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TESTIMONY BEFORE THE HOUSE FEDERAL AND STATE AFFAIRS COMMITTEE

HOUSE BILL 2550

REP. JOHN RUBIN

CHAIRMAN BRUNK AND FELLOW COMMITTEE MEMBERS:

House Bill 2550 is very straightforward. It seeks to repeal the current statutory provision that prohibits “drinking establishments,” primarily restaurants and bars that serve alcoholic beverages, from reducing the prices of such beverages during certain times of the day, colloquially called “happy hours,” below the prices they charge at other times during the day.

I introduced and support this legislation for two good public policy reasons. First, removing this prohibition promotes more responsible alcohol consumption practices. Under the current prohibition, the only way restaurants and bars that serve alcohol can charge less for drinks than the amount they normally charge is to serve drinks at these reduced prices for an entire day, during all hours they are open for business. Many establishments do just that to remain competitive and attract customers. For example, many restaurants and bars in college towns such as Lawrence and Manhattan serve alcoholic drinks at prices much less than they otherwise charge on days their schools have home football or basketball games. Some of these establishments open as early as 9:00 or 10:00 a.m. and remain open until as late as 12:00 midnight or 1:00 a.m. on a football Saturday. Other restaurants and bars serve alcohol, including shots of hard liquor, at reduced prices all day long on select days or daily at certain times of the year. There is a restaurant in my home town of Shawnee that does so. I ask you, which practice is more likely to promote irresponsible or excessive alcohol consumption: selling liquor cheaply during a confined two or three hour “happy hour” period in the afternoons or evenings, as would be allowed by this bill, or all day long, from 9:00 a.m. to midnight or after, as is currently the case? This bill actually corrects current law in order to foster a more responsible alcohol consumption policy in Kansas.

Second, this bill is pro-business, and is especially friendly to the many small business restaurant and bar entrepreneurs in Kansas, in that it fosters free enterprise, economic freedom and healthy competition. In border counties such as my own Johnson County, restaurants and bars that serve alcohol are at a competitive disadvantage to their neighboring establishments across the state line in Kansas City, Missouri, because they cannot offer “happy hour” promotions with reduced drink prices - unless, of course, they reduce their prices for the entire day. This is particularly true toward the end

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of the week, when many Johnson Countians remain in Missouri after work or drive over to Missouri restaurants and bars to enjoy “TGIF happy hours” that can’t be offered by Kansas establishments. This particularly hurts many of the small businessmen and women who own and operate restaurants and bars in Johnson County. This legislation will remove that competitive disadvantage and promote the sound economic freedom and private property rights principles we espouse.

For these reasons, I urge your support for HB 2550. I will be happy to stand for questions.