



KANSAS ASSOCIATION OF BEVERAGE RETAILERS

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Testimony in Support of HB 2252 – House Federal and State Affairs Committee February 19, 2021

Thank you for the opportunity to submit comments regarding HB 2252.

The Kansas Association of Beverage Retailers supports HB 2252 to update our rules for out of state shippers to include fulfillment houses.

Shipments from out of state wineries are allowed in Kansas, but the shipments must be reported and the taxes paid. While many licensed out of state wineries are operating legally, there are an incredible number of entities shipping to Kansas in violation of the law. Kansans are receiving many solicitations to buy alcohol illegally. Social media pops up a variety of ads for wine clubs or monthly crate deliveries. It is nearly impossible to tell if these advertisements are from an actual licensed winery or not. Some don't even mention an actual winery.

This problem is clearly outlined in the 2021 Legislative Briefing by the Director of the Division of Alcoholic Beverage Control. That briefing cites a number of cases in which alcohol is shipped by unlicensed entities. The shipments are easily delivered to children.

Please keep in mind that some of these shippers are not licensed anywhere. This means that they are not regulated in any state by anyone. This poses a serious risk relating to product integrity and safety.

Our retailers support reasonable business-friendly regulation of the sale of spirits, wine and beer to the public. We ask that Kansas laws require a fair and even playing field and protect public health and safety.

We do not expect that our Division of Alcoholic Beverage Control can stop all illegal shipments, but we urge you to provide the statutes they need to hold industry members accountable where possible.

HB 2252 is a key tool to assist enforcement by adding the fulfillment houses to our regulatory system. The reporting requirements are minimal but will help to bring more shippers into compliance by licensing them and collecting the taxes that are due.

Thank you for your kind attention and for your support of our small business owners.

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