

Testimony of Andrew Harmon
Proponent for Senate Bill 277
House Committee on Federal and State Affairs
March 7, 2012

Chairman Brunk and Members of the Committee: Thank you for the opportunity to speak in support of SB 277. The Kansas Liquor Control Act does not currently include a microdistillery license class. Microdistilleries produce limited volumes of distilled spirits with a focus on quality and variety, generally utilizing locally sourced ingredients. Nationally, a robust microdistillery industry has developed in a number of states with a strong agricultural industry. Notable examples include Oregon, Washington and Iowa. Kansas, with its world-class grain production, is ideally positioned to benefit from this trend. At present, the manufacturer license class is the only means available to establish a microdistillery in Kansas. The annual license fee and rights associated with this category are inconsistent with the economics of a microdistillery. The \$5,000 annual license fee and inability to provide samples or make direct sales at the microdistillery are significant barriers to the establishment of a successful microdistillery in Kansas. Relative to neighboring states, such as Missouri and Colorado, the existing law makes Kansas a much less attractive place to do business. SB 277 will create a microdistillery category, set the annual license fee for microdistilleries at \$500, allow sampling and enable direct to consumer sales at the microdistillery. Your support of the bill will encourage economic development, help support Kansas farmers and provide Kansas consumers with a high quality locally made choice.

House Federal & State Affairs

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Attachment # 3