

Letter to Rep. Louis Ruiz and the House Commerce, Labor and Economic Development Committee

March 5, 2013

Dear Mr. Ruiz:

My name is Michael Heberger. I own a liquor store in Wyandotte County, Kansas--Mike's Discount Liquor at 1320 Merriam Lane, Kansas City, KS, 66103, on the corner of Merriam Lane and Roe Lane.

I have been advised that the House Commerce, Labor and Economic Development Committee is considering legislation (HB 2206) that would allow convenience, grocery, and other stores to sell alcoholic products, at the instigation of these entities. **I am writing to ask you to oppose any such legislation.** My reasons are as follows:

1. There will be no increase in tax revenues for the cities/state by allowing the large corporations that own convenience/grocery stores to sell alcohol--all that will happen is sales will be taken away from local business owners and put into the coffers of the large, non-locally owned corporations.
2. The current retail liquor stores will see a decrease in sales, thereby necessitating the layoff of employees, resulting in:
 - a) additional tax burden on the state/county via unemployment and welfare payments made to those laid-off employees
 - b) loss of revenues for the state and localities from fewer license fees once retail liquor stores begin closing because of lack of business.

Contrary to what proponents of the bill would say, sales of beer and alcohol in grocery and convenience stores would not result in any increased hiring by those entities. They would simply move one current employee to the liquor department as needed, so overall employment in the state would decrease. The last thing our area (and our state) needs in these economic times is more people out of work.

In addition, when stores close, vacant storefronts remain and Those landlords lose rent, hurting state revenues, and laying off people; insurance agents lose business, hurting state revenues and laying off people, etc., etc., etc. It continues down the line. The economic ripple effect from a change in the law by HB 2206 would be great.

3. The proponents of HB 2206 indicate the liquor laws need to be changed as a "convenience" to the consumer. I have yet to talk to any lawmaker who has indicated he/she has ever had a (distinterested) consumer contact them to complain about having to go to a separate store to purchase alcohol. Nor have I ever heard a customer in my store make any such complaint.

4. The large corporations that wish to sell alcohol have a large percentage of employees under the age of 21. Passage of such a bill as this would put these beverages into a much less controlled environment, since liquor stores cannot employ anyone under the age of 21.

5. Kansas liquor retailers are currently under the strict direction of the State's Alcohol & Beverage Control commission, which routinely checks for compliance with state laws. The State of Kansas does not have the funds or personnel to adequately check for compliance of grocers, convenience stores, chain stores, etc., as well. Testimony on this was given by the State last year when a similar bill came up in the Legislature.

Retail liquor stores are faced with stiff penalties for the sale of beer/liquor to minors and are therefore very cautious about who comes in their store--the large convenience/grocery stores are not. Grocery and convenience stores sell a variety of goods to minors; therefore, the presence of minors in the store would not be unusual, leading to the increased possibility of sales to minors.

5. The big box coalition tries to say that grocery stores would open in underserved areas if they could sell liquor. This is simply not true. If the demand is there for a grocery store, one will open regardless. The profit margin on the sales of alcoholic beverages is very slim. If a store cannot make it on other sales, they certainly cannot make it just by including alcohol. In addition, under the current laws, if they want to open a liquor store adjacent to a grocery store, they can.

To sum it up with an old adage that is still very true, "If it isn't broke, don't fix it".

I have invested a great deal of time and money into trying to improve an underserved piece of KCK and brought in a business that serves the local community and provides jobs to local residents. I ask that you vote against HB 2206 and help to preserve jobs and local businesses.

Thank you for your consideration.

Mike Heberger, Owner
Mike's Discount Liquor