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TO: Chairman and Members of the Kansas Senate Committee on Federal and State Affairs

FROM: Tyler Rudd, Central States Counsel, Wine Institute

DATE: March 21, 2022

RE: Support of HB 2710 – Alignment with Federal Law for Wine ABV

Wine Institute is a trade association comprised of roughly 1,000 California wineries and affiliated businesses. We are the only U.S. organization advocating for wine at the state, federal, and international levels. Our mission is to initiate and advocate public policy that enhances the ability to responsibly produce, promote, and enjoy wine.

Wine Institute appreciates the Kansas Legislature examining ways to modernize its alcohol laws through the Special Committee on Liquor Law Modernization last year. During one of the Committee's hearings, I briefly discussed how a change in the sugar content of grapes spurred a change in federal law in recent years. HB 2710 seeks to make the same change to the Kansas law.

Over the last 30 years, the heat in places where certain grape varietals are grown has caused the sugar content in those grapes to increase. The sugar turns into alcohol when the grapes are pressed and fermented. Because of this, the amount of alcohol in some table wines has increased, thereby the percentage of alcohol-by-volume (ABV) in some table wine has slightly increased. Thus, in 2020, Congress recognized this evolution in the wine industry and changed federal law, increasing the ABV percentage for table wine from 14% to 16% for excise tax purposes.

Like Kansas, many states aligned their statutory ABV percentages for wine with the federal percentages. To keep Kansas' law aligned with the U.S. law on ABV percentages for wine, Wine Institute asks for your support for HB 2710.

Thank you for your consideration. If you have any questions, please do not hesitate to contact me at 512-293-0247 or <u>trudd@wineinstitute.org</u>, or our local legislative counsel, Larrie Ann Brown.