

Luke Lawlor
Owner, Ad Astra Selections
Testimony in opposition to HB 2282
February 14, 2017

Mr. Chairman and members of the committee,

Thank you for the opportunity to provide testimony in opposition to HB 2282.

I am the owner of Ad Astra Selections, a wine & spirits distributor based in Lenexa. We are a small business that employs 16 people. The ramifications of HB 2282 would have a devastating impact on our business, our employees and all of our families. This bill would cause many of my customers to go out of business, and because we represent smaller, boutique wineries and distilleries that grocery and big box stores aren't interested in, my sales won't just simply transfer to other outlets. It will be lost. Without customers, our business will cease to exist. But I'm not here to ask you to oppose this bill to save my business, or anyone else's for that matter. Your job is not to create laws to help one segment of an industry over another. Your job is to create laws that will benefit the state of Kansas and it's people.

To that end, I ask you to oppose this bill because it is bad for Kansas and its residents. Here are a few things to consider:

- Adding thousands of additional liquor retail outlets would require the Department of Revenue to take even more money from the already depleted highway fund to adequately staff the already underfunded ABC in order to maintain the regulations and enforce the liquor laws.
- Consumption will not increase, so there will be a net loss in revenue for the state. Can the state afford to pay for this?
- The ABC will lose the ability to prevent under the table deals between suppliers and retailers that occur outside of Kansas.
- This bill absolutely creates a net loss in jobs for Kansas.
- The current minimum age to sell alcohol is 21. This bill puts 18 year old kids in charge of selling alcohol. 18 year old kids are in high school. 18 year old kids go to school with 14 year old kids. This obviously increases access to alcohol to Kansas children.
- You'll likely hear from advocacy groups about the danger of triggers for people in recovery. There's a reason recovering alcoholics stay away from bars and liquor stores. Grocery stores are unavoidable and putting triggers in front of them while they are trying to buy groceries is irresponsible.
- 100% of our current retail liquor stores are owned by Kansas residents, which means that 100% of the profits of the retail sale of alcohol in Kansas stay in Kansas. These profits are reinvested back into our communities, our schools, our charitable organizations. These profits are spent on Kansas attorneys, accountants and advertising agencies. These profits are spent on homes, vehicles, clothes, food and everything else necessary for life in Kansas. These profits broaden our property tax base, our income tax base and our sales tax base. We're here today considering a bill that would throw these profits away to other states. For what? Convenience?

Convenience is the one argument that proponents of this bill continue to make. It's not about the money, it's about "convenience." Is it convenient to separate spirits from wine and beer? What happens when you go to the grocery store, pick up a bottle of wine, but need a bottle of vodka also? You still have to make that 2nd trip. Only now, the second trip isn't next door because that liquor store is closed. You will have to drive miles to find the nearest liquor store. In many rural counties, that could be 40-50 miles to the nearest town with a liquor store. In many cases in Johnson County, that nearest liquor store will be in Missouri. If convenience and losing money across the border are problems, the problems just became worse.

I've sold wine all over the country and I can tell you unequivocally that Kansas has one of the best selections of alcohol in the US. This is due to the fact that we have a retail network that is 100% independent. When you lose independent retail stores and small distributors, the number of SKUs available in the state decreases drastically. Where is the convenience in shrinking the selection of wine and spirits available to Kansas consumers? This will only cause them to buy wine and spirits on the internet and in Missouri, where Kansas will collect zero tax.

If lack of convenience is an issue, then let's fix it. Let's change the laws to make alcohol retail sales more convenient for our consumers. But let's do it in a way that keeps the money in Kansas. Let's create a win-win situation for the state and the people. Here are just five of the many ways we could accomplish that:

1. Allow a retailer to deliver, like many other states already do. The future of alcohol retail sales are online. There are several apps, such as Drizly, Saucy and Minibar that allow you to browse wine, beer and spirits, place an order, and it's linked to a local participating retail store that processes the transaction and brings the order directly to the customer. Using apps like these, or simply just placing a phone call could have your products delivered straight to your house. What's more convenient than that?
2. Allow a mom with a van full of kids to call in a curbside pick up order. This would allow the retail employee to bring the order out to her vehicle in the parking lot and with a handheld credit card machine, process the payment and send her on her way without her having to get out the car.
3. Allow a retailer to sell non-alcoholic items, such as corkscrews, bottle openers, club soda, tonic water, mixers, cups, and other drink related items. Retailers aren't wanting to become convenience stores or grocery stores, they just want to be able to provide the necessities to their customers that are shopping for alcohol. N/A sales could be capped at 3-5% and we'd be done with this issue once and for all.
4. Allow a retailer to charge for an in-store tasting if they choose. This would allow them to provide more in-depth, educational tasting experiences and classes/seminars for the consumer.
5. Allow a retailer to set their own Sunday hours. Many stores, especially in Johnson County would like to open at 11:00 instead of noon to capture some of the business they are losing to Missouri, particularly during the NFL season.

If we are going to change our laws, let's change them in a way that allows our retailers to be better and have a more dynamic business. Let's change them in a way that improves the consumer experience and encourages people to shop in Kansas. But most importantly, let's change them together, as Kansans, in a way that keeps the money in Kansas rather than turning it over to out of state corporations.