

Dear Senate Committee,

Thank you for giving me the opportunity to give you all the reasons I believe you should vote against the proposal SB 54. I have arguments based on the viewpoints of all Kansans and all liquor store owners.

The first viewpoint is from all Kansans. There are three things that would hurt Kansans if SB 54 were to be passed. **(1)** The study provided was done by someone who was paid by the proposed coalition. The numbers in the study done by the proponents failed to mention several key components. First of all, it is most likely Wal-Mart will make their liquor a lost leader (drop the price) and try to gain as much business as possible which will drive competition to price wars. This will drop the sale price, which will significantly lower the tax revenue received by the state. If my math is correct, the tax to the Department of Revenue would decrease by \$20,000,000. **(2)** Another argument is that the profits gained by these corporations will be sent directly to their corporate headquarters. These headquarters for Wal-Mart, Hy-Vee, Kroeger, and Quicktrip are in Arkansas, Iowa, Ohio, and Oklahoma respectively. Currently the average liquor store shows a net profit of approximately 9%. This profit comes to a total of around \$25,000,000 annually. Every liquor store owner in the state of Kansas is a resident, along with being a resident for at least 15 years of their life per the current state licensing requirement. That means that this money is spent in Kansas. **(3)** The final argument is most important to parents of Kansans. This bill has asked to allow 18 year old kids to be able to sell these beverages. There are hundreds of convenience stores across Kansas that employ one person at a time, and many times these are people under the age of 21. This would give access to more than just the employee but also their friends, many of which are still in high school.

The second view opposing SB 54 is from the viewpoint of all liquor store owner. I am asking you to oppose this issue because it would do more harm than just putting us out of business. Up until this bill was introduced, the average purchase price for a liquor store had a 7 year payoff. There are hundreds of liquor stores that have debt for at least 5 more years, and some that just opened in 2010 that still have almost 7 years left. Along with that debt, we all have leases with our property. These leases typically have a 5-year term. Mine for example, was just signed in 2010. So not only would we be out of business, we would be out far more than that. This would force many liquor store owners to file bankruptcy, foreclose on loans, and forfeit leases. This would have a huge domino effect. The value of the properties would go down because there would be hundreds of leases back on the market, subsequently property taxes would decrease. The banks that hold the loans would be stuck with notes, and those of us that have debt would be hurting all of our creditors even further with a bankruptcy.

In closing, I am asking you to vote against SB 54. Those of you sitting here have heard both sides and have most likely done the most research on this topic. The rest of the Senate probably does not know as much as you about this subject. So if you don't believe this bill would be good for Kansas please don't even let it out of the Fed and State Committee. This would be a very bad thing for all Kansans.

Thank you

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