

February 20, 2013

The Honorable Arlen Siegfried, Chairperson
House Committee on Federal and State Affairs
Statehouse, Room 185-N
Topeka, Kansas 66612

Dear Representative Siegfried:

SUBJECT: Fiscal Note for HB 2223 by House Committee on Federal and State Affairs

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2223 is respectfully submitted to your committee.

HB 2223 would amend the Kansas Liquor Control Act to allow homemade fermented beverages to be transported and consumed for exhibition, demonstration, class, judging, tasting, sampling, contest, or competition. The bill would allow clubs and drinking establishments to hold these events as long as the homemade beverages are not sold and the licensee does not acquire any ownership interest in them. The licensee would be authorized to charge an admission fee for the event, but not for the consumption of the beverages. Homemade fermented beverages are defined in the bill as limited to beer or wine produced at a place of residence or other location only for personal consumption or use at the events named above, but not for a commercial purpose.

The bill would institute a number of other requirements regarding homemade fermented beverages, as follows:

1. The possession, production, transportation, or storage of homemade fermented beverages must be by a person at least 21 years of age;
2. Production could not exceed 100 gallons per person per calendar year, or 200 gallons if the household has two or more persons 21 years old or older;
3. The beverages could not be sold or offered for sale; and
4. A person who produces, possesses, transports or stores homemade fermented beverages could not be deemed a manufacturer, microbrewery, microdistillery, farm winery, wholesaler, distributor, supplier or retailer.

The bill would also exempt homemade beverages from the liquor gallonage tax.

The Department of Revenue estimates HB 2223 would increase its FY 2014 expenditures by \$4,800 to modify the Division of Alcoholic Beverage Control's computer system. Any fiscal effect associated with HB 2223 is not reflected in *The FY 2014 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven J. Anderson", written in a cursive style.

Steven J. Anderson, CPA, MBA
Director of the Budget

cc: Steve Neske, Revenue