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p.b.c. Consulting

by

March 10, 2023

**Senate Federal and State Affairs Committee
SB 253 Delivery, Micro's in Opposition**

Chairman Thompson, Vice-Chair Kloos, Ranking Member Faust-Goudeau and Senators of the Committee,

I am Philip Bradley representing several of the groups that this will directly affect. Including the KS Craft Brewers Assn., the KS Viticulture and Farm Winery Assn. and the Artisan Distillers of KS. These licensees have a special "hybrid" license often known as "Micros". Thank you for the opportunity to communicate with you on behalf of my clients and the people of our state. I will be brief.

Micros are unique licenses, originally conceived and implemented to allow our citizens an opportunity for small businesses and job creation. They appear to be especially useful in some of the less populated areas of the state. They combine several aspects, such as production, wholesaling, educating, package retailing, and on-premise service. We are appreciative of these abilities, but still face challenges of our own. Such as this proposal.

Let me be very clear, ***we are in favor of delivery***. We feel it is an almost inevitable step in the future of our industry, and has been rooted and encouraged by the pandemic and other new business challenges. The public is increasingly expecting and often demanding more service from all industries.

The reason we are testifying as opposed to Senate bill 253, is that we are not considered in this bill. One of the functions we are allowed, is to sell directly to the public for consumption elsewhere. Often known as "package sales". Essentially the same function as a retail liquor store, only we are limited to our own products. So as this bill addresses delivery for the Kansas retail store, it should address delivery for us as well, selling our own products directly to consumers.

We are fully aware that some may say, "you are a manufacturer", and therefore should not be able to deliver. In the same way that we are not a retail liquor store, but can function with off premise sales, we are not a manufacturer. We produce our product in Kansas, with Kansas employees, but by definition in the statutes, and in practice as we conduct our business, we are not a manufacturer. Nor would we advocate that a manufacturer licensee be allowed to deliver.

We are also concerned with the equal treatment of our employees, versus any delivery services, pertaining to responsibilities, liability, and possible criminal prosecution.

It has come to our attention, that third party delivery services in other states collect data on customers and use that information to direct sales away from the original licensee, to another business that may have purchased an arrangement, or incentivized that service. We are very concerned about the data mining and usage of that data by third party groups.

If these issues were addressed, as well as others, that are brought to you by other conferees, we believe we could endorse and support a bill for delivery in Kansas.

There have been many other issues and ideas mentioned in your meetings. We have an interest and information on many of those. To be efficient and in consideration of your time, we have limited ourselves to the above items at this time. We will be happy to comment later on any issues you decide to advance. We thank those who have worked on these issues and thank you for your consideration.

Our industry is a working, compliant contributor to the success of our citizens and the state of Kansas. We thank you for your attention and consideration. I am available for your questions at your convenience.

Philip Bradley

**pbc consulting representing;
Kansas Licensed Beverage Association
Kansas Viticulture & Farm Winery Association
Craft Brewers Guild of Kansas
Kansas Homebrewers Alliance
Artisan Distillers of Kansas
Equal Entertainment Group**

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