Bill as Introduced

2/20/02 2788s

2002 SESSION

02-3073
06/09

SENATE BILL 348

AN ACT relative to the retail pricing of beer.

SPONSORS: Sen. D'Allesandro, Dist 20

COMMITTEE: Ways and Means

AMENDED ANALYSIS

This bill restricts the retail price of beer to a price not less than the selling price established by the liquor commission and requires the commission to adopt rules to carry out this intent.

- -

Explanation: Matter added to current law appears in ***bold italics.***
Matter removed from current law appears [~~in brackets and struckthrough.~~]
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

SB 348 - AS AMENDED BY THE SENATE

2/20/02 2788s

02-3073
06/09

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Two

AN ACT relative to the retail pricing of beer.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 New Section; Beer Price Restricted. Amend RSA 175 by inserting after section 7 the following new section:

175:8 Price Restricted. Retail prices of beer sold under the provisions of this chapter shall not be less than the selling price established by the commission.

2 Rulemaking. Amend RSA 176:14 to read as follows:

176:14 Rulemaking.

I. The commission shall adopt rules, under RSA 541-A, necessary to carry out its powers and duties under this title.

II. The commission shall adopt rules necessary to carry out the intent of RSA 175:8.

III. The commission shall not adopt any rule in conflict with any provision of RSA 541-A.

3 Effective Date. This act shall take effect 60 days after its passage.

Amendments

Rep. L. Fraser, Merr. 9
April 2, 2002
2002-3204h
06/10

Amendment to SB 348

Amend the title of the bill by replacing it with the following:

AN ACT relative to the retail pricing of beer and certain other beverages.

Amend the bill by replacing all after the enacting clause with the following:

1 New Paragraph; Combination Licenses; Product Pricing. Amend RSA 178:16 by inserting after paragraph II the following new paragraph:

III. Off-sale licensees, licensed under the provisions of this section, shall not sell beverages or beer at a price that is less than the price posted in accordance with RSA 179:33, IV.

2 Effective Date. This act shall take effect 60 days after its passage.

Rep. L. Fraser, Merr. 9
April 2, 2002
2002-3204h
06/10

Amendment to SB 348

NOT ADOPTED

Amend the title of the bill by replacing it with the following:

AN ACT relative to the retail pricing of beer and certain other beverages.

Amend the bill by replacing all after the enacting clause with the following:

1 New Paragraph; Combination Licenses; Product Pricing. Amend RSA 178:16 by inserting after paragraph II the following new paragraph:

III. Off-sale licensees, licensed under the provisions of this section, shall not sell beverages or beer at a price that is less than the price posted in accordance with RSA 179:33, IV.

2 Effective Date. This act shall take effect 60 days after its passage.

Rep. Tsiros, Straf. 3
April 9, 2002
2002-3308h
06/09

Amendment to SB 348

Amend the title of the bill by replacing it with the following:

AN ACT relative to the retail pricing of beer and certain purchases of beer by off-sale licensees.

Amend the bill by replacing all after section 2 with the following: NOT ADOPTED

3 New Paragraph; Combination Licenses; Limited Purchase From Another Licensee. Amend RSA 178:16 by inserting after paragraph II the following new paragraph:

III. Notwithstanding the provisions of paragraph I, an off-sale-licensee may purchase up to 300 cases of beer per month from another off-sale licensee. The purchasing licensee shall keep records of the purchase available for inspection for the time specified in the rules of the commission.

4 Effective Date.

I. Section 3 of this act shall take effect July 1, 2003.

II. The remainder of this act shall take effect 60 days after its passage.

2002-3308h

AMENDED ANALYSIS

This bill restricts the retail price of beer to a price not less than the selling price established by the liquor commission and requires the commission to adopt rules to carry out this intent.

This bill also permits off-sale licensees to make limited purchases of beer from other off-sale licensees.

Rep. Tsiros, Straf. 3
April 9, 2002
2002-3318h
06/01

Amendment to SB 348

NOT ADOPTED

Amend the title of the bill by replacing it with the following:

AN ACT relative to certain purchases of beer by off-sale licensees and creating a committee to study the laws relating to beer distribution and sales.

Amend the bill by replacing all after the enacting clause with the following:

1 New Paragraph; Combination Licenses; Limited Purchase From Another Licensee. Amend RSA 178:16 by inserting after paragraph II the following new paragraph:

III. Notwithstanding the provisions of paragraph I, a New Hampshire off-sale-licensee may purchase up to 150 cases of beer per month from another New Hampshire off-sale licensee. The purchasing licensee shall keep records of the purchase available for inspection for the time specified in the rules of the commission.

2 Committee Established. There is established a committee to study and review the laws relating to the sale and distribution of beer.

3 Membership and Compensation.

I. The members of the committee shall be as follows:

(a) Three members of the house of representatives, appointed by the speaker of the house.

(b) Three members of the senate, appointed by the president of the senate.

II. Members of the committee shall receive mileage at the legislative rate when attending to the duties of the committee.

4 Duties. The committee shall review all laws and rules relating to the sale and distribution of beer.

5 Chairperson; Quorum. The members of the study committee shall elect a chairperson from among the members. The first meeting of the committee shall be called by the first-named house member. The first meeting of the committee shall be held within 45 days of the effective date of this section.

6 Report. The committee shall report its findings and any recommendations for proposed legislation to the speaker of the house of representatives, the senate president, the house clerk, the senate clerk, the governor, and the state library on or before November 1, 2002.

7 Repeal. RSA 178:16, III, relative to certain sales of beer between off-sale licensees, is

repealed.

8 Effective Date.

I. Section 1 of this act shall take effect July 1, 2003.

II. Section 7 of this act shall take effect July 1, 2004.

III. The remainder of this act shall take effect upon its passage.

2002-3318h

AMENDED ANALYSIS

This bill permits New Hampshire off-sale licensees to make limited purchases of beer from other New Hampshire off-sale licensees for a period of one year.

This bill also establishes a study committee to study and review the laws relating to beer distribution and sales.

Speakers

SIGN UP SHEET

To Register Opinion If Not Speaking

Bill # SB 348 Date 3-26-02

Committee Commerce

** Please Print All Information **

Name	Address	Phone	Representing	(check one) Pro	Con
Bonnie Draper	Bon Bons Mobil	882-4555	Bon Bon's Mobil	✓	
Stuart Draper	25 State Rte 101-A	Amherst 673-3590	Amherst Mobil	✓	
Robert Farr	35 Elm St Milford	673-5102	Snack Corner	✓	
Jeff Otis	Rt 101 Wilton	654-6733	Brooks'd Mini	✓	
Ron Toomey	17 Meadowview Cir Nashua NH	897-0222	Mutual Oil Co	✓	
Curtis J. Barry	228-3322	Retail Merchants Assoc. of NH			X
Bill Sellinger	231 Court St, Laconia NH		Stafford Oil Co.	X	
Bryant Robertson	PO Box 586 Keene NH		Cheshire Oil Co	X	
Joe Hart	Box 113 Grove, Peterborough		Peterborough Oil Co	x	
Steve Nason	1345 Hooksett Rd	Hooksett NH	7-Eleven Inc	X	
JACK TIBERT	2 BRIARWOOD LN.		7-ELEVEN LITCHFIELD, NH	✓	
Floyd Hayes	557 No. State St	Concord NH	Kwik Stop Stores	✓	

(1)

Fill in *ONLY* if *SPEAKING* on Bill

Bill # SB 348 Date 3-26-02

Committee _____

I support the bill ✓

I oppose the bill _____

I have written testimony _____

(Number of copies) _____

Time needed to speak: 3 min

Name Lou D'ALESSANDRO

Address _____

_____

Phone _____

Representing Dist. #20

(3)

Fill in *ONLY* if *SPEAKING* on Bill

Bill # SB348 Date 3/26

Committee Commerce.

I support the bill ✓

I oppose the bill _____

I have written testimony _____

(Number of copies) _____

Time needed to speak: 5 min

Name Jim Robertson

Address _____

Keene, NH

Phone 352-0001

Representing Cheshire Oil

(4)

Fill in *ONLY* if *SPEAKING* on Bill

Bill # SB348 Date 3/26

Committee Commerce

I support the bill ✓

I oppose the bill _____

I have written testimony _____

(Number of copies) _____

Time needed to speak: 5 min

Name WM SELLINGER

Address 231 Court ST

LACONIA NH

Phone 524-1480

Representing STAFFORD OIL

(5)

Fill in *ONLY* if *SPEAKING* on Bill

Bill # SB348 Date 3/26

Committee Commerce

I support the bill ✓

I oppose the bill _____

I have written testimony _____

(Number of copies) _____

Time needed to speak: 3-5 min

Name Russ Dumais

Address Gilford, NH

_____

Phone 524-2232

Representing Self

(6)

Fill in *ONLY* if *SPEAKING* on Bill

Bill # 348 Date 3/26/02

Committee Commerce

I support the bill ✓

I oppose the bill ____

I have written testimony ✓

(Number of copies) ____

Time needed to speak: 3 min

Name Lyanne Cochi

Address 143 N Main St
Concord NH

Phone 866-882-9090

Representing NH Chapter
New England Convenience Store Assn

(7)

Fill in *ONLY* if *SPEAKING* on Bill

Bill # 348 Date 03-26-02

Committee ____

I support the bill V

I oppose the bill ____

I have written testimony ____

(Number of copies) ____

Time needed to speak: 5 MIN.

Name JACK TIBBETT

Address 2 BRIARWOOD LN
LITCHFIELD N.H

Phone 881-8269

Representing 7-ELEVEN

(8)

Fill in *ONLY* if *SPEAKING* on Bill

Bill # SB 348 Date ____

Committee Commerce

I support the bill ____

I oppose the bill ✓

I have written testimony ____

(Number of copies) ____

Time needed to speak: maybe 5

Name CLARK COLSON

Address 120 PERKINS RD.
MADBURY NH

Phone ____

Representing N.H Wholesale
Beverage Assoc

(9)

Fill in *ONLY* if *SPEAKING* on Bill

Bill # SB348 Date 3-26-02

Committee Commerce

I support the bill ____

I oppose the bill X

I have written testimony ____

(Number of copies) ____

Time needed to speak: 2 min

Name Thomas A Bullock

Address 264 W Bay St
Manchester NH

Phone 603 622-8033

Representing NHWBA

Hearing Minutes

HOUSE COMMITTEE ON COMMERCE

PUBLIC HEARING ON SB 348

BILL TITLE: (New Title) relative to the retail pricing of beer.

DATE: March 26, 2002

LOB ROOM: 302 **Time Public Hearing Called to Order:** 10:10 am

Time Adjourned: 11:50 am

(please circle if present)

Committee Members: Reps. Hunt, L. Fraser, Francoeur, Tsiros, Belanger, Avery, Kenney, Langley, DiFruscia, Marshall, Marshall Quandt, D. Flanders, Spiess, M. Clark, Crosby, T. Reardon, Taylor, Keye, Batchelder and Slack.

Bill Sponsors: Sen. D'Allesdandro

TESTIMONY

* Use asterisk if written testimony and/or amendments are submitted.

Sen. Lou D'Allesandro, sponsor – New duty to Liquor Commissioners. Major concern to small businesses in New Hampshire (80% of all businesses in New Hampshire are small businesses). Large stores selling below cost. Minimum price could be set by the Commission. Commissions willing to take on this new responsibility. Legislators should support small businesses.

Q: Rep. Stephen Avery - Has a problem with the bill. How far should we go with price regulation?

A: New Hampshire is a controlled state, per Sen. D'Allesandro. Little guys go bankrupt should they not make profits. Big guy just packs up and leaves the state if they do not make profits.

Rep. John Hunt – We are not a controlled state as far as beer is concerned.

Q: Rep. Harvey Keye – Asked if small store could not for a cooperative.

A: All stores are buying at same price-big stores sell as "loss-leaders".

Q: Rep. Hunt – Asked if we ever had a bill that controlled prices?

Rep. Hunt - No answer. No guidelines to Commisioners.

Sen. D'Allesandro – There is a posted wholesale price for beer. Beer should not be allowed to sell below this price.

Rep. Hunt – Asked if bill could be amended to read "Beer will not be sold below cost."

Chief Aidan Moore, Bureau of Liquor Enforcement – Prices posted monthly. Cannot deviate from prices until next posting. Kickbacks could be a violation of New Hampshire law. Wholesaler not to go out of their territory. Laws pertaining to distribution of beer were explained. Tier system exists (large or small business).

Rep. Hunt – Requested postings. We're not regulated. Wholesaler bears the cost of distribution.

Q: Rep. Keye – Questioned law. How would the Federal Trade Commission would look at this bill?

A: Chief Moore was not certain. He will get back to the committee on Rep. Hunt's suggested amendment.

Jim Robertson, Cheshire Oil – Has eight convenience stores. Beer is very important to small companies to stay in business. Regulated in every way except price they sell beer for. Has to buy from distributor and pay posted prices. Big business buy at the same price but can afford "loss leaders". Big stores picked #1 selling product to use as an enticement to bring in customers. All they are looking for is everyone to start at the same price. Can go to supermarkets and buy say Cornflakes and sell, but cannot do the same with beer (tax is involved).

William Sellinger, Stafford Oil – Beer in business for 30 years. Morality is an issue here. Seventy percent of sales are beer and cigarettes. Big stores can hide a "loss leader" Little guys cannot. Profit is higher in one of his stores that is not close to a big supermarket.

Russ Dumais, representing self – Small store owner. Member of his community and spends his money in his community. Large stores do not do the same. Last summer supermarket sold beer way less than he had to pay ($3.50). Only wants a fair leveling field. All he wants is if someone is buying beer for $12.00 that they can't sell for less. Works on a mark-up of 22% increase.

***Lyanne Cochi, NH Chapter of New England Convenience Stores Association** – Bill will level the playing field. Big stores sold for one third less than they paid on Super Bowl Sunday. Feels state does control the sale of beer. She only wants beer not to be able to be sold for less than cost.

Jack Tibert, 7-Eleven – In Seven Eleven store for seven years. Fifteen percent markup normal for Wal-Mart. Small store needs a higher mark-up just to stay in business.

Clark Corson, NH Wholesale Beverage Association – Opposes the bill. Does not want price scheduling on anything. This is only the beginning. – 90% of beer is sold in supermarkets. Free enterprise system is the American way. Wholesaler must sell at posted price. Fifty percent of beer sold in New Hampshire is sold to non-residents in Southern tier of state. Prices must be posted five days prior to an increase. He is not aware of the statement previously made that the beer/cigarettes is 70% of s small business' sales.

Thomas Bullock, NHWBA – Opposes the bill. His group is torn on this issue. This is a problem in MA/NH pricing. Massachusetts is often cheaper. Would be shooting themselves in the foot not to oppose this bill. Does not know of anyone that would give a kickback to a big store. Posted price is the price. (Could be a different price between how much is purchased-100 cases vs. 20 cases. Two different worlds between southern and northern New Hampshire. Can't advertise price of beer in New Hampshire. They do advertise in MA papers (this was distributed to committee members).

Respectfully Submitted:

Jane S. Langley, Clerk

Sub-Committee Minutes

HOUSE COMMITTEE ON COMMERCE

SUBCOMMITTEE WORK SESSION ON SB 348

BILL TITLE: (New Title) relative to the retail pricing of beer.

DATE: April 9, 2002

Subcommittee Members: Reps. Hunt, Fraser, Avery, Keye,Batchelder, Taylor and Flanders

Comments and Recommendations: Subcommittee will reconvene on April 10, 2002 at 9am.

Amendments:

Sponsor: Rep. OLS Document #:

Sponsor: Rep. OLS Document #:

Sponsor: Rep. OLS Document #:

Motions: OTP, OTP/A, ITL, Interim Study (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote:

Motions: OTP, OTP/A, ITL, Interim Study (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote:

Respectfully submitted,

Rep. John B. Hunt
Subcommittee Chairman/Clerk

HOUSE COMMITTEE ON COMMERCE

SUBCOMMITTEE WORK SESSION ON SB 348

BILL TITLE: (New Title) relative to the retail pricing of beer.

DATE: April 10, 2002

Subcommittee Members: Reps. Junt, Fraser, Keye, Batchelder, Flanders and Tsiros

Comments and Recommendations: No notes.

Amendments:

Sponsor: Rep. OLS Document #:

Sponsor: Rep. OLS Document #:

Sponsor: Rep. OLS Document #:

Motions: OTP, OTP/A, ITL, Interim Study (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote:

Motions: OTP, OTP/A, ITL, Interim Study (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote:

Respectfully submitted,

Rep. John B. Hunt
Subcommittee Chairman/Clerk

INTERIM STUDY
SUBCOMMITTEE WORK SESSION

COMMITTEE: **COMMERCE**

BILL NUMBER: **SB 348**

BILL TITLE: (New Title) relative to the retail pricing of beer.

DATE: June 19, 2002

ATTENDANCE: Reps. Tsiros, Fraser, Slack, Marshall Quandt, Hunt, Langley, Francoeur

Comments and Recommendations:

General discussion. Set up another meeting in September.

John B. Hunt

Chairman/Clerk

Original: Committee Bill File

INTERIM STUDY
SUBCOMMITTEE WORK SESSION

COMMITTEE: **COMMERCE**

BILL NUMBER: **SB 348**

BILL TITLE: (New Title) relative to the retail pricing of beer.

DATE: October 30, 2002

ATTENDANCE: Reps. Fraser, Belanger, Avery, Langley, Marshall, Marshall Quandt, Donald Flanders, Spiess, Reardon, Taylor, Batchelder, Gilman and Clegg

Comments and Recommendations:

There did not seem to be much interest in pursuing the bill.

Rep. John B. Hunt

Chairman/Clerk

Original: Committee Bill File

Testimony

necsa
New England Convenience Store
Association

New Hampshire
Chapter

Testimony of Lyanne Cochi on Senate Bill 348 before the House Commerce Committee
March 26, 2002

Chairman, members of the Committee, thank you for allowing me to appear before you today to testify in support of Senate Bill 348. My name is Lyanne Cochi and I am the Director of Government Relations for the New Hampshire Chapter of the New England Convenience Store Association. We represent convenience stores and petroleum operators throughout New Hampshire.

Senate Bill 348 will level the playing field for the sale of beer for all retailers across the state by prohibiting the sale of beer below cost. Convenience stores work on extremely small profit margins and when large retailers sell beer for more than $5 below the wholesale price it creates a playing field on which the vast majority of small stores cannot compete.

There have been many instances of below cost sales injuring small business owners' sales in the past two years. Specific instances include Superbowl weekend in February as well as most weekends when NASCAR races are held in-state and generally throughout the summer months. When these large retailers sell 30-packs of beer for only $9.99 they are selling the product at 1/3 off the base cost since the average price is approximately $16. Small retailers lose anywhere from 20% up to 70% of their beer sales depending on how close their store is located to the large retailer. There is a further loss in sales when one adds the sundry sales of chips and soda that are purchased along with the beer.

These extremely low prices could also increase underage consumption.

Selling beer below cost is a predatory practice that can cause serious harm to the state's small business owners. We hope you will support this legislation and level the playing field for all retailers.

212 Carnegie Row ❐ Norwood, MA 02062 ❐ (781) 255-9090 ❐ Fax (781) 255-9372 ❐ www.necsa.net

Voting Sheets

HOUSE COMMITTEE ON COMMERCE

EXECUTIVE SESSION on SB 348

BILL TITLE: **(New Title) relative to the retail pricing of beer.**

DATE: April 10, 2002

LOB ROOM: 302

Amendments:

Sponsor: Rep. Tsiros	OLS Document #:	2002	3318h
Sponsor: Rep.	OLS Document #:		
Sponsor: Rep.	OLS Document #:		

Motions: (OTP)/OTP/A, ITL, Interim Study (Please circle one.)

Moved by Rep. Tsiros

Seconded by Rep. DiFruscia

Vote: 6-10 (Please attach record of roll call vote.)

Motions: OTP, OTP/A, ITL, (Interim Study) (Please circle one.)

Moved by Rep. Spiess

Seconded by Rep. Flanders

Vote: 16-0 (Please attach record of roll call vote.)

CONSENT CALENDAR VOTE: 16-0

(Vote to place on Consent Calendar must be unanimous.)

Statement of Intent: Refer to Committee Report

Respectfully submitted,

Rep. Jane S. Langley, Clerk

HOUSE COMMITTEE ON COMMERCE

EXECUTIVE SESSION on SB 348

BILL TITLE: **(New Title) relative to the retail pricing of beer.**

DATE:

LOB ROOM:

Amendments:

Sponsor: Rep. T. Sinen OLS Document #: 3305h Adopted/Failed

Sponsor: Rep. _____ OLS Document #: _____ Adopted/Failed

Sponsor: Rep. _____ OLS Document #: _____ Adopted/Failed

Motions: a mod mod OTP, OTP/A, ITL, Interim Study (Please circle one.)

Moved by Rep. T. Sinen

Seconded by Rep. D. Fruscione

Vote: 6-10 (Please attach record of roll call vote.)

Motions: OTP, OTP/A, ITL, Interim Study (Please circle one.)

Moved by Rep. Spear

Seconded by Rep. Flanders

Vote: 16-0 (Please attach record of roll call vote.)

CONSENT CALENDAR VOTE: 16-0

(Vote to place on Consent Calendar must be unanimous.)

Statement of Intent: Refer to Committee Report

Respectfully submitted,

Rep. Jane S. Langley, Clerk

COMMERCE

Bill #: SB348 **Title:** _____

PH Date: ___/___/___ Exec Session Date: 4/10/02

Motion: Amend mot - OTP Amendment #: _____

MEMBER	YEAS	NAYS
Hunt, John B. Chairman		✓
Fraser, Leo W. V Chairman		
Francoeur, Sheila T		✓
Tsiros, William	✓	
Belanger, Ronald J		✓
Avery, Stephen G	A	
Kenney, Joseph D		✓
Langley, Jane S		✓
DiFruscia, Anthony R	✓	
Marshall, Gene B. Clerk		✓
Quandt, Marshall E	✓	
Flanders, Donald H		✓
Spiess, Paul D		✓
Clark, Martha Fuller		✓
Crosby, Toni M	A	
Reardon, Tara G	✓	
Taylor, Kathleen N	✓	
Keye, Harvey		✓
Batchelder, Robert C	✓	
Slack, Pamela Russell	Conflict of Int	

TOTAL VOTE: 6 10
Printed: 11/9/2001

(Failed)

COMMERCE

Bill #: 348 **Title:** _____

PH Date: ___/___/___ Exec Session Date: 4/10/02

Motion: Ought to Study Amendment #: _____

MEMBER	YEAS	NAYS
Hunt. John B. Chairman	✓	
Fraser. Leo W. V Chairman	NV	
Francoeur. Sheila T	✓	
Tsiros. William	✓	
Belanger. Ronald J	✓	
Avery. Stephen G	A	
Kenney. Joseph D	✓	
Langley. Jane S	✓	
DiFruscia. Anthony R	✓	
Marshall. Gene B. Clerk	✓	
Quandt. Marshall E	✓	
Flanders. Donald H	✓	
Spiess. Paul D	✓	
Clark. Martha Fuller	✓	
Crosby. Toni M	A	
Reardon. Tara G	✓	
Taylor. Kathleen N	✓	
Keye. Harvey	✓	
Batchelder. Robert C	✓	
Slack. Pamela Russell	A	
TOTAL VOTE:	16	-0-

Printed: 11/9/2001

INTERIM STUDY
EXECUTIVE SESSION

COMMITTEE: **COMMERCE**

BILL NUMBER: **SB 348**

BILL TITLE: **(New Title) relative to the retail pricing of beer.**

DATE: October 30, 2002

MOTION
(Please circle one)

RECOMMENDED **NOT RECOMMENDED**

Moved by: Rep. Stephen G. Avery

Seconded by: Rep. Ronald J. Belanger

Vote: 12-1

(Note: Attach record of roll call vote)

Rep. John B. Hunt
Clerk

Original: Committee Bill File

COMMERCE

Bill #: 348 **Title:** relative to the retail pricing of beer

PH Date: / / **Exec Session Date:** 10 / 30 / 02

Motion: Not recommended **Amendment #:**

MEMBER	YEAS	NAYS
Hunt. John B. Chairman		
Fraser. Leo W. V Chairman	✓	
Francoeur. Sheila T		
Tsiros. William		
Belanger. Ronald J	✓	
Averv. Stephen G	✓	
Kennev. Joseph D		
Langlev. Jane S	✓	
DiFruscia. Anthonv R		
Marshall. Gene B. Clerk	✓	
Quandt. Marshall E		✓
Flanders. Donald H	✓	
Spiess. Paul D	✓	
Clark. Martha Fuller		
Crosbv. Toni M		
Reardon. Tara G	✓	
Tavlor. Kathleen N	✓	
Keve. Harvev		
Batchelder. Robert C	✓	
Slack. Pamela Russell		
Gilman	✓	
McCleod	✓	
TOTAL VOTE:	12	1

Printed: 11/9/2001

Committee Report

COMMITTEE REPORT

COMMITTEE: **Commerce**

BILL NUMBER: **SB 348**

TITLE: (New Title) relative to the retail pricing of beer.

DATE: April 10, 2002 CONSENT CALENDAR YES ☒ NO ☐

☐ OUGHT TO PASS

☐ OUGHT TO PASS WITH AMENDMENT

☐ INEXPEDIENT TO LEGISLATE

☒ REFER TO COMMITTEE FOR INTERIM STUDY
(Available only in second year of biennium.)

STATEMENT OF INTENT
(Include Committee Vote)

The original intent of this bill was to establish a floor retail price for beer-at the wholesale price of the product as set by the distributor. The committee is uncomfortable with any aspect of price control, but is sensitive to the concern of small retail establishments that large retail franchises can engage in predatory pricing practices by selling beer at below cost. The committee considered an amendment that would have allowed small stores to buy up to 150 cases per month from large retailers at discounted retail prices. This alternative, however, raised serious taxation and enforcement questions. After giving full consideration to the issues raised, the committee voted unanimously to recommend interim study with the full intent to bring forward legislation in the next session if appropriate. The study will focus on the value of maintaining a three tier distribution structure, the impact of the current exclusive wholesale distributor system, and whether certain retailers are engaging in predatory pricing practices.

Vote 16-0.

Rep. Paul D. Spiess
FOR THE COMMITTEE

Original: House Clerk
cc: Committee Bill file

USE ANOTHER REPORT FOR MINORITY REPORT

CONSENT CALENDAR

Commerce

SB 348, (New Title) relative to the retail pricing of beer. **REFER TO COMMITTEE FOR INTERIM STUDY**

Rep. Paul D. Spiess for Commerce: The original intent of this bill was to establish a floor retail price for beer-at the wholesale price of the product as set by the distributor. The committee is uncomfortable with any aspect of price control, but is sensitive to the concern of small retail establishments that large retail franchises can engage in predatory pricing practices by selling beer at below cost. The committee considered an amendment that would have allowed small stores to buy up to 150 cases per month from large retailers at discounted retail prices. This alternative, however, raised serious taxation and enforcement questions. After giving full consideration to the issues raised, the committee voted unanimously to recommend interim study with the full intent to bring forward legislation in the next session if appropriate. The study will focus on the value of maintaining a three tier distribution structure, the impact of the current exclusive **wholesale distributor system, and whether certain retailers are engaging in predatory pricing practices.**

Vote 16-0.

SB 348
Rep. Paul D. Spiess

The original intent of this bill was to establish a floor retail price for beer at the wholesale price of the product as set by the distributor. The committee is uncomfortable with any aspect of price control, but is sensitive to the concern of small retail establishments that large retail franchises can engage in predatory pricing practices by selling beer at below cost. The committee considered an amendment that would have allowed small stores to buy up to 150 cases per month from large retailers at discounted retail prices. This alternative, however, raised serious taxation and enforcement questions. After giving full consideration to the issues raised, the committee voted unanimously to recommend interim study with the full intent to bring forward legislation in the next session if appropriate. The study will focus on the value of maintaining a three tier distribution structure, the impact of the current exclusive wholesale distributor system, and whether certain retailers are engaging in predatory pricing practices.

JBH

SB 348: relative to retail pricing of beer

Paul Soiles for the Committee: The original intent of this bill was to establish a floor retail price for beer at the wholesale price of the product as set by the distributor. The Committee is uncomfortable with any aspect of price control, but is sensitive to the concern of small retail establishments that large retail franchises can engage in predatory pricing practices by selling beer at below cost. The Committee considered an amendment that would allow small stores to buy up to 150 cases per month from large retailers at discounted retail prices. This alternative, however, raised serious taxation and enforcement issues.

After giving full consideration to the issues raised, the Committee voted unanimously to recommend interim study with the full intent to bring forward legislation in the next session if appropriate. The study will focus on the value of maintaining a three tier distribution structure, the impact of the current exclusive wholesale distribution system, and whether certain retailers are engaging in predatory pricing practices.

INTERIM STUDY
COMMITTEE REPORT

COMMITTEE: **Commerce**

BILL NUMBER: **SB 348**

TITLE: (New Title) relative to the retail pricing of beer.

DATE: October 30, 2002

☐ RECOMMENDED

☒ NOT RECOMMENDED

STATEMENT OF INTENT
(may be handwritten)

The committee was very uncomfortable with any aspect of price control. The committee also considered an amendment that would allow small retailers to buy certain amounts of beer from the discounters, but this would create serious taxation and enforcement problems for the state. It could also create a nightmare for the fresh-dated products involved. The committee does not feel this merits future legislation.

Vote: 12-1.
(Note: Attach record of roll call vote)

LSR Number:
(If legislation if already filed, please list LSR number)

Rep. Stephen G. Avery
Chairman/Clerk

Original: House Clerk
Copy: Committee Bill file

Commerce

SB 348, (New Title) relative to the retail pricing of beer. **NOT RECOMMENDED**

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TITLE: (New Title) relative to the retail pricing of beer.

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Stephen G. Avery
Chairman/Clerk

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