

K * A * N * S * A * S
WINE & SPIRITS
WHOLESALE ASSOCIATION

April 4, 2017

To: House Committee on Commerce, Labor and Economic Development

From: *R.E. "Tuck" Duncan*
General Counsel and Executive Secretary
Kansas Wine & Spirits Wholesalers Association

RE: Substitute for HB2282

The KWSWA is neutral on the substitute bill and defers to the agreement of the Kansas Association of Beverage Retailers and the Kansas Association for Responsible Liquor Laws in their effort to find a solution to the dilemma confronting Kansas as it appears the availability of cereal malt beverage products may be significantly reduced beginning in 2019.

We concur with the prudent approach taken by maintaining the CMB licensing system to avoid any disruption at the local level and/or create increased costs to the state. The provisions that maintain current definitions, that provide for the oversight of the division of the alcoholic beverage control to maintain an orderly market and that address distribution issues regarding delivery and contracts are fitting and necessary.

We look forward to working with the Kansas Alcoholic Beverage Control in drafting regulations to implement this legislation in the time frame prescribed. For a decade we have supported our customers in their efforts and we continue to support our customers. However, for legal considerations that we have expressed to all the stakeholders neither the association nor its individual members can commit to waiting until 2019 before bringing forward concerns that may result from unintended consequences of this legislation.

Our aspiration is that all the stakeholders prosper and that Kansas has a robust beverage alcohol industry and economy. Nonetheless, we must retain the prerogative to bring to the legislature at the appropriate time issues that may need attention. That being said it is our expectation that substitute HB2282 will be the best solution to the CMB quandary.

Thank you for your attention to these matters.