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Testimony on SB 379
Senate Federal and State Affairs
2/21/2012

Good morning chairman Brungardt and members of the Senate Federal and State Affairs Committee. I am Bob Bethell and I represent the 113th District of Kansas in the House of Representatives.

I appear before you today in support of SB 379.

I have been made aware of an issue that is limiting 1) the growth of business in Kansas and also 2) opportunities for those who are in need of contributing taxes dollars to Kansas rather than consuming taxes.

Mr. Chairman and members of the Committee I am in contact with a provider of Services for the Developmentally Disabled that is the kind of entrepreneur that we would hope to have in Kansas and also if not a native of our great State, attract to Kansas.

Rosewood Services has a part of their portfolio of opportunities for the disabled a furniture gallery on Main Street, Great Bend, Kansas. The products that are offered in the Gallery are in many if not all cases assembled by clients of Rosewood Services. In the mind of many a "disabled" person is incapable of working. Walgreens has proven this to be a fallacy and Rosewood Services is currently in our state making the same point.

The next step in providing for those who have difficulty functioning in a work setting is a winery that is being proposed and constructed in Great Bend that will employ the Developmentally Disabled. Ms. Tammy Hammond, owner of Rosewood Services, has begun the construction of the winery and also the development of a vineyard in the outskirts of Great Bend. She has in this process realized that there are some hurdles that must be overcome if this is to be a realization.

The first hurdle and most likely the easiest, while not without controversy, is the current law requiring that Kansas wine be made with 60% Kansas product. This has been and continues to be a problem for Kansas wineries because in many years the production of crops to be used for wine, primarily grapes, is not sufficient to meet the need of all of the existing wineries. This leads to uncertainty for the business, much like what we are hearing on a national level contributed to the current issues surrounding taxes. If a winery wishes to produce, regularly, a product they must either be able to purchase Kansas grapes sufficient for the production or produce their own base crop.

The 60% law is also in violation of Federal law that requires 75% of the base be Kansas product.

The second hurdle is the production of grapes in a vineyard. The climate in Kansas is limiting for this crop and especially in areas such as Great Bend. A winery close to my home, and one that previous to

the redistricting of 2002 was in the 113th District had attempted to produce their own base crop. Please note I said attempted. After cultivating the vines for three years getting them to a place where they could produce grapes, the vines were destroyed by the drift of an agricultural chemical used to eliminate weeds in the fields.

Mr. Chairman SB 379 requires the abolishing of the 60/40 rule. I have a compromise that hopefully will bring the sides that have struggled with this issue in the past together.

My amendment would propose a 10/90 proportion and require the Kansas Department of Agriculture to estimate one year in advance the availability of a crop to meet this 10% requirement. In case the availability of product was not sufficient it would also allow a winery to verify that attempts were made and the base was not available to them, before a product could be made and labeled with less than 10% Kansas base.

Thank you for this opportunity to appear before you and Mr. Chairman I will stand for any questions.