

SESSION OF 2018

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2476

As Amended by Senate Committee of the Whole

Brief*

HB 2476, as amended, would create and amend law related to the sale of alcoholic candy and to the sale of domestic beer in refillable containers.

The bill would define “alcoholic candy” as any candy or other confectionery product with an alcohol content greater than 1.0 percent alcohol by volume. The term would be included in the definition of “alcoholic liquor.” Alcoholic candy would be subject to regulation by the Alcoholic Beverage Control Division (ABC Division) of the Kansas Department of Revenue (KDOR), and a retailer would be required to have a liquor license to sell such products. The bill also would increase the exemption for the amount of alcohol allowed in confectionery products under current law regarding adulterated foods from less than 0.5 percent to not more than 1.0 percent.

The bill would amend the definition of “domestic beer” to allow licensed microbrewers in the State to produce beer containing up to 15.0 percent alcohol by weight. Current law prohibits microbrewers from producing beer with more than 10.0 percent alcohol by weight.

The bill would allow a microbrewery licensee to sell beer manufactured by the licensee in refillable and sealable containers to consumers for off-premises consumption. Such containers could not contain less than 32 fluid ounces or more than 64 fluid ounces of beer. Licensees would be required to affix labels to all containers sold, which would

*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>

include the licensee's name and the name and type of beer in such container.

[*Note:* Enacted 2017 House Sub. for SB 13 amended provisions of the Liquor Control Act and Cereal Malt Beverage Act. Certain provisions of the 2017 bill were delayed in implementation until April 1, 2019. References to such date in HB 2476 are to reconcile the provisions of the 2017 and 2018 legislation.]

Background

The bill, as amended, includes provisions of HB 2476 and HB 2475.

HB 2476

The bill was introduced by the House Committee on Federal and State Affairs at the request of the ABC Division.

In the House Committee hearing, the Director of ABC testified in favor of the bill. The proponent stated the bill was requested due to concerns by licensees, because current law allows for the sale only of alcoholic beverages. No other testimony was provided.

The House Committee amended the bill by inserting the contents of HB 2475, relating to the sale of beer by licensed microbrewers in refillable and sealable containers to consumers for off-premises consumption. The House Committee further amended those contents to change the definition of "domestic beer."

In the Senate Committee on State and Federal Affairs hearing, the Director of ABC and a representative from the Kansas Craft Brewers Guild provided proponent testimony. No other testimony was provided.

The Senate Committee of the Whole amended the bill to increase the alcohol content allowed in alcoholic candy from 0.5 percent to 1.0 percent, to make the corresponding change in current law concerning adulterated food, and to make additional technical changes.

According to the fiscal note prepared by the Division of the Budget on the bill, as introduced, KDOR stated enactment of the bill could increase liquor excise taxes, but the amount could not be estimated. KDOR further stated there would be no administrative impact. An updated fiscal note was not available at the time the Senate Committee of the Whole took action on the bill.

HB 2475

The bill was introduced by the House Committee on Federal and State Affairs at the request of the ABC Division.

In the House Committee hearing, the Director of ABC and a representative of the Kansas Craft Brewers Guild testified in favor of the bill.

Proponents indicated the bill would codify current practices by Kansas microbreweries that sell and fill or refill containers with beer manufactured by the microbrewery.

Written proponent testimony was provided by the Kansas Restaurant and Hospitality Association. No other testimony was provided.

According to the fiscal note prepared by the Division of the Budget on the bill, as introduced, KDOR stated enactment of the bill would have no fiscal effect.