

Chairman Brown and members of the Commerce and Economic Development Committee: Thank you for the opportunity to testify against HB 2532.

My name is Ross Schimmels. I have worked in the Alcohol Beverage industry in Kansas continuously since 1972. I am currently employed as a Vice President of Standard Beverage Corporation where I previously served as Executive Director for the last nineteen years. It has been a privilege and an honor to work in this industry. I am here to say that in my experience I find that Kansas laws regarding the sale of alcoholic beverages are not antiquated. They are, in fact, consistent with good public policy.

There have indeed been many changes to our state liquor laws and regulations over the years and many of them have made shopping for alcoholic beverages more convenient. Credit card sales and Sunday sales come to mind. And this session a bill is being considered that would allow consumers to sample before they purchase. But the one constant is, that no matter the change, alcoholic beverages were sold in a controlled environment by local business people, Kansans with ties to their communities and whose livelihood depended on the responsible sale of these beverages. Call that cautious, call it conservative, call it prudent, but please do not call it antiquated.

Proponents say surveys show that consumers want the convenience of shopping for alcoholic beverages when they shop for groceries. Survey results are often the result of how the question is framed. If one were to ask, "Would you support an addition 3000 outlets selling alcohol in Kansas?" the response would be quite different. The reality is most liquor stores are already conveniently located in shopping centers or nearby grocery stores. Similar efforts to expand sales in both New York and Oklahoma failed just this past year. In fact, no state has voted to put wine in grocery stores in the last 24 years. Adding 3000 new locations in the name of "convenience" is not good public policy.

And in my opinion, this is the key issue before this committee – outlet density. Many studies have shown that the greater the density of outlet, the more social problems will occur. New York Assemblyman, Steve Cymbrowitz, Chairman of the Assembly's Alcoholism and Drug Abuse Committee, was quoted in opposition to alcoholic beverage sales in grocery stores in New York just last summer. "The testimony that I heard at this hearing confirmed that easy access to alcohol poses a serious threat to the well-being of our young people. We cannot allow this to happen. We currently have a problem, and making alcohol available in more locations in direction contradiction of what is needs. It is asking for more DWIs, suicides, unplanned pregnancies, STDs, violence, and truancy."

Terry White, of the Oklahoma Department of Mental Health and Substance Abuse Services, in testimony before the Task Force researching changes in Oklahoma's Liquor Laws, also cites outlet density as being directly related to crime, violence, and abuse. His number one concern is youth access to alcohol and that grocery stores and convenience stores sell to minors 1 of 3 times while in liquor stores it is 1 of 7 times. He said it just doesn't make sense for youths, families, or the economy to increase outlet density.

And last September, a study by researchers in the Drug and Alcohol Review found a correlation between the density of alcohol outlets and violent crime rates among teens and young adults ages 13-24.

The proponents provide an interesting fact in a letter to various trade organizations and distributors asking for their support, or at minimum neutrality, for sales of alcohol in grocery stores. They listed the five cities with the most liquor stores per capita.

Of the five cities with the most liquor stores per capita, four allow wine sales in grocery stores:

| City | Liquor stores per 100,000 | Wine in grocery |
|----------------|----------------------------------|------------------------|
| Baltimore | 45.30 | Yes |
| Miami | 41.38 | Yes |
| Washington, DC | 37.58 | Yes |
| Detroit | 37.00 | Yes |
| Denver | 37.68 | No |

If they had continued their research they would have found the following:

| City | Liquor stores per 100,000 | Wine in grocery | Violent crime per 100,000 | Rank |
|----------------|----------------------------------|------------------------|----------------------------------|-------------|
| Baltimore | 45.30 | Yes | 1455 | 5 |
| Miami | 41.38 | Yes | 1107 | 10 |
| Washington, DC | 37.58 | Yes | 1241 | 7 |
| Detroit | 37.00 | Yes | 1887 | 1 |
| Denver | 37.68 | No | 542 | 54 |

The four cities with the highest density of outlets and grocery sales are ranked in the top ten in violent crimes per capita in 2010 according to FBI crime statistics of the 77 US cities over 250,000. Denver, the lone “No”, ranked 54th.

We do not need an additional 3000 outlets selling alcoholic in Kansas.

Finally, there is the issue of fundamental fairness. Kansas retailers are independent business people who have a stake in their local communities. They live in this state and they live in their communities. They have made large investments in their businesses and have relied on our stable state regulatory environment. But over the last several years continuing battles over where alcohol is sold are having a chilling effect on their businesses. The proponents are large out-of-state corporations who will take their profits out of Kansas. They are well-funded and will continue to press the issue unless this legislature takes a firm stand in favor of local businesses.

In conclusion Kansas has always taken a responsible, cautious, and prudent approach to the sale of alcoholic beverages. Please view our present system for what it is – economically sound and in the best interests of public health, safety, and values for all

Kansans. This should be your primary concern, and not shifting the business of Kansas retailers to large out-of-state corporations. I strongly urge you to reject HB2532.