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Testimony Re: SB 269, Sampling at Retail Liquor Stores
Senate Federal and State Affairs Committee
Presented by Ronald R. Hein
on behalf of
Kansas Restaurant and Hospitality Association
January 25, 2012

Mr. Chairman, Members of the Committee:

My name is Ron Hein, and I am legislative counsel for the Kansas Restaurant and Hospitality Association (KRHA). The Kansas Restaurant and Hospitality Association, founded in 1929, is the leading business association for restaurants, hotels, motels, country clubs, private clubs and allied business in Kansas. Along with the Kansas Restaurant and Hospitality Association Education Foundation, the association works to represent, educate and promote the rapidly growing industry of hospitality in Kansas.

KRHA is neutral on SB 269, sampling at retail liquor stores. This bill, which would permit retail liquor dealers to conduct sampling of product, basically permits licensees for "off-premises" retail liquor sales to achieve the ability to sample product with customers, whereas "on-premises" drinking establishments such as restaurants which serve alcoholic beverages are not permitted, under current law, to provide free samples of alcoholic beverages to our customers.

We understand the concern of those who have been working on this bill both with the Legislature and with other stakeholder groups that they do not desire to see their legislation burdened by efforts to amend other provisions of legislation or other amendments to the alcoholic beverage statutes onto their legislation. However, the KRHA does want to express to the committee that our drinking establishment members have numerous customers who would like to be able to taste an alcoholic beverage (wine, CMB, or otherwise) prior to making their purchase decision. But, as we understand current law, our providers are unable to do so. Therefore, although we are not asking this committee to amend SB 269, we do want to express our desire to have similar legislative authority in the future so that our licensees can enjoy the same benefits that the retail liquor dealers will be able to enjoy in the event that SB 269 passes.

We had offered to amend SB 269 to provide for a change in our laws, so that our association could come in and strongly support this legislation in addition to the groups which are proposing SB 269, but the groups decided they wanted to proceed with their

legislation without any changes and without the additional support which our association would be able to bring to the table. We respect their decision.

We find ourselves in a situation where micro-breweries can sample, and if this bill passes, retail liquor dealers can sample, and if the beer and wine in grocery stores passes, it is unclear whether grocery stores can sample, but on premises consumption facilities like restaurants with drinking establishment licenses cannot. This strikes us as unfair, and illogical, and we will be seeking corrective action on this issue, so that competing businesses are treated equally.

At the same time, although we appear as neutral today regarding this legislation specifically, we do want to make the committee aware of some of the alcoholic beverage statutory provisions that cause us concern, as an industry, and that we hope to address in the future. I have attached a listing of these concerns to my testimony.

We do not intend to offer any amendments to this specific legislation, but we do want to express the issues of concern to our industry, and hope to address these concerns in the future.

We look forward to continuing a dialog on the issues attached to this testimony, and to continuing to work with this committee.

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

**Kansas Restaurant and Hospitality Association
Issues to be Addressed
Regarding Alcohol Legislation
January 25, 2012**

1. Permit drinking establishments to sample beer or alcoholic beverages to their customers.
2. Address anti-competitive statutes which require drinking establishments to purchase alcohol directly from retail liquor dealers.
3. In the event that beer and/or alcoholic beverages are permitted to be sold in grocery stores, that restaurant drinking establishments are permitted to purchase products at such facilities.
4. Amend statutes which impose restrictions on employment of certain individuals at drinking establishments so as to permit more employer control over employees to be hired, and especially in cases where the State of Kansas cannot demonstrate a rational basis for a threat to public health and welfare pursuant to such restrictions.
5. Address issues concerning drink coupons by lodging facilities, provided that appropriate liquor taxes are paid by the appropriate facility.
6. Streamline paperwork and regulatory red-tape regarding catering operations.
7. Address "happy hour" sales at drinking establishments.
8. Address areas of lack of consistency in alcohol statutes and regulations generally.