



# KANSAS ASSOCIATION OF BEVERAGE RETAILERS

P.O. Box 3842, Topeka, KS 66604 785-969-1617

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Testimony in support of HB 2137 to the House Federal and State Affairs Committee  
February 3, 2021

Chairman Barker and Distinguished Members of the Federal and State Affairs Committee,

Thank you for the opportunity to support HB 2137. We hope this represents the last technical adjustment to our liquor statutes resulting from the Beer Law that was passed in 2017 and implemented April 2019. That industry compromise increased the alcohol content of beer sold by off-premise cereal malt beverage retailers.

HB 2137 allows Clubs and Drinking Establishments to sell CMB (cereal malt beverages) without obtaining a local CMB license. The same privilege is already extended to liquor stores under the Beer Law.

HB 2137 adds cereal malt beverage on-premise licensees to the list of licensees that can purchase product from a retail liquor store with a federal wholesale permit. This simply gives an option to taverns and certain restaurants that is the same as Clubs and Drinking Establishments.

- Currently, retail liquor stores may obtain a federal wholesale permit for purposes of selling and delivering product to on-premise liquor licensees.
- The current statute does not include permission for the retail liquor store with a federal wholesale permit to sell and deliver product to the CMB on-premise retailers. The amendment should have been included in the Beer Law.
- The product would be limited to cereal malt beverage and beer containing not more than 6% alcohol by volume – the same products that can be sold by CMB on-premise retailers to the public.

Since the implementation of the Beer Law in April 2019, our members have reported requests from CMB on-premise establishments – taverns and restaurants, mostly in small towns – asking to purchase small amounts of beer for resale. The liquor store must turn away this purchase because it would be illegal to sell the product for re-sale when the Liquor Control Act does not specifically allow that sale by the liquor store. We anticipate the greatest benefit of this change will occur in smaller towns with locally owned taverns and restaurants. The majority of the CMB on-premise accounts in Kansas are served by beer distributors who also offer services for their taps and keg lines. Passing HB 2137 will allow these small businesses to turn to their local liquor store to fill that need, just as other on-premise clubs and restaurants do today. The liquor store must hold a federal wholesale permit.

As many of you know, the 2019 Beer Law shifted a large portion of beer sales to grocery and convenience stores. According to the January 2021 ABC Report to the Legislature, Kansas has 35 fewer licensed liquor stores than in 2017. 2020 has provided a temporary boost to some of our stores, as wine and spirits buying has been temporarily shifted.

Thank you for your consideration of HB 2137. Please contact me any time to discuss this or other issues.

Amy A. Campbell  
Executive Director