



*Kansas
Licensed
Beverage
Association*

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Testimony on SB 54
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Senate Federal & State Affairs Committee

Chairman Brungardt, and Senators of the Committee,

I am Philip Bradley representing the Kansas Licensed Beverage Association. The KLB represents the interests of the men and women in the hospitality industry, who own, manage work in Kansas bars, breweries, clubs, caterers, hotels, and restaurants. These are the places frequent and enjoy with the tens of thousands of employees that are glad to serve you. Thank you for the opportunity to speak today and I will be brief.

Although this bill addresses an issue that we take no position on, we have several vital questions/concerns we would ask to be resolved satisfactorily before this bill could advance.

In no particular order;

- 1- We now have "Dry" counties where no "alcohol" may be sold only CMB. Will they continue? Will CMB licenses continue to be available in those areas?
- 2- Will the redefined off premise retailer licensee be allowed to obtain a federal wholesaler license and then sell to an On-Premise establishment as Liquor store do? Do we have any assurance that they will? We are required to purchase through such a retailer and some areas of the state have a dwindling supply. With the acknowledged closing of existing stores we are very concerned that this will not only cause further scarcity but also reduce variety and supply.
- 3- Does a new redefined off premise retailer license be allowed to also hold a caterer alcohol license? (Pg 12 line 32) Will they then be allowed to sell to themselves the off premise license to the on premise license changing a long held Kansas law that licenses for these two tiers cannot be held by one individual or group. If they now can will that lead to unfair competitive advantage on pricing, supply and/or preferential treatment to themselves? Where will they store opened unsold caterer alcohol inventory?
- 4- Why a delivery fee to On-premise licensees & Caterers? Will that be uniform and apply to all? Including if allowed to sell to themselves?
- 5- Why are the alcohol bonds lower than other licensees initially and in that they do not adjust as DE/Club's do now?
- 6- Why are the licenses (A & B) so reduced to only 10/30% of a DE license? (\$100 vs. \$1000)
- 7- Also would the CMB taverns pay the 8% enforcement tax on their purchases as other on-premise retailers? And if not why not? Will 3% be deducted for all off premise retailer's enforcement taxes?
- 8- We ask that in the definition of domestic beer (page five line 10) and wherever it occurs be amended "*not more than 8% alcohol by weight*" to "*not more than 10% alcohol by weight*"

There are undoubtedly further issues that will arise as these are answered.

Again thank you for your attention and consideration. I am available for your questions.

Philip Bradley