

**Testimony Re: HB 2550**  
**House Federal and State Affairs Committee**  
**Presented by Bill Michaud**  
**on behalf of Parrish Hotels Corporation**  
**February 6, 2012**

Mr. Chairman, Members of the Committee:

My name is Bill Michaud, and I am the Senior Vice President/ Director of Operations for Parrish Hotel Corporation in Topeka, Kansas.

I am asking for this committee to support the passage of HB 2550 which would allow for liquor licensees to offer Happy Hours. Current law does not allow licensed drinking establishments to offer a drink for a price that is less than that charged for all other drinks on the same day.

Removing this section of the statute will enable Kansas business owners to equalize the playing field. This type of service is allowed in Missouri and frequently Kansas operators lose customers due to this competitive disadvantage. Hoteliers have lost group sales and conventions to our neighboring states. This amounts to a significant loss of sales and tax collections. Although one can not assume that all guests would participate in happy hour or take their business out of state if this bill is not passed, I want to show the committee the potential sales impact of lodging facilities.

Sales Impact Example:

If a city had 5,588 rooms x 365 nights = 2,039,620 available rooms

At 70% occupancy and \$75 average daily rate = \$107,080,050 in annual revenue

Annual revenue divided by 365 = \$293,370 daily

Sales Tax – 8.9%; transient guest tax – 8%; or \$49,580 per day collected in tax

As a business I am asking for a level playing field that allows operators to compete with businesses in bordering states. The committee may see this as a way to reduce the price of a drink for one to two hours per day; we see this as a much larger issue.

I encourage this House Committee to support the passage of HB 2550.

Thank you very much for permitting me to testify and I will be happy to yield to questions.