

**HOUSE BILL No. 2718**

By Committee on Federal and State Affairs

2-8

1 AN ACT concerning alcoholic beverages; relating to microbrewery  
2 licensees; authorizing certain fee waivers for licensees meeting certain  
3 production requirements; amending K.S.A. 2017 Supp. 41-308b and  
4 repealing the existing section.

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

7 Section 1. K.S.A. 2017 Supp. 41-308b is hereby amended to read as  
8 follows: 41-308b. (a) A microbrewery license shall allow:

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

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

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

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

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

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

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

35 (8) if the licensee holds a 10% or greater ownership interest in one or  
36 more entities that also hold a microbrewery license, the domestic beer may

1 be manufactured and transferred for sale or storage among such  
2 microbrewery licensees with such common ownership.

3 (b) Not less than 30% of the products utilized in the manufacture of  
4 *beer and hard cider* by a microbrewery shall be grown in Kansas except  
5 when a lesser proportion is authorized by the director based upon the  
6 director's findings and judgment. The production requirement of this  
7 subsection shall be determined based on the annual production of domestic  
8 *beer and hard cider*. *If at least 70%, but not 100%, of the products utilized*  
9 *in the manufacture of beer and hard cider by a microbrewery are grown in*  
10 *Kansas, then the license fee for such microbrewery imposed under K.S.A.*  
11 *41-310, and amendments thereto, for the immediately succeeding license*  
12 *period shall be 1/2 of the amount set forth in K.S.A. 41-310, and*  
13 *amendments thereto. If 100% of the products utilized in the manufacture of*  
14 *beer and hard cider by a microbrewery are grown in Kansas, then the*  
15 *license fee for such microbrewery imposed under K.S.A. 41-310, and*  
16 *amendments thereto, shall be waived for the immediately succeeding*  
17 *license period.*

18 (c) Upon application and payment of the fee prescribed by K.S.A. 41-  
19 310, and amendments thereto, by a microbrewery licensee, the director  
20 may issue not to exceed one microbrewery packaging and warehousing  
21 facility license to the microbrewery licensee. A microbrewery packaging  
22 and warehousing facility license shall allow:

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

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

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

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

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

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

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

16 (g) No microbrewery shall:

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

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

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

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

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

31 Sec. 2. K.S.A. 2017 Supp. 41-308b is hereby repealed.

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