



HB 2611 Opposition Testimony
House Federal & State Affairs
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Kansas Restaurant & Hospitality Association
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Chairman Barker and members of the committee before the pandemic, restaurants couldn't prepare a cocktail, cap and seal it, and have it delivered. Due to COVID-19, however, restaurants in 32 states and the District of Columbia can prepare cocktails for delivery or takeout service. Last year this committee approved the curbside sale of alcohol beverages allowing many drinking establishments to recreate their business model to find a way forward. The new third party relationships and on-line ordering are here to stay and our members are adapting. KRHA is deeply concerned that allowing Kansas retailers, whether they be cereal malt beverage retailers or otherwise will cause marketplace confusion.

To avoid this confusion, we encourage this committee to simply include drinking establishments as another licensee that would have the same right to access third party delivery platforms to deliver alcohol. The National Restaurant Association has entered into an agreement with these same delivery companies. They have established seven principles:

- Restaurants have a right to know and determine when and if their food is delivered.
- Customers should expect the same degree of food safety from delivery as they do when dining in a restaurant.
- **Restaurants should be able to offer alcohol to customers through third-party delivery in a safe and legal manner.**
- Restaurants deserve transparency on fees (including commissions, delivery fees, and promotional fees) charged by third-party delivery companies.
- Third-party food delivery contracts need contractual transparency, and issues surrounding fees, costs, terms, policies, marketing practices involving the restaurant or its likeness, and insurance/indemnity should be clear.
- Sales tax collection responsibility must be clear in terms of which party is collecting and remitting the specific sales tax to the appropriate authority.
- As a best practice, third-party delivery companies should offer restaurants access to anonymized information regarding orders from their restaurant that originate on third-party platforms.

We encourage this committee to broadly consider this issue from the consumers' perspective. If a consumer wants a beer with their pizza and product is legally available through a licensed drinking establishment, they should be able to place an order. Without including drinking establishments, the consumer will further believe our historically complicated alcohol laws simply protect industry rather than any meaningful public policy.