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Samuel M. Williams, Secretary  
Debbi Beavers, Director

Sam Brownback, Governor

## MEMORANDUM

**TO:** Rep. John Barker, Chairman, House Committee on Federal and State Affairs

**FROM:** Debbi Beavers, Director, Alcoholic Beverage Control Division

**DATE:** 18 January 2018

**SUBJECT:** Neutral Testimony on House Bill 2470

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Mr. Chairman and members of the committee. Thank you for the opportunity to testify on this bill.

This bill amends K.S.A. 41-308a. Section 1 adds language that would allow a Kansas microbrewery to contract with one or more microbreweries, in-state or out-of-state, to manufacture and package beer or hard cider for the microbrewery and return it to such microbrewery. The microbrewery who is manufacturing the beer or hard cider is responsible for complying with federal and state laws and taxes.

A Kansas microbrewery may manufacture a maximum of 60,000 barrels of beer and 100,000 gallons of hard cider during a calendar year. This bill requires that each party engaged in a contract brewing agreement must count to total amount of barrels brewed as part of the agreement to be included in their allowed aggregate total. Because beer is brewed and hard cider is fermented, ABC would respectfully request clarification regarding total amount of hard cider manufactured.

Subsection (b)(4) states “Beer manufactured by a contract brewer for a microbrewery may be returned to the manufacturing microbrewery”. Since the contracting microbrewery is the manufacturer, we believe returning the beer to the manufacturing microbrewery is an error and “manufacturing” should be removed. A microbrewery is authorized to manufacture beer or hard

cider, ABC respectfully suggests adding hard cider in addition to beer manufactured and changing “contract brewer” to “contracting microbrewery”.

Thank you Mr. Chairman.