is
24 permitted by law in licensed drinking establishments;

25 (6) if the premises is also licensed as a club or drinking
26 establishment, the sale and transfer of domestic beer to such club or
27 drinking establishment and the sale of domestic beer and other alcoholic
28 liquor for consumption on the licensed premises as authorized by the club
29 and drinking establishment act;

30 (7) if the premises is also licensed as a caterer, the sale of domestic
31 beer and other alcoholic liquor for consumption on unlicensed premises as
32 authorized by the club and drinking establishment act; and

33 (8) if the licensee holds a 10% or greater ownership interest in one or
34 more entities that also hold a microbrewery license, the domestic beer may
35 be manufactured and transferred for sale or storage among such
36

Strike in line 33

1 microbrewery licensees with such common ownership
 2 (b) (1) A microbrewery may contract with one or more
 3 microbreweries for the purpose of manufacturing beer or hard cider for
 4 such other microbreweries. A microbrewery located in this state may
 5 manufacture and package beer for a microbrewery located within or
 6 outside of Kansas.

7 (2) A microbrewery manufacturing beer or hard cider for another
 8 microbrewery shall be responsible for complying with all federal and state
 9 laws dealing with the manufacturing of beer and hard cider, including
 10 labeling laws, and shall be responsible for the payment of all federal and
 11 state taxes on the beer and hard cider.

12 (3) Each party engaged in a contract brewing agreement must count
 13 the total amount of barrels brewed as part of the agreement and include
 14 that total amount as part of their allowed aggregate total as provided in
 15 subsection (a).

16 ~~(4) Beer manufactured by a contract brewer for a microbrewery may~~
 17 ~~be returned to the manufacturing microbrewery.~~

18 (c) Not less than 30% of the products utilized in the manufacture of
 19 hard cider by a microbrewery shall be grown in Kansas except when a
 20 lesser proportion is authorized by the director based upon the director's
 21 findings and judgment. The production requirement of this subsection shall
 22 be determined based on the annual production of domestic hard cider.

23 ~~(e)(d)~~ Upon application and payment of the fee prescribed by K.S.A.
 24 41-310, and amendments thereto, by a microbrewery licensee, the director
 25 may issue not to exceed one microbrewery packaging and warehousing
 26 facility license to the microbrewery licensee. A microbrewery packaging
 27 and warehousing facility license shall allow:

28 (1) The transfer, from the licensed premises of the microbrewery to
 29 the licensed premises of the microbrewery packaging and warehousing
 30 facility, of beer and hard cider manufactured by the licensee, for the
 31 purpose of packaging or storage, or both;

32 (2) the transfer, from the licensed premises of the microbrewery
 33 packaging and warehousing facility to the licensed premises of any
 34 microbrewery of such licensee, of beer manufactured by the licensee;

35 (3) the removal from the licensed premises of the microbrewery
 36 packaging and warehousing facility of beer manufactured by the licensee
 37 for the purpose of delivery to a licensed beer wholesaler; and

38 (4) the removal from the licensed premises of the microbrewery
 39 packaging and warehousing facility of hard cider manufactured by the
 40 licensee for the purpose of delivery to a licensed wine distributor.

41 ~~(d)(e)~~ A microbrewery may sell domestic beer in the original
 42 unopened container to consumers for consumption off the licensed
 43 premises at any time between 6 a.m. and 12 midnight on any day except

; and
 (9) the transfer of beer and hard cider manufactured by the
 licensee pursuant to a contract entered into in accordance with
 subsection (b) to the contracting microbrewery

and hard cider

and gallons manufactured

Strike lines 16-17

1 Sunday and between 11 a.m. and 7 p.m. on Sunday. If authorized by
2 subsection (a), a microbrewery may serve samples of domestic beer and
3 serve and sell domestic beer and other alcoholic liquor for consumption on
4 the licensed premises at any time when a club or drinking establishment is
5 authorized to serve and sell alcoholic liquor.

6 ~~(f)~~ The director may issue to the Kansas state fair or any bona fide
7 group of brewers a permit to import into this state small quantities of beer.
8 Such beer shall be used only for bona fide educational and scientific
9 tasting programs and shall not be resold. Such beer shall not be subject to
10 the tax imposed by K.S.A. 41-501, and amendments thereto. The permit
11 shall identify specifically the brand and type of beer to be imported, the
12 quantity to be imported, the tasting programs for which the beer is to be
13 used and the times and locations of such programs. The secretary shall
14 adopt rules and regulations governing the importation of beer pursuant to
15 this subsection and the conduct of tasting programs for which such beer is
16 imported.

17 ~~(g)~~ A microbrewery license or microbrewery packaging and
18 warehousing facility license shall apply only to the premises described in
19 the application and in the license issued and only one location shall be
20 described in the license.

21 ~~(h)~~ No microbrewery shall:

22 (1) Employ any person under the age of 18 years in connection with
23 the manufacture, sale or serving of any alcoholic liquor;

24 (2) permit any employee of the licensee who is under the age of 21
25 years to work on the licensed premises at any time when not under the on-
26 premises supervision of either the licensee or an employee of the licensee
27 who is 21 years of age or over;

28 (3) employ any person under 21 years of age in connection with
29 mixing or dispensing alcoholic liquor; or

30 (4) employ any person in connection with the manufacture or sale of
31 alcoholic liquor if the person has been convicted of a felony.

32 ~~(h)(i)~~ Whenever a microbrewery licensee is convicted of a violation
33 of the Kansas liquor control act, the director may revoke the licensee's
34 license and all fees paid for the license in accordance with the Kansas
35 administrative procedure act.

36 Sec. 2. K.S.A. 2017 Supp. 41-308b is hereby repealed.

37 Sec. 3. This act shall take effect and be in force from and after its
38 publication in the statute book.