

Approved: 3-14-95
Date

MINUTES OF THE SENATE COMMITTEE ON FEDERAL AND STATE AFFAIRS.

The meeting was called to order by Senator Lana Oleen at 11:00 a.m. on February 21, 1995 in Room 254-E of the Capitol.

All members were present.

Committee staff present: Mary Galligan, Legislative Research Department
Mary Ann Torrence, Revisor of Statutes
Kim Perkins, Committee Secretary

Conferees appearing before the committee:

Frances Kastner, Kansas Food Dealers Association
Tuck Duncan, Kansas Wine and Spirits Association
Neal Whitaker, Kansas Beer Wholesalers
Bryan Beaver, Kansas Oil Marketers Association, Convenient Store Association of Kansas
Bob Alderson, Casey's General Stores Inc.
Whitney Damron, Coastal Corporation and Total Petroleum
Judy Ensminger, Liquor Store Owner
Professor Jacob Gordon, University of Kansas
Dave Schneider, Kansans for Life at its Best
Betty Mason
Frances Wood, Woman's Christian Temperance Union
Sandra Dowell

Others attending: See attached list

Sen. Oleen announced that the committee would begin the hearing for **HB 2105**, an act concerning alcoholic beverages; concerning certain restrictions on retail sales, and called on Mary Torrence to briefly review the related statutes and the bill for the committee. Sen. Oleen asked Mary Torrence if there was a problem with the definition of "lender credit card". Mary Torrence answered that there may be a problem with the definition but she is not sure if or how the language should be different and stated that she will look into the issue. Sen. Gooch asked if the bill changes the current regulations on clubs serving liquor and food. Mary Torrence stated that the bill would not effect those regulations. Sen. Tillotson clarified that the bill does not include taverns and Tim Conant from Alcohol Beverage Control stated that there are approximately 4000 taverns which have malt liquor licenses only.

Sen. Oleen stated that the committee would hear alternating testimony from proponents and opponents and introduced Frances Kastner as a proponent to **HB 2105 (Attachment 1)**. Sen. Praeger asked Frances Kastner if, in fact, people often do put cereal malt beverage on credit cards when buying that product at grocery stores. Frances Kastner answered that cereal malt beverages was not supposed to be sold on credit cards.

Sen. Oleen introduced Professor Jacob Gordon as an opponent and Tuck Duncan as a proponent to the bill (Attachments 2 & 3). Sen. Hensley referenced the term evolution expressed in Tuck Duncan's testimony and asked what the next step would be in the evolution of liquor sales. Tuck Duncan answered that he had no specific example, but he assumes there will always be a next step. Sen. Tillotson asked Tuck Duncan if he stated that using a credit card is the same as using a dollar bill. Tuck Duncan stated that a lender credit card is any credit card issued by a banking establishment and the extension of credit has been pre-approved by that establishment, therefore, the card works as cash.

Sen. Oleen introduced Dave Schneider as an opponent and Judy Ensminger as a proponent to the bill (Attachments 4 & 5). Sen. Parkinson stated that, while he disagreed with Schneider's position on the bill, he believed the testimony and research were excellent. Sen. Ramirez asked Judy Ensminger to comment on the fact that there are liquor stores who do not want to be open on Sundays and Judy Ensminger stated that each liquor store had the choice of whether or not to be open.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON FEDERAL AND STATE AFFAIRS, Room 254-E Statehouse, at 11:00 a.m. on February 21, 1995.

Sen. Oleen introduced Betty Mason to testify as an opponent and Neal Whitaker to testify as a proponent (Attachments 6 & 7) to **HB 2105**. Sen. Tillotson asked Neal Whitaker if there was a specific reason why the bill outlined that liquor stores could be open only from 1 p.m. to 8 p.m. on Sundays. Neal Whitaker answered that he believed that the time frame had been outlined in that way to ensure that only one working shift would be required.

Sen. Oleen introduced Frances Wood and Sandra Dowell to speak as opponents and Bryan Beaver to speak as a proponent (Attachments 8,9, & 10).

Sen. Oleen announced to the committee that they had written testimony from Whitney Damron, Pete McGill and Associates; Kathy Peterson, Distilled Spirits council of the United States; Treva Dunsford, Brown's Liquor Store; and Bob Alderson, Casey's General Stores (Attachments 11, 12, 13, & 14) who were all in support of **HB 2105**.

Sen. Oleen called for committee approval of the minutes dated February 9, 1995 and February 10, 1995. Sen. Parkinson moved to approve the minutes and the motion was seconded by Sen. Tillotson. The motion passed.

Sen. Oleen called for further discussion, and seeing none, the meeting was adjourned at 12:00 p.m.

The next meeting is scheduled for February 22, 1995.

SENATE FEDERAL AND STATE AFFAIRS COMMITTEE
GUEST LIST

DATE: February 21, 1995

NAME	REPRESENTING
Sandra Dowell	Dowell Liquor Store
Shawn Hill	Rep Ray Cox
Eldon Hamill	_____
Betty Mason	Personal Testimony
Geoff W. Gordon	Personal - KU Professor
Dave Schneider	Kansans For Life At Its Best
Frances Wood	women's Christian Temperance Union
Jim Conant	ABC
Rebecca Peir	KRLDA
Whitney Damon	Coastal Total
MARK RITTER	Crown Dist / KBWA
Lee Webb	Produce Browning / KBWA
Steve R Campbell	Campbell Dist, Inc / Manhattan
Bob Scheer	SCHATZ DIST CO
Meal Whitaker	Ks Beer Wholesalers Assn
Matt Strathman	Strathman Subs Co Inc / KBWA
BOB ANDERSON	CRAY'S GENERAL STORES
BRYAN BEAVER	Conv. Store Assoc / KS
STEVE KEARNEY	KOMA - CSAR



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JIM SHEEHAN
Shawnee Mission

SENATE FEDERAL & STATE AFFAIRS COMM. Feb. 21, 1995

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FRANCES KASTNER

SUPPORTING HB 2105

I am Frances Kastner, Director of Governmental Affairs for the Kansas Food Dealers Association. Our membership includes manufacturers, wholesalers, distributors and retailers of food products throughout the State of Kansas.

We appear in favor of HB 2105 allowing Sunday sales of cereal malt beverages for OFF PREMISE consumption between 1:00 p.m. and 8: p.m. By requiring county-approval before these Sunday sales hours go into effect you are giving absolute control to local authorities. This negates any argument that the State is imposing unwanted laws upon communities.

Last year there was a good deal of discussion of credit card sales for purchases of alcoholic beverages and CMB for OFF PREMISE consumption. It is NOW, and for a long time, has been possible to purchase alcoholic beverages with a credit card for ON PREMISE consumption.

Credit card use in all segments of the retailing business is more prevalent than ever, and everyone should have the opportunity to decide when and where to use their own credit cards.

We respectfully request that you permit package sales of CMB on Sunday, and allow credit card purchases for alcoholic beverage and CMB purchases for OFF PREMISE consumption.

Frances Kastner
Frances Kastner, Director
Governmental Affairs, KFPA

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Testimony on HB #2105

Presented to the Committee on Federal and State Affairs

by

Jacob U. Gordon, Ph.D.
Professor and Research Fellow
The University of Kansas

"When ANYTHING is going to happen in this country, it happens first in Kansas", William Allen White, fabled editor of the Emporia Gazette, once wrote. Kansas, he said, is "hardly a state" but "a kind of prophecy." Kansas has historically served as a focal point of creative change or exemplar of national life. Kansas list of firsts include: scene of the fiery abolitionist crusades of the 1850's, birthplace of the prohibitionist movement in America, seedbed of the Populist party and embittered agrarian dissent, early and strong adherent of Bull Moose Progressivism, the seat of the 1954 landmark Supreme Court decision in the case of Brown vs. the Topeka Board of Education and the home of the author of the U.S. Civil Rights Commission in 1957. Throughout its history and even today, Kansas and Kansans have always stood for so much and gave so much to this nation and the world.

It is against this background that I have come today to attempt to urge you to maintain the Kansas tradition. In a real sense, I have come to defend the rights of Kansans to healthy and vibrant communities, free of alcohol and drug abuse. The House Bill 2105 is a guarantee to unhealthy and morally bankrupt communities in Kansas. The bill will undoubtedly make alcohol more accessible in our communities and may generate short-term revenues for the state. But on the long-run if this bill passes, it will only pave the way for bigger government and more taxes to cure the disease of alcoholism. There is much evidence from research that accessibility of alcohol is directly related to consumption and problems associated with drinking. The Kansas that I know will not take this path. Instead of making alcohol more accessible, we need to address the problems of alcoholism by:

1. increasing awareness of the health risks possessed by alcohol abuse;
2. more governmental involvement in prevention, intervention and treatment efforts; and
3. the development of grass roots efforts and community coalitions directed towards decreasing alcohol abuse and its negative impacts.

THE NUMBER one health problem in the country today is substance abuse. This places a major burden on the nation's health care system and contributes to the high cost of health care. According to a recent report (1993) sponsored by the Robert Wood Johnson Foundation, the largest health care foundation in the world, "the problematic use of alcohol can harm health, family life, the economy and public safety, and it threatens many other aspects of life as well". I might add that it threatens the future of our youth. Reports of child neglect and abuse have increased rapidly in recent years.

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and many such incidents are directly related to alcohol. Alcohol is the most costly abused substance, with the total bill to the nation estimated to be \$99 billion in 1990. Using the same economic model, the cost of drug abuse was \$67 billion, and preliminary estimates place the cost of smoking at \$72 billion. Each substance has different impacts on users and on society. In Kansas, my study indicates that we spend about \$50 million per year in prevention, intervention and treatment of alcohol and illicit drugs. This figure does not include the heavy costs of crimes that are associated with alcoholism i.e. vandalism, juvenile disorderly conditions, domestic violence, loss of jobs and productivity, absenteeism, school dropout, health and insurance costs, car accidents and deaths, prison costs, etc. Our best estimate is about \$1.8 billion per year. House Bill 2105 will not only increase these costs, but decrease our quality of life. I would therefore like to recommend:

1. That the Legislature abandon the cause of House Bill 2105; it is simply not a good public policy.
2. That the Legislature should set up a Task Force to study the use of State and Federal funds for substance abuse regarding better program coordination, quality of service and accessibility of services to all Kansans.
3. That the problems of alcohol and illicit drug abuse must be viewed within the context of health issue. It touches practically all aspects of American life.
4. That the legislative branch should work with the executive branch to ensure outcome-based and well-coordinated alcohol and other drug abuse services for the people of Kansas.

I trust that the Kansas Legislature will do the right thing -- the reduction of the supply and demand of alcohol and any other form of substance abuse, including tobacco. I thank you for the opportunity to share some pertinent research findings on the state of the art in substance abuse with you. And I look forward to working with you.

K · A · N · S · A · S
WINE & SPIRITS
WHOLESALE ASSOCIATION, INC.

To: Senate Committee on Federal and State Affairs
From: R.E. "Tuck" Duncan
RE: HB2105

The K.W.S.W.A. supports HB 2105. This bill represents an appropriate step in the evolution of the beverage alcohol system in Kansas. The issue regarding Sunday sales is dependent upon the will of the people by popular vote which is a reasoned approach to addressing that subject. The bill acknowledges the modern use of credit cards as a financial instrument. We respectfully request your favorable consideration of this bill. Thank you for your attention to and consideration of this matter.

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SENATE COMMITTEE ON FEDERAL AND STATE AFFAIRS
TESTIMONY ON HB 2105

Dave Schneider, President
Kansans For Life At Its Best

February 21, 1995

Chairman Oleen, Members of the Committee:

A recent letter to the editor in the Topeka newspaper referred to our liquor control laws as archaic and useless. We beg to differ. We think that instead of thinking of our liquor controls as shackles from the past, we ought to think of them as shields of safety in the present. The liquor control laws at issue in House Bill No. 2105 present a good example of how this is so.

Each of the three major changes proposed in HB 2105 will undoubtedly increase sales of alcohol in Kansas. We sincerely doubt they would have been proposed if they would not result in increased profits. Since most folks who buy alcohol tend to drink it, it's also clear that increased sales will result in increased consumption.

And therein lies the problem. If folks drink more on Sundays and Memorial Day, Independence Day and Labor Day, there will be an increase in both DUIs and crime on those days. On the DUI matter, it's important to take note of the fact that the above mentioned days are major days for traveling our highways. In that way, Sunday sales are just as much a statewide issue as sales on the three holidays. And since so many folks are on the road returning from visiting friends and families or trips out to the lakes on Sundays and those three major holidays, we can figure that more of those trips will end in tragedy. But we can be shielded from those extra tragedies if we will but keep our present laws in place.

And consider the crime issue. Why should the legislature pass any measure which could lead to an increase in crime? They would do well to take note of a memo submitted on June 14, 1994 by legislative research to the Legislative Coordinating Council which stated most explicitly, "Drugs and alcohol are implicated in three-fourths of homicides, suicides, assaults, and child molestations." If there is more drinking on these days there will be more crime. Bill Moyers, in his recent report in Parade Magazine titled "What We Can Do About Violence", tells us that "In one year, almost 60 percent of males arrested for violent offenses reported using alcohol within 72 hours before committing the crime."

And consider the following from a nationally recognized report titled *Substance Abuse: The Nation's Number One Health Problem*. (Prepared by Institute for Health Policy, Brandeis University for the Robert Wood Johnson Foundation, Princeton, New Jersey. October 1993.)

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"Illicit drugs and alcohol are partners in many violent crimes as well. At least half of the people arrested for major crimes such as homicide, theft, and assault were using illicit drugs around the time of their arrest, and about half the people in state prisons for committing violent crimes report they were under the influence of alcohol or drugs at the time of their offense.

Alcohol is more likely to be involved in crimes against people than property. In about one-half to two-thirds of homicides and serious assaults, alcohol is present in either the offender, the victim, or both."

If there is more alcohol consumption there will be more crime. Since our present laws keep consumption down, they act as a shield against that extra crime.

Our liquor control laws also protect the young people of our state. It's no secret that they are already drinking, but making alcohol more available on the weekend is no solution to that problem. And weekends are already a problem for teens. The Kansas City Star, on January 17th of this year, published the results of a questionnaire they had printed last fall in their TeenStar section. It revealed that...

"The optimum time for teen drinking is the weekend, according to respondents. In all, nearly 63 percent said they confined their imbibing to weekends."

If teenagers are drinking mainly on the weekends, why make it even more available to them? Especially when on the front page of the February 2, 1995 issue of the Wall Street Journal, an alcohol marketing expert was quoted as saying, "There are very strong indicators that young people have lost their fear of alcohol."

That's bad news for us and them in a number of ways. But one important point that should not be forgotten is that alcohol often serves as a gateway to other drugs. This is stated clearly by James Q. Wilson, perhaps our country's leading criminologist:

"Using drugs is only one way -- and usually not the first way -- in which deviance is expressed. Heavy drug users also tend to be sexually promiscuous, to smoke and drink (often to excess), and to be truant. Although there is nothing inevitable about the process, it is striking that heavy drug use is typically preceded by "light" drug use (smoking marijuana, swallowing an occasional amphetamine), which in turn is often preceded by smoking cigarettes and drinking alcohol."

(Drugs and Crime, Edited by Michael Tonry and James Q. Wilson, Chicago: The University of Chicago Press, 1990. "Drugs and Crime", James Q. Wilson, p.535.)

Liquor control laws are a shield for our youth, not a shackle.

Now, we've heard some proponents remark previously that this should be seen strictly as a business issue. And for the liquor industry it will be -- and a very profitable one at that. But does it make good economic sense for the rest of Kansas? Here's some things to think about:

"Alcohol is the most costly abused substance, with the total bill to the nation estimated to be \$99 billion in 1990.

Economists compared total tobacco and alcohol taxes paid in the late 1980s with the total costs these products imposed upon society -- including injuries, medical care, and disability: Cigarette taxes covered societal costs, but alcohol taxes did not. The societal cost of alcohol was more than double alcohol tax revenues."

-- *"Substance Abuse: The Nation's Number One Health Problem"*, Prepared by the Institute For Health Policy, Brandeis University for The Robert Wood Johnson Foundation, October 1993.

"The abuse of alcohol and illicit drugs, which is at the root of most crimes and violent acts, costs Kansans approximately \$1 billion each year. This does not include the pain and suffering of individual families."

-- Governor Joan Finney, Report on Alcohol and Other Drug Abuse: Policies, Priorities and Program Benefits, March 1, 1994.

"Substance abuse and addiction is the Public Enemy No. 1 of Kansas. Nearly 20% of Medicaid costs are attributable to smoking, chewing tobacco, alcohol, and drug abuse. That's \$150 million each year in Kansas alone. Drugs and alcohol are implicated in three-fourths of homicides, suicides, assaults, and child molestations."

-- Memorandum to the Legislative Coordinating Council, "Staff Proposal for 1994 Interims", June 14, 1994.

So... increased consumption doesn't exactly look like it will be profitable for the rest of us.

Finally, where is the wisdom in the idea of selling a highly addictive and highly destructive drug on credit? Who benefits from this? The alcoholics? The suffering children of the alcoholics? Please have mercy on them and the rest of us by rejecting House Bill 2105.

February 6, 1995
To: Our Elected Lawmakers Of Kansas
From: Peter and Judy Ensminger
Re: H.B. 2105

We own a liquor store at College Blvd. and Quivira in Overland Park and Judy is the Republican Precinct Committee Woman for Ward 4 Precinct 10.

We would like you to pass this Bill for; credit card sales, Sunday sales, and Holiday sales, and here are a few GOOD REASONS:

Alcohol sales is a taxing vehicle thats in place and running, taxed by the state at three different intervals by the time it is at the consumer level. Why not use it to it's capacity?

Currant Laws force people to cross state lines and illegally transport alcohol back across the line.

Currant Laws allow people to purchase alcohol at a tavern or eating place on Sunday, and holidays, pay with a credit card and then drive home!

We refuse an average of three credit card sales(this we've documented) sales per day.

Many corporatins and companys make their purchases in Missouri because we cannot take their company's credit card.

EXAMPLE; Valentines Day 1994--\$1500.00 sale lost to Missouri because we could not take the corporate credit card for \$1500.00 worth of single serving bottles of champagne.

December 1993 - \$2500.00 sale for two cases of Dom Perignon Champagne for the company's annual recognition event, we couldn't take their credit card.

SUNDAY and HOLIDAY SALES

Examples:

Kansas City Chiefs Football games ; 15 of 22 games were on Sunday this past season from August through December. Many of the "Game Parties" were supplied by Missouri stores because they are open . When people go out to shop they try to do it all in one area, so if they are picking up beer for the party and its noon, they may pick up a burger to go, and maybe fill the car and go through the car wash while they're at it so.... there is added revenue lost to the state.

The grocery store in our shopping center reports a higher volume of bussiness on Sunday than any other day of the week.

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If a company sets up a bussiness conference at a local hotel that starts on Monday and the workers arrive on Sunday evening; the company would like to set up a Hospitality suite to welcome them, these purchases also go to Missouri. This is very frequent in our area.

THIS YEAR 1995, the two largest selling days of the year, fall on Sunday, CHRISTMAS EVE and NEW YEARS EVE ! We will lose 40 to 50 THOUSAND DOLLARS in volume if we can't be open, and we are just one little store!

If this Bill would pass we could employ another person, and increase our payments of taxes we pay to Kansas Inturnal Revenue by 15 to 20% in our estimate, conservatively.

Please pass this Bill #2105 and allow us by county choice and individual owner choice, these options. This is our opportunity to collect tax revenues that should stay in KANSAS!

Thank You Sincerely,

Peter and Judy Ensminger
11052 Quivira Rd.
Overland Park, Ks. 66210
913 469 9006

Betty Mason
Testimony before Senate Federal And State Affairs Committee

February 21, 1995

Madame Chair and Committee Members;

Thank you for allowing me to appear today as an opponent to
HB 2105.

I come to you with deepest concern of what HB 2105 will do to families. You see, my Father was an alcoholic, so I speak from experience. I began shaking when I started writing my testimony because this is a part of my life that I do not share unless it might help someone else. Some of my children did not know some of this until they read this testimony. When my father received his check on Friday night, he went to the liquor store and purchased enough wine to last him Friday night, Saturday, Saturday night and any holiday that he did not have to work. He spent Sunday sick and trying to sober up so he could go to work on Monday morning. My mother and I tried to keep the guns and ammunition hidden from my father to protect my Mother and to protect him from himself. If there was any money left from his check, Mother could pay bills or buy a few groceries.

My Mother always ordered clothes from a catalog for the family in the Fall. This way she could charge them and hoped to have them paid for by the Fall so she could order again. We made our summer clothes from feed sacks. Mother worked wherever she could and so did I.

My sister, eight years my senior, married at a very young age to get away from home. Her husband became an alcoholic after they were married. He spent every dime he made on beer and my sister worked two jobs to raise her family of four children. She got a divorce when she was 38 and has never remarried.

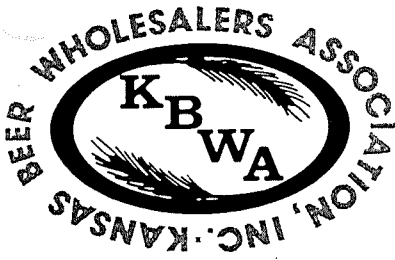
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The rest of the story is: my sister's oldest son is a controlled drinker, her second son died at age 18 of leukemia, her third son is an AA supporter after having a serious car accident, and her daughter has been through drug and alcohol rehabilitation. Two of the children have experienced broken homes. After a bad heart attack my father enjoyed the last six years of his life, and we did too.

What is this bill going to do to families? I believe it will destroy families. I think more people will call in sick on Monday mornings, charge accounts will be maxed out and families will not be able to see a way out; more suicides, more broken homes, more people becoming bankrupt and on and on. I believe you are doing families, business, and our state a terrible injustice if you vote to sell liquor on Sundays and holidays, and if you vote in favor of charging it on credit cards. Credit cards get out of hand now, so what will they do if people can charge alcoholic beverages? Alcohol is the only illness I know of that you buy from a shelf and is passed on down to other generations. I am not a "Carrie Nation II". I do not mind people having a controlled drink in my presence but I feel alcohol and credit cards do not mix. I have walked in the shoes of someone having an alcoholic parent.

I ask, PLEASE, vote against House Bill 2105.

Thank you for giving me a few moments and listening to my testimony.



Testimony
by
Neal Whitaker
representing
Kansas Beer Wholesalers Association
February 21, 1995
before the
Senate Federal and State Affairs Committee

Madame Chairperson and Members of the Committee:

- ◆ Today any club or drinking establishment whose management chooses to do so may accept credit cards as a form of payment for alcoholic beverages or cereal malt beverage.
- ◆ Clubs and drinking establishments may operate seven days a week, 52 weeks a year without restriction by state law.
- ◆ Current law allows establishments that sell cereal malt beverage to sell on the following holidays: Memorial Day, Fourth of July and Labor Day.
- ◆ House Bill 2105 is about allowing Kansas business persons to establish business practices that not only the rest of the industry that serves alcoholic beverages are favored by, but something every other business establishment in the state takes for granted.
- ◆ House Bill 2105 allows a group of mostly small businesses in this state the opportunity to accept a credit card as a form of payment, if they so choose. There is no requirement in this bill that credit cards be accepted. And, if the citizens in the respective counties vote to allow Sunday sales, House Bill 2105 will allow Sunday sales from 1:00 PM to 8:00 PM, if the local establishment chooses to be open.
- ◆ Clubs, drinking establishments and CMB establishments are already allowed to be open for business on the three summer holidays. House Bill 2105 merely provides the option that a licensed liquor retailer may open those days as well.

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- ◆ House Bill 2105 will help nurture the farm winery industry in Kansas by allowing farm wineries to accept credit cards as a form of payment.
- ◆ Every day tax dollars are lost across the state line to Missouri, Oklahoma, Colorado and Nebraska because Kansas retail liquor stores and 3.2 beer establishments cannot accept credit cards and are forced to be closed on Sunday.
- ◆ Electronic commerce is a reality in today's business world. We must allow Kansas retailers the opportunity, if they so choose, to utilize the benefits. Credit cards would eliminate bad checks.
- ◆ Presently in Kansas the only merchants who are prohibited from accepting credit cards and required to be closed on Sunday are retail liquor stores and stores that sell 3.2 beer in the unopened package. This bill does not address the issue of whether or not alcohol will be sold on Sunday or even on credit cards. That policy decision was made when, through liquor by the drink, the legislature gave these privileges to clubs, restaurants, and public drinking establishments.
- ◆ Please vote "YES" on House Bill 2105.

Chairman Oleen and Committee Members:

I am Frances Wood, volunteer lobbyist for the Woman's Christian Temperance Union of Kansas.

Most of you campaigned on promises to do something about crime. I want to give you some statistics that come from national data that were provided to me by Judy Donovan of the Kansas Dept. of SRS - Alcohol and Drug Abuse Services.

Alcohol use is involved in:

- 38% of child abuse
- 62% of assaults
- 52% of rapes
- 50% of traffic fatalities
- 45% of murders

There were many additional facts in the material she gave me to indicate what a cost alcohol takes on our society; emotionally, physically, and economically.

Given these facts, and your promises to do something about crime, why, oh why, would you want to liberalize liquor laws?

My representative expressed doubt that there would be any more sales if the liquor stores were open on Sunday and the other holidays allowed by HB 2105. She said they would just buy enough on the previous days to carry them over. If this were true, why would Jones, Penny's, Venture, and KMart be open on Sunday if sales wouldn't be increased?

One other argument put forth by some of the representatives was they wanted the people to be able to decide with the county option provision. It is obvious that those who vote that way want to make liquor more available, but did not want to take the responsibility for doing it. If you don't want to make liquor more available, then you should vote "NO" right now.

One letter to the Capital-Journal editor indicated passing this bill would bring us up to date in the 21st Century. I wonder if the writer is aware that there are already 260 treatment and counseling centers for alcohol and other drugs in the state of Kansas. If liquor is more available how many more will we need? By the 8th grade, 70% of youths have tried alcohol. It is our No. 1 Drug problem - why make it more available?

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KANSAS OIL MARKETERS ASSOCIATION

Convenience Store Association of Kansas

February 21, 1995

TO: Senate Federal and State Affairs Committee
FROM: Bryan Beaver
RE: HB 2105

Honorable Chairperson and Members of the Senate Federal and State Affairs Committee.

Thank you for the opportunity to appear before you today. My name is Bryan Beaver. I reside at 14042 Grandview, Overland Park, Kansas. I am here today representing the Convenience Store Association of Kansas. I am employed by the Carter Companies who own and operate four convenience stores in Kansas.

I appear before you in strong support of H.B. 2105.

I would ask you to give consideration to the following points relative to this issue:

Credit cards are the payment method of choice by the American consumer. They recently spent over two billion dollars on consumer goods during our recent holiday season using credit cards. Our business today is made up of 30% to 50% credit card sales depending on the location. Alcoholic beverages and cereal malt beverage can be purchased on a credit card today in many retail businesses across our state. We don't believe it is reasonable for some retailers to be able to sell these beverages on credit cards and not others.

Please consider the thousands of entry level people we employ in the convenience store industry in Kansas. Until we reform this law, our cashiers must be trained and remember to ask our customers for two

different methods of payment, for one transaction, when their purchase includes beer. The consumers we serve think this is very "inconvenient."

The ability to purchase these beverages on holidays or Sundays is an anti-competitive issue. The bordering states all allow sales on Sunday, consequently our state is losing enforcement tax and sales tax revenues. At a time of tight state budgeting, it seems we could use all revenues due our state.

This experience is well documented along the Kansas/Missouri border where liquor retailers in Missouri are posting increases, while retailers in Johnson and Wyandotte counties are posting losses in sales. Because our company operates along this border, we have first hand experience.

TODAY we can consume alcohol in restaurants and taverns on Sunday (pay for it with a credit card), and drive home, but we cannot purchase these beverages in their unopened container and take them home for our consumption.

I believe it is easy to see the inconsistencies in our current statute and again, urge you to pass this legislation.

Thank you. I would be happy to respond to any questions.

SANDRA M. DOWELL
OWNER DOWELL LIQUOR STORE
1221 SW 21st 913-232-1030
TOPEKA, KS

THE TESTIMONY I WILL BE GIVING TODAY WILL BE IN OPPOSITION OF HOUSE BILL 2105.

I AM A SMALL RETAIL STORE IN TOPEKA, AND A MEMBER OF THE KANSAS RETAIL LIQUOR DEALERS ASSOCIATION. WE HAVE NOT HAD A ASSOCIATION MEETING SINCE THIS LEGISLATION WAS INTRODUCED, BUT I HAVE VISITED WITH SEVERAL OTHER SMALLER STORES ACROSS THE STATE, AND THE TESTIMONY I WILL GIVE TODAY WILL BE FROM THE FEELINGS OF THOSE STORES AS WELL AS MY OWN.

I KEEP HEARING THAT THIS LEGISLATION IS NOT A CONSUMPTION ISSUE. IF IT WILL NOT INCREASE CONSUMPTION, WHY WOULD WE AS BUSINESS OWNERS WANT IT. IT WILL INCREASE OUR EXPENSES TO DO BUSINESS, BUT ONLY IN THE RETAIL LIQUOR STORES. THE BEER AND LIQUOR WHOLESALERS ARE ASKING FOR YOUR SUPPORT, THINKING THEY WILL INCREASE THEIR SALES, BUT WITHOUT ANY EXTRA EXPENSES FOR THEM. IF THEY WANT IT PASSED, MAYBE THEY SHOULD LOOK AT EXTRA SERVICE TO US TO ALSO INCREASE THEIR EXPENSES. I DON'T FEEL THEY WOULD BE AS EAGER TO HAVE THIS BILL PASS IF THEIR EXPENSES ALSO WENT UP.

EVERYONE KEEPS SAYING THAT WE DON'T HAVE TO OPEN JUST BECAUSE THE LAW WOULD CHANGE. THIS IS ALSO MISLEADING. IF I DO NOT OPEN AND THE STORE DOWN THE STREET IS OPEN, THE CUSTOMERS IN MY STORE STILL WILL NOT STOCK UP FOR SUNDAY BUT WILL GO TO THE OTHER STORE INSTEAD. MY EXPENSES WILL STAY THE SAME, BUT NOW I WILL ACTUALLY BE LOSING BUSINESS. ALL OF THE CUSTOMERS I HAVE TALKED TO ABOUT THIS ISSUE SAYS THE SAME THING, THEY JUST WON'T BUY AS MUCH ON FRIDAY OR SATURDAY INSTEAD BUYING IT ON SUNDAY.

THERE IS FEELING THAT THE GOVERNMENT SHOULD NOT BE CONTROLLING RETAIL INDUSTRY. THIS IS NOT A TYPICAL RETAIL BUSINESS. WE ARE SELLING A LEGAL CONTROLLED SUBSTANCE, AND SHOULD HAVE TIGHTER CONTROLS ON HOW IT IS DISPENSED. CURRENTLY WE ARE STRICTLY MONITORED BY THE A.B.C. AND HAVE STRICT LAWS GOVERNING WHAT WE CAN AND CAN NOT DO, AS IT SHOULD BE ON A PRODUCT OF THIS TYPE. THE 3.2 ESTABLISHMENTS ARE NOT CONTROLLED BY THE A.B.C. BUT RATHER BY THE LOCAL LAW ENFORCEMENT. AS WE ALL KNOW THERE IS TOO MUCH OTHER CRIME THEY MUST WORRY ABOUT, THEREFORE THE LAWS THAT NOW APPLY TO THOSE ESTABLISHMENT ARE NOT BEING MONITORED. AN EXAMPLE OF THIS WAS BEFORE THE LAW CHANGED ON BEING OPEN ON ELECTION DAY, YOU COULD STILL BUY 3.2 BEER IN THE GROCERY STORES AND CONVENIENCE STORES, BECAUSE NO ONE WOULD CHECK ON THEM. CURRENTLY YOU CAN GO INTO MOST ANY GROCERY OR CONVENIENCE STORE AND FIND CLERKS UNDER 18 YEARS OF AGE, STOCKING OR CARRYING OUT PRODUCT. THE LAW SAYS YOU MUST BE 18 YEARS TO HANDLE 3.2 BEER IN ANY WAY.

THERE IS TESTIMONY AS TO KANSAS LOSING SALES ACROSS THE STATE LINE INTO MISSOURI. IT IS ILLEGAL TO TRANSPORT ALCOHOL ACROSS THE STATE LINE, AND IF THIS IS HAPPENING THEN IT WOULD APPEAR THERE IS AN ENFORCEMENT PROBLEM THAT NEEDS TO BE ADDRESSED. I HAVE BEEN TOLD BY THE A.B.C. OFFICE THAT THEY CAN NOT BREAK DOWN THE GALLONAGE TAX BY COUNTY TO KNOW FOR SURE IF THERE IS LESS ALCOHOL BEING SHIPPED INTO THE BORDER COUNTIES. THE OVERALL GALLONAGE TAX FOR THE STATE IS DECREASING, BUT THAT IS TRUE IN ANY STATE DUE TO AN OVERALL INCREASE IN ALCOHOL AWARENESS. THE ONLY FIGURES THAT IS AVAILABLE THAT IS BROKEN DOWN BY COUNTY IS THE ENFORCEMENT TAX COLLECTIONS. THOSE NUMBERS HAVE SHOWN AN INCREASE FOR THE PAST 3 YEARS, EVEN THOUGH WE ARE BEING TOLD WE ARE LOSING SALES ACROSS THE STATE LINE. ACCORDING TO THE A.B.C., THAT MAY BE IN PART DUE TO BETTER COLLECTION FORCES. BUT THEY DID NOT KNOW FOR SURE HOW MUCH OF AN EFFECT IT IS FROM SALES AND HOW MUCH FROM BETTER COLLECTIONS.

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I'VE HEARD CONCERNS THAT THERE IS OCCASION THAT ON SUNDAY MORNING WHEN IT IS NICE OUTSIDE AND SUDDENLY YOU DECIDE TO GO TO THE LAKE, OR SUCH, FOR THE DAY. BY NOT OPENING UNTIL 1:00 PM, THAT PROBLEM WILL STILL EXIST. I DOUBT THE CUSTOMER WILL WANT TO SIT AROUND UNTIL 1:00 JUST TO BUY THEIR ALCOHOL, BEFORE GOING TO THE LAKE. THEREFORE, THEY WOULD STILL BE WITHOUT IF THEY HAD NOT PURCHASED IT ON SATURDAY.

I WOULD ALSO QUESTION IF THERE REALLY WOULD BE A COUNTY OPTION ON THIS ISSUE. WOULD IT BE CONSTITUTIONAL TO ALLOW ONE RETAILER IN ONE COUNTY TO BE OPEN AND A RETAILER IN THE NEXT COUNTY TO HAVE TO CLOSE? IN SOME AREAS THERE MAY BE A RETAILER WITHIN A MILE OF EACH OTHER, BUT WOULD ACTUALLY BE IN DIFFERENT COUNTIES. THEN THE LAWS WOULD BE TREATING SAME TYPE OF RETAILERS IN TWO DIFFERENT WAYS, AND POSSIBLY GOING BACK TO THE DAYS OF BLUE LAWS, THAT I BELIEVE WERE RULED TO BE UNCONSTITUTIONAL. THEN, EVENTHOUGH THE PEOPLE THOUGHT THEY VOTED AGAINST SALES ON SUNDAY, THE LAW WOULD BE REVERSED AND THEY WOULD BE OPEN ON SUNDAY.

THERE IS SOME FEELINGS AMONG THE RETAILERS I HAVE TALKED TO ABOUT BEING OPEN ON ANY MORE DAYS THAN WHAT WE CURRENTLY HAVE. DO WE REALLY WANT TO CHASE THE ALL MIGHTY BUCK THAT BAD? SHOULD NOT TIME BE SPENT WITH FAMILY? THE PEOPLE WE MUST HIRE INTO OUR ESTABLISHMENTS MUST BE OVER 21 YEARS. ALOT OF THOSE HAVE FAMILIES. THE KIDS IN THE 3.2. ESTABLISHMENTS ARE USUALLY STUDENTS. MAYBE IF MORE TIME WAS SPENT WITH FAMILIES DOING ACTIVITIES TOGETHER WE WOULDN'T HAVE AS MUCH CRIME AS WE DO TODAY. WHATEVER HAPPENED TO FAMILY TIME?

AS FOR THE ISSUE OF CREDIT CARD PURCHASES FOR ALCOHOL PRODUCTS. IF PEOPLE CAN PUT THEIR PURCHASE ON A CREDIT CARD, WILL THEY PURCHASE MORE ALCOHOL? IN SO DOING RUNNING UP THEIR CHARGE CARD TO A POINT THEY CAN NOT PAY IT OFF. THEN FILE BANKRUPTCY, AND END UP ON WELFARE. THEN ALL OF THE TAXPAYERS WILL HAVE TO FOOT THE BILL FOR THEIR ALCOHOL CONSUMPTION. MY STORE IS THE CLOSEST TO THE EXPOCENTRE HERE IN TOPEKA, SO I DO HAVE PEOPLE TRY TO USE A CREDIT CARD MOST EVERY WEEK. HOWEVER, WHEN I TELL THEM IT IS ILLEGAL THEY WILL ALWAYS PAY WITH CASH. I HAVE NEVER LOST A SALE OR HAD TO TAKE A CHECK BECAUSE I WAS NOT ABLE TO TAKE A CREDIT CARD.

FINALLY, CONTRARY TO WHAT THE WHOLESALERS, SUPPLIERS, AND 3.2 ESTABLISHMENTS MAY BE TELLING ALL OF US, THERE IS STILL SOME CONCERN IF IN FACT THE LONG RANGE PLAN OF THIS AND OTHER LEGISLATION THEY BRING TO THIS GOVERNING BODY, IS ACTUALLY AN ATTEMPT TO CHANGE THE LAWS TO ALLOW SALES OF ALL ALCOHOL PRODUCTS IN ALL ESTABLISHMENTS. THIS WOULD LOOSEN THE LAWS TO A POINT THAT I DON'T BELIEVE WOULD BE IN THE BEST INTEREST OF THE STATE, HAVING KIDS SELLING TO KIDS. WE ARE A CONTROLLED SUBSTANCE AND SHOULD BE GOVERNED AS SUCH.

K R L D A

KANSAS RETAIL LIQUOR DEALERS ASSOCIATION INC.

400 SW CROIX
TOPEKA, KS. 66611
(913) 266-3963

PATRICIA OPPITZ
PRESIDENT

DONN HARLING, 1st Vice-President
DON PEYTON, 2nd Vice-President
MARGE ROBERSON, Secretary-Treasurer

THE OFFICERS AND BOARD OF DIRECTORS OF KRLDA ARE ASKING FOR YOUR OPINION ON THESE ISSUES:

Issues regarding the present system of 2 classifications of beer according to alcohol content:

Issues regarding Sunday Sales:

- a) Should KRLDA continue its opposition to all Sunday sales of alcoholic beverages?
YES 84 NO 11

Other issues:

**TESTIMONY OF
WHITNEY DAMRON
OF
PETE MCGILL & ASSOCIATES
ON BEHALF OF
THE COASTAL CORPORATION
AND
TOTAL PETROLEUM
PRESENTED BEFORE THE
SENATE COMMITTEE
ON
FEDERAL AND STATE AFFAIRS**

HB 2105

FEBRUARY 21, 1995

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Good morning Madam Chair Oleen and Members of the Senate Committee on Federal & State Affairs:

I am Whitney Damron of Pete McGill & Associates appearing before you today on behalf of The Coastal Corporation and Total Petroleum in support of HB 2105 authorizing Sunday, selected holiday and credit card sales of alcoholic liquor and cereal malt beverages.

Coastal and Total both operate convenience stores throughout Kansas and strongly support the provisions of HB 2105 as a matter of convenience for their customers. Both companies have supported similar legislation in past years and join once again with the proponents of HB 2105 asking for your support of this legislation.

The following information is provided to the Committee to provide a profile of our Kansas convenience store operations:

The Coastal Corporation

Kansas Operations: 111 Coastal Mart Convenience Stores
2,541 Employees
Gross Payroll: \$9,274,288

Total Petroleum:

Kansas Operations: 62 Company-Owned Stores
237 Jobber-Operates Stores
727 Employees in Kansas (all operations)

On behalf of The Coastal Corporation and Total Petroleum we thank you for the opportunity to present this information to you in support of HB 2105 and would be pleased to stand for questions at the appropriate time.

Kathy
Peterson

(913) 235-2525
(913) 435-3390 FAX

Mercantile Bank
800 Jackson, Suite 1120

Topeka, Kansas 66612

STATEMENT of
Distilled Spirits Council of the United States

Proponent for House Bill 2105
Presented by Kathy Peterson

To the Senate Federal and State Affairs Committee
The Honorable Lana Oleen, Chairperson
February 21, 1995

Room 254-E - Statehouse
Topeka, Kansas

Madam Chairperson and Members of the Committee:

I appreciate having this opportunity to voice the support of the Distilled Spirits Council for House Bill 2105. DISCUS is the national trade association representing the manufacturers and marketers of 90% of all liquor sold in the United States. My name is Kathy Peterson and I serve as the Kansas DISCUS representative.

DISCUS joins the other industry and retail representatives you've heard from today in urging your favorable consideration of this measure.

The provisions contained in HB 2105 are not new. These elements have been discussed for years. Perhaps 1995 will be the year in which they're enacted - giving business and industry more latitude and less government interference in running their operations, selling products to Kansas consumers.

Public Relations and Governmental Affairs

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Another strong policy argument in support of HB 2105 can be made for adding some long overdue consistency to Kansas liquor laws. On Sunday, it is perfectly legal for us to drive to a local restaurant or drinking establishment, consume alcohol, putting the drinks on our credit cards and then drive home.

But, it is forbidden by law that we purchase beer, wine or spirits on Sunday or use a credit card for our purchase in its unopened original container to then be consumed in our homes.

A third policy argument to be made in support of this legislation is the competitive disadvantage current law imposes for Kansas businesses and consumers.

Nebraska, Missouri and Oklahoma all have Sunday sales. Clearly, Kansas sales and its tax revenues are being lost to border states. In addition, credit cards are accepted in all of the surrounding states in retail liquor stores, grocery stores and convenience stores which sell beer.

In closing, it should be underscored that the provisions of this bill are not consumption issues. Rather, they are issues of the proper role of government regulating the sale of a consumer product by Kansas businesses. The Distilled Spirits Council respectfully urges your support for its passage.

Encl.

Kansas Economic Fact Sheet, 1994

Kansas' distilled spirits tax burden is very high:

- o Federal, state and local taxes now account for 38% of the 1993 retail price of a typical bottle of distilled spirits (\$3.38 of the \$8.98 price for a 750 ml bottle at 80 proof).
- o State and local taxes alone account for 14% (\$1.23) of the Kansas price. Federal taxes account for 24% (\$2.15), including the 1991 federal excise tax (FET) increase.
- o Distilled spirits taxes constitute 34% of state revenues from all beverage alcohol, although spirits products account for less than 31% of total alcohol consumed in the state. The 1992 distilled spirits state revenue burden per gallon of actual alcohol is \$20.24.

Historically, distilled spirits tax hikes have caused sales to fall, affecting state revenues:

- o The 1991 8% federal distilled spirits excise tax hike caused nationwide sales to fall sharply. As a result, employment generated by the industry declined. Kansas lost \$270 thousand in state and local direct and indirect revenue, 220 jobs and \$12 million in gross state output.
- o The federal excise tax on distilled spirits increased by a total of 29% in 1985 and 1991. Between 1984 and 1992 Kansas' distilled spirits volume sales declined 10%, affecting state revenues. After the 1991 FET hike, Kansas' consumers paid an additional \$4.1 million to the federal government in higher distilled spirits taxes.
- o The 19% distilled spirits FET increase of October 1985 was followed by a 5.6% decline in the tax base nationwide. Kansas lost \$430 thousand in state direct revenue while its citizens paid an additional \$3.5 million to the federal government in higher distilled spirits taxes.

Kansas' distilled spirits industry is in a persistent downturn:

- o Apparent consumption of distilled spirits is down 17% in Kansas over the last 11 years, an average of 1.7% per year. Nationwide, distilled spirits apparent consumption declined 7.5% in 1991 following that year's FET increase.

Industry's contributions to the state treasury are significant:

- o Direct state revenues from the alcohol beverage industry yielded \$63 million to the Kansas treasury in 1992, with 34% (\$21 million) from distilled spirits alone.
- o Directly and indirectly the alcohol beverage industry generated \$210 million in state and local revenues for Kansas during 1992.
- o Corporate and personal income taxes paid by the beverage alcohol industry add substantially to state tax revenues.

The alcohol beverage industry plays an important role in the state economy:

- o The alcohol beverage industry contributed \$2.5 billion to Kansas' gross state product in 1992.
- o Kansas' beverage alcohol industry generates \$760 million in wages annually, and accounts for 46 thousand direct and indirect employment opportunities.
- o Alcohol beverage sales are important to small business.
 - Eating and drinking places, small retail establishments and convenience stores employ large numbers of lower skilled workers in Kansas.
 - Statewide, 69% of on-premise drinking places and 84% of beverage alcohol stores are small establishments employing four or fewer people.
- o Midwest Grain Products, Inc., a distilled spirits producer, plays an important role in the economy of Kansas' Atchinson County.

Further raising Kansas' distilled spirits taxes would be poor fiscal policy:

- o Distilled spirits demand in Kansas is declining and unstable, making distilled spirits sales an unreliable tax base.
- o Demand would shrink significantly if higher distilled spirits taxes were imposed. This would depress sales, reducing the expected revenue gain from the tax hike.
- o A distilled spirits tax increase would ripple through Kansas' economy. By reducing retail sales, a distilled spirits tax hike would reduce employment, payroll and indirect revenues as well as increase state unemployment outlays.

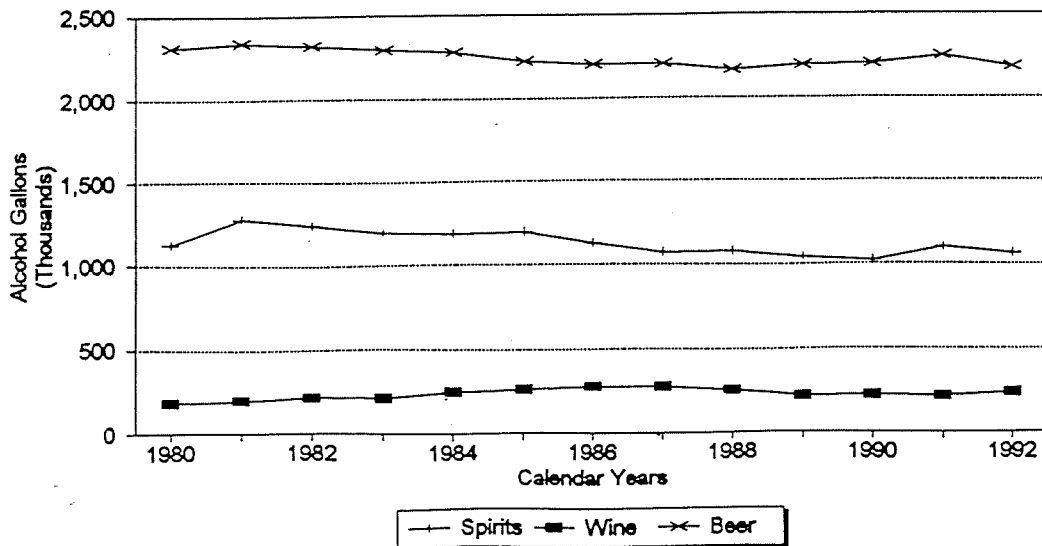
CONTRIBUTION OF ALCOHOL BEVERAGES TO KANSAS TAX REVENUES

Fiscal Year	Excise Tax Revenues (\$million)		As Percent of All Excise		Sales Tax, Licenses, etc. (\$million)		Total Alcohol Bev. Revenue (\$million)		As Percent of Total Tax Revenues	
	All Bev.		All Bev.		All Bev.		All Bev.		All Bev.	
	Spirits	Alcohol	Spirits	Alcohol	Spirits	Alcohol	Spirits	Alcohol	Spirits	Alcohol
1988	19.7	46.9	5.6	13.3	0.7	6.0	20.4	52.9	0.8	2.1
1989	19.0	47.8	5.4	13.5	0.6	5.6	19.6	53.4	0.8	2.1
1990	19.3	50.0	4.7	12.2	0.6	5.6	20.0	55.6	0.7	2.1
1991	20.2	52.3	4.7	12.2	0.7	6.1	20.9	58.4	0.7	2.1
1992	20.8	55.7	4.5	12.1	0.7	6.8	21.4	62.6	0.8	2.2

KANSAS ALCOHOL BEVERAGE CONSUMPTION AND RETAIL SALES

Calendar Year	Retail Sales		Apparent Consumption (1,000 gal.)					
	(\$M)	Percent Change	Spirits		Wine		Beer	
			Percent Change	Percent Change	Percent Change	Percent Change	Percent Change	Percent Change
1980	299	-	2,808	-	1,655	-	51,335	-
1981	336	12.4%	3,195	13.8%	1,810	9.4%	51,965	1.2%
1982	352	4.9%	3,109	-2.7%	1,954	8.0%	51,519	-0.9%
1983	375	6.3%	2,982	-4.1%	1,898	-2.9%	50,943	-1.1%
1984	399	6.4%	2,958	-0.8%	2,247	18.4%	50,587	-0.7%
1985	426	6.9%	2,982	0.8%	2,389	6.3%	49,341	-2.5%
1986	451	5.8%	2,809	-5.8%	2,509	5.0%	48,932	-0.8%
1987	465	3.0%	2,671	-4.9%	2,490	-0.8%	48,899	-0.1%
1988	497	7.0%	2,688	0.6%	2,307	-7.3%	48,051	-1.7%
1989	532	7.0%	2,604	-3.2%	1,966	-14.8%	48,725	1.4%
1990	572	7.6%	2,546	-2.2%	2,003	1.9%	48,827	0.2%
1991	665	16.2%	2,734	7.4%	1,949	-2.7%	49,870	2.1%
1992	674	1.3%	2,648	-3.1%	2,141	9.9%	48,407	-2.9%
Average:		7.0%		-0.5%		2.2%		-0.5%

KANSAS ALCOHOL BEVERAGE CONSUMPTION (Alcohol Gallons)



Sources: Available upon request.

Brown's Retail Liquor Store

Treva Brown-Dunsford
1409 N. Ohio St.
Augusta, KS 67010
(316) 775-5131

FEB 10 1995

February 9, 1995

FAX TO: Senate Federal and State Committee
Attn: Sen. Lana Ollen
(913) 296-6718

RE: H.B. 2105
LIQUOR STORES
C.C. SALES, SUNDAY SALES,
OPENING OF HOLIDAYS

I ask that you vote "NO" for the subject bill.

During your campaign you showed your concern and support for the small business industry because that is where your family got their start.

We are small independent business owners too, the "retail" liquor industry - just trying to earn an honest living. We collect the high liquor taxes, encourage responsible drinking and driving, check I.D.'s on a daily basis, and etc. - bottom line we operate an honest business according to the rules, laws and regulations set forth by our government. But it is getting harder and harder to survive, there is already enough competition out there. Please don't try to create more. Yet there are those out there that encourage the use of credit cards for liquor purchases, want to stay open more hours and take away the privledges we have of spending quality time with our families on weekends and holidays. I feel being open 6 days a week, 14 hours a day is definitely enough time to purchase your alcoholic beverages.

I ask that you veto Liquor Bill 2105 and give the small retail liquor business half a chance to remain in business. Please take my livelihood into consideration and vote "NO" on this critical bill that will be coming before you. Please forward copies of this letter on to any parties that may be voting or concerned with this bill.

Thank you for taking my feelings in consideration.

Treva L. Dunsford

Treva L. Dunsford
Owner/Operaor

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2-21-95

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ALDERSON, ALDERSON & MONTGOMERY

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TOPEKA, KANSAS 66601-0237

MEMORANDUM

TO: Senate Federal and State Affairs Committee
FROM: Bob Alderson on Behalf of Casey's General Stores
DATE: February 21, 1995
RE: House Bill No. 2105

Casey's General Stores appears as a proponent of House Bill No. 2105. Presently, Casey's has more than 70 stores located within the State of Kansas. Almost half of the Casey's stores are located in border counties and over two-thirds of our stores are located within two counties of bordering states. Consequently, our stores are quite sensitive to the competition from Kansas' sister states.

HB 2105 Would Improve the Kansas Business Climate.

Casey's views HB 2105 as legislation which will improve the Kansas business climate by allowing business owners to determine for themselves their days of sale and the forms of payment they will accept. Business and tax dollars are being lost to sales across Kansas' state lines due to our state's regulation of days of sale and acceptable methods of payment. Kansas' border businesses are at a disadvantage when their neighboring competitors can operate more days and accept the increasingly preferred method of payment: credit cards. We are moving toward a cashless society; on a state, national and international scale. More and more consumers are using credit cards to make retail purchases based upon convenience and safety. Retailers also increasingly prefer payment by credit card for a number of reasons; one of the most compelling of which is to reduce the bad check problem. It is time to offer Kansas businesses an environment of self-determination on these important issues.

Current Kansas Law Is Inconsistent.

Casey's urges the legislature to remove the current inequity arising from the following scenario: Although you cannot purchase for consumption at home a six-pack of beer on Sunday with a credit card in a grocery/convenience store; you can consume alcohol on Sunday in restaurants and drinking establishments, pay for it with a credit card and drive home. Casey's is urging the Legislature to adopt a consistent

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approach which will allow all businesses, rather than a select few, to make their own business operating decisions concerning days of business and method of payment.

A "Yes" Vote Allows a County Option Election on Sunday Sales.

Finally, Casey's calls the Committee's attention to the county option provision in New Section 5 of the bill. The county option requirement in this bill allows voters at the local level to determine the nature of alcohol consumption and the business environment for the county in which they live. It is an important feature of HB 2105 that a "yes" vote for this bill is a vote to allow your constituents to self-determine the issue of Sunday sales, while a "no" vote would prevent local voters from deciding the Sunday sales issue.

Casey's General Stores urges your support for HB 2105.