



**Kansas Restaurant and Hospitality Association
Supporting Testimony
Senate Bill 221
Scott J. Schneider J.D.
House Federal and State Committee
Monday, March 16, 2019**

Chair and members of the committee, the Kansas Restaurant and Hospitality Association supports Senate Bill 221. The KRHA asked for this bill to be introduced because we believe it allows all licensed drinking establishments to participate in an increasing and very exciting market for local beer products. Additionally, this bill also gives out-of-state beer and cereal malt beverages producers a competing chance to win a Kansas customer.

The Kansas restaurant industry employs over 137,000 people and nearly one half of every dollar spent on food in Kansas is through one of our member businesses. Our association provides solutions to our industry for everything from food safety training to our self-insured workers compensation fund. We have spoken with many of you over the years about how the marketplace is changing to meet the demand of consumers.

Currently, the Kansas Department of Revenue's database lists 1891 on-premise drinking establishments. The KDR also lists 59 microbrewery and bonded warehouse licenses who can also hold a drinking establishment license and sell growlers. Allowing growlers in additional outlets will be a positive move for all Kansas microbreweries.

The Brewers Association claims the craft production for microbreweries was the leading growth category even though the overall beer volume by sales were down 1% nationwide in 2017. They also claim the craft beer sales occupy more than 23% of the \$114.4 billion U.S. beer market. It is obvious Kansas microbreweries have an opportunity to gain additional market share if we provide a meaningful competitive regulatory environment.

The language in this bill is taken from the current microbrewery statute at K.S.A. 41-308(a)(5). Additionally, the terms "beer" and "cereal malt beverage" were added to simply remove the intrastate limitation of the term "domestic beer."

*(c) A patron may remove one or more containers of **beer, domestic beer and cereal malt beverage, as those terms are defined in K.S.A. 41- 102**, and amendments thereto, that are sold on the licensed premises to consumers and served in refillable and sealable containers for consumption off the licensed premises if such containers:*
(A) Contain between 32 and 64 fluid ounces; and
(B) have a label affixed that clearly indicates the licensee's name and the type of alcoholic beverage contained in such container.

Thank you for your consideration of our position.