

HOUSE BILL No. 2411

By Committee on Federal and State Affairs

3-24

1 AN ACT concerning alcoholic beverages; dealing with microbreweries;
2 amending K.S.A. 2016 Supp. 41-308b and repealing the existing
3 section.
4

5 *Be it enacted by the Legislature of the State of Kansas:*

6 Section 1. K.S.A. 2016 Supp. 41-308b is hereby amended to read as
7 follows: 41-308b. (a) A microbrewery license shall allow:

8 (1) The manufacture of not less than 100 nor more than 60,000
9 barrels of domestic beer during the calendar year and the storage thereof,
10 if, however, the licensee holds a 10% or greater ownership interest in one
11 or more entities that also hold a microbrewery license, then the aggregate
12 number of barrels of domestic beer manufactured by all such licensees
13 with such common ownership shall not exceed the 60,000 barrel limit;

14 (2) the manufacture in the aggregate of not more than 100,000 gallons
15 of hard cider during the calendar year and the storage thereof;

16 (3) the sale to beer distributors of beer and the sale to wine
17 distributors of hard cider, manufactured by the licensee;

18 (4) the sale, on the licensed premises in the original unopened
19 container to consumers for consumption off the licensed premises, of beer
20 and hard cider manufactured by the licensee;

21 (5) the serving free of charge on the licensed premises and at special
22 events, monitored and regulated by the division of alcoholic beverage
23 control, of samples of beer and hard cider manufactured by the licensee, if
24 the premises are located in a county where the sale of alcoholic liquor is
25 permitted by law in licensed drinking establishments;

26 (6) if the premises is also licensed as a club or drinking
27 establishment, the sale and transfer of domestic beer to such club or
28 drinking establishment and the sale of domestic beer and other alcoholic
29 liquor for consumption on the licensed premises as authorized by the club
30 and drinking establishment act;

31 (7) if the premises is also licensed as a caterer, the sale of domestic
32 beer and other alcoholic liquor for consumption on unlicensed premises as
33 authorized by the club and drinking establishment act; and

34 (8) if the licensee holds a 10% or greater ownership interest in one or
35 more entities that also hold a microbrewery license, the domestic beer may
36 be manufactured and transferred for sale or storage among such

1 microbrewery licensees with such common ownership.

2 (b) *A microbrewery may contract with one or more microbreweries*
3 *for the purpose of manufacturing beer or hard cider for such other*
4 *microbreweries. A Kansas microbrewery may have their beer*
5 *manufactured by a contract brewer only if that contract brewer is located*
6 *in Kansas.*

7 *A Kansas microbrewery may manufacture and package beer for a*
8 *microbrewery located outside of Kansas.*

9 *Each party engaged in a contract brewing agreement must count the*
10 *total amount of barrels brewed as part of the agreement and include that*
11 *total amount as part of their allowed aggregate total as provided in*
12 *subsection (a).*

13 *Beer manufactured by a contract brewer for a microbrewery may be*
14 *returned to the manufacturing microbrewery.*

15 (c) Not less than 30% of the products utilized in the manufacture of
16 hard cider by a microbrewery shall be grown in Kansas except when a
17 lesser proportion is authorized by the director based upon the director's
18 findings and judgment. The production requirement of this subsection shall
19 be determined based on the annual production of domestic hard cider.

20 ~~(e)~~ (d) Upon application and payment of the fee prescribed by K.S.A.
21 41-310, and amendments thereto, by a microbrewery licensee, the director
22 may issue not to exceed one microbrewery packaging and warehousing
23 facility license to the microbrewery licensee. A microbrewery packaging
24 and warehousing facility license shall allow:

25 (1) The transfer, from the licensed premises of the microbrewery to
26 the licensed premises of the microbrewery packaging and warehousing
27 facility, of beer and hard cider manufactured by the licensee, for the
28 purpose of packaging or storage, or both;

29 (2) the transfer, from the licensed premises of the microbrewery
30 packaging and warehousing facility to the licensed premises of any
31 microbrewery of such licensee, of beer manufactured by the licensee;

32 (3) the removal from the licensed premises of the microbrewery
33 packaging and warehousing facility of beer manufactured by the licensee
34 for the purpose of delivery to a licensed beer wholesaler; and

35 (4) the removal from the licensed premises of the microbrewery
36 packaging and warehousing facility of hard cider manufactured by the
37 licensee for the purpose of delivery to a licensed wine distributor.

38 ~~(d)~~ (e) A microbrewery may sell domestic beer in the original
39 unopened container to consumers for consumption off the licensed
40 premises at any time between 6 a.m. and 12 midnight on any day except
41 Sunday and between 11 a.m. and 7 p.m. on Sunday. If authorized by
42 subsection (a), a microbrewery may serve samples of domestic beer and
43 serve and sell domestic beer and other alcoholic liquor for consumption on

1 the licensed premises at any time when a club or drinking establishment is
2 authorized to serve and sell alcoholic liquor.

3 ~~(e)~~ (f) The director may issue to the Kansas state fair or any bona fide
4 group of brewers a permit to import into this state small quantities of beer.
5 Such beer shall be used only for bona fide educational and scientific
6 tasting programs and shall not be resold. Such beer shall not be subject to
7 the tax imposed by K.S.A. 41-501, and amendments thereto. The permit
8 shall identify specifically the brand and type of beer to be imported, the
9 quantity to be imported, the tasting programs for which the beer is to be
10 used and the times and locations of such programs. The secretary shall
11 adopt rules and regulations governing the importation of beer pursuant to
12 this subsection and the conduct of tasting programs for which such beer is
13 imported.

14 ~~(f)~~ (g) A microbrewery license or microbrewery packaging and
15 warehousing facility license shall apply only to the premises described in
16 the application and in the license issued and only one location shall be
17 described in the license.

18 ~~(g)~~ (h) No microbrewery shall:

19 (1) Employ any person under the age of 18 years in connection with
20 the manufacture, sale or serving of any alcoholic liquor;

21 (2) permit any employee of the licensee who is under the age of 21
22 years to work on the licensed premises at any time when not under the on-
23 premises supervision of either the licensee or an employee of the licensee
24 who is 21 years of age or over;

25 (3) employ any person under 21 years of age in connection with
26 mixing or dispensing alcoholic liquor; or

27 (4) employ any person in connection with the manufacture or sale of
28 alcoholic liquor if the person has been convicted of a felony.

29 ~~(h)~~ (i) Whenever a microbrewery licensee is convicted of a violation
30 of the Kansas liquor control act, the director may revoke the licensee's
31 license and all fees paid for the license in accordance with the Kansas
32 administrative procedure act.

33 Sec. 2. K.S.A. 2016 Supp. 41-308b is hereby repealed.

34 Sec. 3. This act shall take effect and be in force from and after its
35 publication in the statute book.