

January 22, 2018

The Honorable John Barker, Chairperson
House Committee on Federal and State Affairs
Statehouse, Room 285-N
Topeka, Kansas 66612

Dear Representative Barker:

SUBJECT: Fiscal Note for HB 2470 by House Committee on Federal and State Affairs

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2470 is respectfully submitted to your committee.

HB 2470 would allow a microbrewery to contract with one or more microbreweries for the purpose of manufacturing beer or hard cider on the behalf of those microbreweries. The bill would allow a microbrewery located in this state to manufacture and package beer for a microbrewery located within or outside of Kansas. If a microbrewery manufactures beer or hard cider for another microbrewery, then it would be responsible for complying with all federal and state laws dealing with the manufacturing of beer and hard cider and would be responsible for the payment of all federal and state taxes on the beer and hard cider. Each party engaged in a contract brewing agreement would be required to count the total amount of barrels brewed as part of the agreement and include that total amount as part of their allowed aggregate total. The bill would also allow beer manufactured by a contract brewer for a microbrewery to be returned to the manufacturing microbrewery.

The Department of Revenue estimates any fiscal effect associated with the enactment of HB 2470 would be negligible and could be absorbed within existing resources.

Sincerely,



Shawn Sullivan,
Director of the Budget

cc: Lynn Robinson, Department of Revenue