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MEMORANDUM

TO: Rep. John Barker, Chairman, House Committee on Federal and State Affairs

FROM: Debbi Beavers, Director, Alcoholic Beverage Control (ABC) Division

DATE: February 3, 2021

SUBJECT: Neutral Testimony on House Bill 2137

Mr. Chairman and Members of the Committee:

Thank you for the opportunity to testify.

This bill adds "or cereal malt beverage" throughout the liquor control act and the club and drinking establishment act. It would allow for a retail liquor store to wholesale beer 6 percent alcohol by volume (ABV) or less to a licensed on-premises cereal malt beverage (CMB) retailer. The on-premises CMB retailer must also be located in the same county as the retail liquor store or an adjacent county. This is the same as current law when a retail liquor store sells at wholesale to a licensed on-premises establishment. The retailer is also allowed to deliver and charge a delivery fee.

The bill also specifies that the holder of a temporary permit issued by the ABC, caterers, drinking establishments, class A clubs, class B clubs, hotels and public venues may sell, serve and sample CMB without obtaining an additional on-premises CMB retailer's license.

There would be a minor impact to local city/county budgets because they would not collect those CMB retailer license fees but no impact to sales tax because current law requires liquor drink tax be collected when an on-premises license also has an on-premises CMB retailer's license.

Thank you, Mr. Chairman.