

## House Committee on Federal and State Affairs Re: HB 2223 February 8, 2013

## Mr. Chairman and Members of the Committee:

Thank you for allowing us to provide written testimony to express opposition to HB 2223. The Kansas Beer Wholesalers Association does not oppose the concept as it was originally explained to us. However, HB 2223 goes far beyond a simple bill to allow hobby wine and beer makers to gather occasionally to socialize and to sample limited quantities of their fermenting efforts.

The current home produced and consumed exception allows the producer to assume the health risk for themselves and their families – the same as with any food item created in the home. There is no limitation on the alcohol content for home producers for the same reason; the risk is limited to the producer and the producer's family.

By prohibiting the removal from the production location, the exception attempts to limit the probability that unregulated and untaxed alcoholic beverages will be introduced into the marketplace for general public consumption. If the Legislature chooses to lift the limitation on removal, the allowance for removal should be narrowly drafted to limit the regulatory problems that will occur.

This legislature is assured every year by particular market participants, that the alcohol-related problems of the past are no longer relevant; that the public protections previously crafted are no longer needed. These assertions can be made because the alcoholic beverage industry is suffering from its own success. The fact that regulation and taxation has eradicated adulterated products from the American market and that taxes are accurately collected in most states is a remarkable success.

Alcoholic beverages remain a remarkably desirable product that a large percentage of the public will take extreme measures to obtain. Because of that desirability, the Kansas regulatory system is as important today as it was in the 1940's.

Despite inaccurate and self-serving statements made by some special interests, our laws are not archaic and our regulations are not unnecessary. The fact is that Kansas has been systematically eroding its carefully crafted regulatory system for at least the last 10 years by making significant changes that – in some instances – have created the most liberal liquor law allowances in the nation.

We oppose HB 2223 because it would undermine one of the primary supports of our current regulatory system. We request that the hobby exception remain outside the regulatory system; that the exception not be built upon utilizing the current regulatory system for maximum benefit to the exception-users while retaining total exemption from state and federal oversight, regulation and taxation.

We request that HB 2223 be rewritten to reflect a simple allowance to transport the hobby-level product to defined locations for limited, defined purposes.

Thank you for considering our concerns.

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