

April 5, 2017 *Email to all members of the House of Representatives*

Re: House Substitute for SB 13

The Kansas Association of Beverage Retailers supports Sub for SB 13 as passed by the House Commerce Committee on Wednesday, April 4 and requests your support.

KABR endorses the compromise proposal to keep Kansas retail licenses separate for the sale of stronger alcohol products v. limited alcohol beer. KABR participated in the discussions with Uncork proponents and the Kansas Association for Responsible Liquor Laws (KARLL) and the wholesalers organizations at the request of the Chairman.

The proposal states:

- Beginning April 1, 2019 –
- CMB retailers could sell beer over 6 percent alcohol by volume,
- Liquor retailers may sell all current beer, wine, and spirits products plus cereal malt beverage,
- Liquor retailers may sell other products up to 20% of gross sales,
- Liquor retailers may sell tobacco products and lottery tickets, except that the sale of tobacco products and lottery shall not be included in the 20% limitation,
- The Division of Alcoholic Beverage Control will issue an impact study ten years after implementation to report the market impact of the law change.
- The Uncork proponents have agreed that ten years will be a reasonable time to measure the impact of law on the industry without further legislation to expand the locations where liquor products are sold,
- Statutes and regulations are modified to include application of trade practice, nondiscrimination and price rules to CMB and liquor licensees – ABC will have authority to promulgate and enforce in both types of licensees,
- CMB retailers will continue to be licensed by cities and counties, liquor stores will continue to be licensed by the state,
- Distributors may require minimum orders for delivery, as well as retaining current definitions for CMB and beer for purposes of their franchise agreements,
- Kansas will retain the separate retail licenses for the sale of stronger alcohol products v. limited alcohol beer.

KABR supports the Kansas independently owned retail liquor stores as the state regulated off premise retailer of higher alcohol beer and all wine and spirits products. We ask you to support the compromise and retain this important role for our independently owned Kansas retail liquor stores.

While KABR is cautiously supportive, it is because the reality of changes in the states around Kansas lead us to believe that postponement would only result in legislation

that is less targeted at the CMB issue and even more harmful to our small businesses and our communities.

The impact of changes to Kansas beer laws is likely to be harmful to many Kansas small businesses - and that impact should not be diminished. The 2019 strong beer implementation date in Colorado legislation and changes in Oklahoma have created a desire for a "3.2 solution" in the Legislature and the parties have worked to draft a solution that maintains the public safety priority for regulating the sale of alcoholic beverages, while attempting to minimize the disadvantages of small businesses in competition with corporate retailers where possible.

KABR's support is conditional on the provisions above - any significant changes in this proposal could void that support.

We hope that legislators will fully understand the significance of this proposal and the tenuous agreement it represents.

Respectfully submitted by Amy Campbell, Executive Director
785-969-1617 campbell525@sbcglobal.net