

Kansas Association for Responsible Liquor Laws (KARLL)

COMMITTEE STATEMENT

TO: Chairman Les Mason
And Members of the House Commerce, Labor and Economic Development Committee

FROM: Whitney Damron
On behalf of the Kansas Association for Responsible Liquor Laws, Inc.

RE: HB 2282 – An Act relating to alcoholic beverages

DATE: April 4, 2017

Chairman Mason and Members of the Committee:

The Kansas Association for Responsible Liquor Laws, Inc., appeared in opposition to HB 2282 when hearings were held before this committee earlier this session. In general terms, that bill would have allowed for the sale of all beer products and wine in locations currently licensed to sell Cereal Malt Beverage (CMB) products. Following the hearing, Chairman Mason challenged all parties to meet and consider several suggested amendments to the bill and see if we could work with those and perhaps come up with other changes that could bring the parties together.

Committee members who have been in the Legislature for more than just this year know full well the challenges this issue has for all parties, making compromise and agreement difficult. One new aspect we have not had to consider in the past has been the shrinking product availability for CMB, due to changes in Oklahoma and Colorado that will go into effect in 2018 and 2019, respectfully. Our members are sympathetic to the CMB availability issue and focused on that as the core matter to address in any compromise bill.

After meeting with representatives of Uncork, we were able to narrow our focus to 4-5 issues in conflict:

- What percent of alcohol in beer above CMB should there be for CMB retailers, if any?;
- A workable agreement to allow this legislation to stand for an extended period of time before revisiting additional comprehensive changes to where products are sold (moratorium);
- Percent of non-alcohol products a retailer would be allowed to sell;
- Level playing field for the sale of CMB and beer products between licensees; and,
- Enactment date.

The substitute bill before the Committee addresses these issues and several more:

- CMB licensees will be allowed to sell beer products of 6% alcohol by volume and less;
- Members of Uncork have agreed to commit to a ten-year period of time to allow for this Act to become law and reviewed before seeking additional changes to where alcohol products are sold;
- Retailers will be allowed to have up to 20% of non-alcohol sales, not including lottery tickets or cigarette and tobacco products;

- There will be no price discrimination between licensees; and,
- The Enactment Date is set at April 1, 2019.

Representatives from KARLL and the Kansas Association of Beverage Retailers held meetings, discussions and conference calls working through this issue and there were numerous additional communications between our members and other retailers as this agreement was being negotiated. Neither side comes away from this legislation with everything they want. However, both sides kept an open mind and were committed to making a good faith effort for resolution and I believe we have done so in a responsible manner that will be accepted by the public.

The Kansas Association for Responsible Liquor Laws supports the substitute bill and respectfully requests your support as well.

On behalf of our association, I am pleased to stand for questions at the appropriate time.

WBD