

KANSAS ASSOCIATION OF BEVERAGE RETAILERS

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Dear Chairman Barker and Members of the House Federal and State Affairs Committee,

Thank you for the opportunity to provide testimony in support of HB 2133.

There are 750 Kansas owned retail liquor stores licensed in our state. In many communities, the retail liquor store is one of the few remaining locally owned “mom and pop” retailers. Every retail liquor store in Kansas is engaged in a mutually beneficial agreement with our state to assure that alcoholic liquor products are sold to customers of legal age; products are properly and safely packaged, stored and sold; products are purchased through the 3 tier system; and the 8% enforcement tax is paid on every sale. At the same time, these stores contribute to their communities by providing jobs, paying property taxes, and spending their money with local banks, insurers, and contractors.

As Kansas retailers work to survive and thrive in the rapidly changing retail marketplace, we look to the State of Kansas to provide a fair regulatory framework. As you can imagine, the license requirements that are placed on retail liquor licensees far exceed the requirements placed on a wine shipping licensee. At the very least, Kansas should expect that out of state entities that ship alcoholic liquor products into Kansas will pay the taxes due.

Today, consumers have grown accustomed to getting the products they want by simply pushing a button. This Legislature has been faced with the loss of millions of dollars of sales taxes to the State as a result of this reality.

This legislation provides one tool for our Department of Revenue to identify those entities who attempt to profit by going around our laws relating to the shipment of wine, and to bring them into compliance, as well as collect the revenues due.

Our Association has been very encouraged by the efforts of the Division of Alcoholic Beverage Control to work with the industry to effectively enforce the liquor laws, both inside and outside our state borders. The agency needs more resources to be effective, including this legislation.

Although it is not the role of this committee, we would like to take this opportunity to respectfully ask that the Legislature restore the capacity of the agency to effectively regulate the rapidly growing number of licensees in Kansas who sell adult beverages by increasing the agency’s funding for staffing.

Thank you for your consideration of HB 2133. We would be happy to answer questions.

Amy A. Campbell
Executive Director