

March 31, 2015

Mr. Chairman and Members of the Committee,

On behalf the Kansas Beer Wholesalers Association, thank you for the opportunity to offer testimony on SB 298. In the past the KBWA has taken a neutral position on this legislation. However, we must oppose this current version, as it would create a confusing and inefficient market place for Kansas's beer distributors and the consumers they serve.

While we take no position on the proposal to allow sales of full strength beer in grocery and convenient stores, we do oppose creating a regulatory system where some grocery and convenient stores carry strong beer while others still carry 3.2 beers otherwise known as cereal malt beverages.

A market place where grocery and c-stores carry different strengths of beer will increase costs for beer distributors due to inefficiencies in warehousing and delivery operations that do not exist today. This will very likely increase costs to consumers. In addition, this will create confusion among consumers, thereby leading to lost sales and revenues.

A market place where grocery and c-stores carry different strengths of beer will undoubtedly increase enforcement costs and therefore lead to possible increases in the liquor enforcement tax. This scenario is troubling, as liquor taxes in Kansas are already high and leads to cross border alcohol purchases. This results in lost sales for business and lost tax revenue for the state.

For these reasons, we would request that you not pass SB 298.

Thank you for your consideration.

Best regards,

Jason P. Watkins
Executive Director