

Testimony to Oppose HB 2556

Presented to the House Committee on Commerce, Labor and Economic Development
February 19, 2014

My name is Jeff Breault and my wife and I own R & J Discount Liquor in Wichita. I urge you to oppose House Bill 2556 and end yet another assault on Kansas owned businesses. There are many, many reasons that this legislation is bad for Kansas, but I would like you to focus on one of the biggest impacts that would result from allowing Dillons, Walmart and Quiktrip to change our liquor laws. This legislation is a job killer, not a job creator. UnCork's own study had to admit that over half of the 760 liquor stores would close soon after passage. I find it VERY interesting that the last two years they have switched their campaign away from talking about jobs and now try to tell you that this is all about customer choice. No, this is all about large, national businesses trying to change the playing field to suit them at the expense of Kansas owned businesses.

Kansas laws do not restrict competition. Anyone who meets the ABC requirements can open a store under current law. The Dillons/Walmart/Quiktrip coalition tries to tell you that my store is protected from competition. There are over **20** other liquor stores within a 3 mile radius of my store. The retail liquor business is relatively low margin, and so to profit we need a higher volume since that is all we sell. If this type of legislation were ever to pass, the Dillons directly across the street would simply change one of their dozens of aisles to liquor. They can then sell that product at cost until I close, since they have 40,000+ other items in the store. Yes, in a city like Wichita, we would have the population to support a small number of specialty stores to carry the wide breadth of liquor and wine that most stores now carry, but since the big box retailers would carry mostly only the highest volume items, all the other stores would be driven out of business because those high volume items are what support the basic operation of the store. But unfortunately for the bulk of the state of Kansas, it would mean MORE empty storefronts and fewer jobs in the towns that so desperately need them.

I am not asking you to protect my store from healthy competition. I am asking you not to destabilize this market by imposing the illogical scheme represented by HB 2556.

Please see the attached picture of my store's loyal staff. Every Sunday for the past 14+ years I have written these 18 people a paycheck. They are REAL people, with REAL lives. They have spouses, children and others who depend on them. Several of them are working their way through college. One of them served our country in the military. Most of them have been with my store not weeks or months, but YEARS. ALL of them make significantly more than the minimum wage. The full time employees have access to company paid health insurance.

If this legislation were to pass, I submit that the Dillons store across the street will not need to hire even one more employee, yet all of these Kansas taxpayers will be out of a job in a short time. They

and I all shop, bank, buy insurance, pay tuition, and do so many other things right here in Kansas. Our earnings stay local. Statewide, this would be devastating for Kansas liquor store jobs.

One more request, please pay close attention to the enforcement and penalties that would be applied. Right now, the stores that sell cereal malt beverage are not subjected to the same penalty structure that my store is. The closing of a liquor store for citations carries a heavy penalty – it can be closed for one, two, or more days. That is the entire store closed with no income for the penalty period. This does not happen to the grocery or convenience stores – they should have to close their doors, as well.

Please, I urge you to protect, not attack Kansas owned businesses and vote against this bill.

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