



March 8, 2017

To: House Financial Institutions and Pensions Committee

From: R.E. "Tuck" Duncan
General Counsel, Kansas Wine & Spirits Wholesalers Association

RE: SB65

We support SB65 AN ACT concerning alcoholic beverages; pertaining to alcoholic liquors pledged as collateral; relating to sale by creditors thereof, as it will clarify the rights of a secured creditor.

To expand the potential licensee purchasers and clarify that any beverage alcohol licensee may purchase these products, we suggest that you amend the bill as follows at lines 17-27:

“ (b) If a creditor has become lawfully entitled to alcoholic liquors that were pledged as collateral for a loan, notwithstanding provisions of the Liquor Control Act to the contrary, the creditor may request permission from the director to take possession of such alcoholic liquors and conduct a sale to a ~~distributor or other~~ licensee possessing a valid license issued pursuant to the Liquor Control Act or to a licensee possessing a valid license issued pursuant to the Club and Drinking Establishment Act, to satisfy any debt owed to the creditor. No such possession or sale shall occur without prior written authorization from the director. The director may require a detailed inventory or other information deemed necessary to ensure the safe storage, handling and transfer of such alcoholic liquor. The proceeds from any sale executed pursuant to this section shall go to the creditor in satisfaction of any debt owed, with any remaining proceeds to be returned to the debtor.”

Thank you for your attention to and consideration of this matter.

