# Bill as Introduced

#### HB 315-FN – AS INTRODUCED

#### 2013 SESSION

13-0738 08/03

HOUSE BILL	315-FN
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AN ACT relative to liquor commission discounts.

SPONSORS: Rep. Ulery, Hills 37

COMMITTEE: Commerce and Consumer Affairs

#### ANALYSIS

This bill eliminates certain liquor commission discounts.

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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 Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

#### HB 315-FN – AS INTRODUCED

#### STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Thirteen

AN ACT relative to liquor commission discounts.

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

1 Liquor Commission Discounts. Amend RSA 178:28, III-V-b to read as follows:

2 III. The commission [may] shall adopt procedures by which on-premises licensees may 3 purchase liquor for resale by credit card or debit card from state liquor stores, the warehouse, or 4 the commission direct delivery system.

5 IV. A schedule of hours and procedures by which holders of off-premises retail licenses may 6 purchase fortified wines and table wines by the bottle at state retail liquor stores.

7 V. A schedule of hours and procedures by which fortified wines and table wines may be 8 purchased at the discount price for resale by holders of off-premises retail licenses at percentages of 9 discount to be determined by the commission[. Discounts for holders of off premises retail licenses 10 with annual wine purchases under \$350,000] which shall be no less than 15 percent less than the 11 regular retail price in the liquor stores and 20 percent less than the regular price F.O.B. at the 12 warehouse.

13 [V-a. For the purpose of this provision, any person holding 2 or more licenses under 14 RSA-178:18 with combined annual wine purchases under \$350,000 shall receive at least 15 percent 15 less than the regular retail price in the liquor stores and at least 20 percent less than the regular 16 price F.O.B. at the warehouse. All combined annual wine purchases over \$350,000 shall receive at 17 least 10 percent less than the regular price F.O.B. at the warehouse.

18 V-b.- The commission, in its discretion, may adjust-discounts for off-premises licensees to 19 optimize the profitability of the commission and maintain proper controls; provided that the 20 commission does not reduce discounts below the percentages stated in paragraphs V or V-a.] 21 2 Effective Date. This act shall take effect 60 days after its passage.

LBAO 13-0738 01/15/13

#### HB 315-FN - FISCAL NOTE

AN ACT relative to liquor commission discounts.

#### FISCAL IMPACT:

The Liquor Commission states this bill, <u>as introduced</u>, will decrease state revenue by \$4,712,419 in FY 2014, \$4,806,668 in FY 2015, \$4,902,801 in FY 2016, and \$5,000,857 in FY 2017. There will be no impact on state, local, or county expenditures, or county and local revenue.

#### **METHODOLOGY:**

The Liquor Commission states this bill amends RSA 178:28 by removing the \$350,000 ceiling for annual wine purchases subject to a 15 percent to 20 percent discount from the Commission. Currently, RSA 178:28 establishes a minimum discount of 15 percent less than the regular retail price in state liquor stores, and 20 percent less than the regular price at the warehouse for fortified wines and tables wines bought by license holders purchasing less than \$350,000 worth of such wines annually. By removing the \$350,000 ceiling on annual sales subject to the discount, the bill allows all license holders to receive the same discount, regardless of how much wine they purchase annually. Since all wine purchases are currently subject to a discount of at least ten percent, the Commission states the bill will result in an additional five percent discount for license holders purchasing at least \$350,000 worth of wine annually. Based on FY 2012 sales data of \$90,588,608 and applying a two percent growth factor, the Commission predicts the bill will result in the following revenue decrease beginning in FY 2014:

	FY 2014	FY 2015	FY 2016	FY 2017
Gross sales to license holders purchasing at least \$350,000 annually	\$94,248,388	, \$96,133,356	\$98,056,023	\$100,017,143
Revenue decrease resulting from additional 5% discount	\$4,712,419	\$4,806,668	\$4,902,801	\$5,000,857

# Speakers

# SIGN UP SHEET

5.

To Register Opinion If Not Speaking

Bill #	Date 1-29-13
Committee Commerce à CA	

\*\* Please Print All Information \*\*

				(chec	k one)
Name	Address	Phone	Representing	Pro	Con
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# Hearing Minutes

#### HOUSE COMMITTEE ON COMMERCE AND CONSUMER AFFAIRS

#### PUBLIC HEARING ON HB 315-FN

 BILL TITLE:
 relative to liquor commission discounts.

 DATE:
 1-29-13

 LOB ROOM:
 302
 Time Public Hearing Called to Order:
 10:45 am

Time Adjourned: 11:15 am

(please circle if present)

Committee Members: Rept. Butler, Schlachman, Kopka, Hammond, Mulholland, Gidee Muns, K. Williams Heden Scarlotto, McNamara, John Hunt, Flanders, Doolan, Keith Murphy, Sandblade, Jones, F. Rice, Tucker and R. Belanger.

Bill Sponsors: Rep. Ulery

#### TESTIMONY

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

**Rep. Donna Schlachman** – Introducing the bill for sponsor Rep. Ulery.

#### Rick Gerrish, NH Liquor Commission, Marketing and Craig

<u>Bulkley,Administration</u> - Liquor Commission opposes the bill. Would re-instate 20% discount to large (over \$350,000) retailers; currently they get 15%. Takes away revenues; approximately \$5 million.

**Q: Chairman Ed Butler** - Wasn't discount previously 20%?

A: Yes it was; reduced to 15%

**Q: Rep. Ken Gidge** - Would you view the discount as a subsidy?

A: Yes, in a way it is.

Q: Rep. Kermit Williams - Would you consider under \$350,000 a small business

A: No, mid-sized.

Q: Was intent of current law to level playing field?

A: Yes.

**\*John Dumais, NH Grocers' Assn.** – Supports the bill; see written testimony. Originally discount from state to retailers was 25%, changed to 20% under Sununu, was then reduced to 15% for wine purchasers over \$350,000

Q: Chairman Butler - Can you quantify impact on economy of higher discount?

A: Yes, they will try to provide that.

**Q: Rep. Pam Tucker** - Do the liquor stores pay the same taxes etc. as retailers

A: Not necessarily, stores pay real estate taxes, employ many employees and are required to pay state fees that liquor stores do not have to pay.

Q: Rep. Ken Gidge - Do 77 liquor stores sell more wine than 1000 retailers.

A: Yes.

**Q: Rep. Williams** - What are margins on beer and wine?

A: Wine margins are a little higher, overall operating margins are 1% but larger operators have to markup prices by 18% just to break even; smaller operators mark up by 25%, that's why wine is important. Small operators didn't benefit any more from extra discount. Ended up hurting larger operators more.

**Q: Rep. Tucker** - Will additional 5% help increase sales?

A: Yes, it will help. 60% consumer base comes from across the border. Grocery stores are more inclusive; people want to come there, if stores sell more that benefits the state. Extra discount will increase volumes.

Q: Chairman Butler - How many of the stores that sell less than \$350,000 in sales?

A: 60% have less than \$350,000. But retailers are concerned that if they buy another a store it might take them over the \$350,000, with law as currently written, they might be inclined not to expand.

Subcommitee appointed: No action taken.

Respectfully, Submitted:

Chris Muns

#### HOUSE COMMITTEE ON COMMERCE AND CONSUMER AFFAIRS

#### PUBLIC HEARING ON HB 315-FN

BILL TITLE: relative to liquor commission discounts.

**DATE:** 1-29-13

LOB ROOM: 302 Time Public Hearing Called to Order: 10:45

Time Adjourned: //:/5

(please circle if present)

Committee Members: Reps. Butler, Schlachman, Kopka, Hammond, Mulholland, Gidge, Uluns, K. Williams, Heden, Scarlotto, McNamara, John Hunt, Flanders, Doolan, Keith Murphy, Sandblade, Jones, F. Rice, Tucker and R. Belanger.

Bill Sponsors: Rep. Ulery

#### TESTIMONY

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

## HB315-FN Hearing on January 29, 2013

<u>Speaker</u> Rep Schlachman – Co-Sponsor Introducing the bils

#### <u>Questions</u>

Q.

<u>Speaker</u>

Mr. Gerrish (Marketing) and Bulkley (Administration)- Liquor Commission opposes the bill.

Would re-instate 20% discount to large (over \$350,000) retailers; currently they get 15%. Takes away revenues; approximately \$5 million.

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#### Questions

Q. Rep Butler: Wasn't discount previously 20%

A. Yes it was; reduced to 15%

Q. Rep Gidge: Would you view the discount as a subsidy

A. Yes, in a way it is.

Q. Rep Williams: Would you consider under \$350,000 a small business

A. No – mid-sized

Q. Rep Williams: Was intent of current law to level playing field.

A. Yes

<u>Speaker</u>

John Dumais – written testimony – speaking in favor of bill

Originally discount from state to retailers was 25%, changed to 20% under Sununu, was then reduced to 15% for wine purchasers over \$350,000

<u>Questions</u>

Q. Rep Butler: Can you quantify impact on economy of higher discount?

A. Yes, they will try to provide that.

Q. Rep Tucker: Do the liquor stores pay the same taxes etc. as retailers

A. Not necessarily, stores pay real estate taxes, employ many employees and are required to pay state fees that liquor store do not have to pay.

Q. Rep Gidge: Do 77 liquor stores sell more wine than 1000 retailers.

A. Yes

Q. Rep Williams: What are margins on beer and wine

A. Wine margins are a little higher, overall operating margins are 1% but larger operators have to markup prices by 18% just to break even; smaller operators mark up by 25%, that's why wine is important. Small operators didn't benefit any more from extra discount. Ended up hurting larger operators more.

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A. Yes, it will help. 60% consumer base comes from across the border. Grocery stores are more inclusive; people want to come there, if stores sell more that benefits the state. Extra discount will increase volumes.

Q. Butler: How many of the stores that sell less than \$350,000 in sales

A. 60% have less than \$350,000. But retailers are concerned that if they buy another a store it might take them over the \$350,000,with law as currently written they might be inclined not to expand.

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Subcommitee appointed: No action taken.

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# Sub-Committee Actions

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#### HOUSE COMMITTEE ON COMMERCE AND CONSUMER AFFAIRS

#### SUBCOMMITTEE WORK SESSION ON HB 315-FN

BILL TITLE: relative to liquor commission discounts.

**DATE:** 2-5-13

Subcommittee Members: Reps. Scarlotto, Gidge, Tucker, Rice, Schlachman, Hunt, Williams

#### **Comments and Recommendations:**

#### Amendments:

Sponsor:	Rep.	OLS Document #:
Sponsor:	Rep.	OLS Document #:
Sponsor:	Rep.	OLS Document #:

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

Moved by Rep.

Seconded by Rep.

Vote:

Motions: OTP, OTP, A, ITL, Retained (Please circle one.)

Moved by Rep. Williams

Seconded by Rep. Hammond

Vote: 5-1

Respectfully submitted,

Rep. Frederick C. Rice Subcommittee Chairman/Clerk

#### HOUSE COMMITTEE ON COMMERCE AND CONSUMER AFFAIRS

#### SUBCOMMITTEE WORK SESSION ON HB 315-FN

relative to liquor commission discounts. BILL TITLE:

DATE: 2-5-13

Subcommittee Members: Reps. Saulatto Oldze Thehen Pice Comments and Recommendations: (1)1111 annual

#### Amendments:

Sponsor: Rep.

Sponsor: Rep.

Sponsor: Rep.

OLS Document #:

OLS Document #:

OLS Document #:

OTP, OTP/A, ITL, Retained (Please circle one.) Motions: Williams Moved by Rep. Seconded by Rep. Hammon Vote:  $\mathcal{L} - \mathcal{I}$ 

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

Moved by Rep.

Seconded by Rep.

Vote:

Respectfully submitted,

Freder, de CRice Rep. {Type NAME} Subcommittee Chairman/Clerk

Testimony



Communicate ~ Educate ~ Legislate

110 Stark Street, Manchester, NH 03101-1977 Tel.: (603) 669-9333, Fax: (603) 623-1137 E-mail: <u>advocacy@grocers.org</u> Web Site: www.grocers.org

## Testimony of NH Grocers Association Regarding House Bill # 315 Relative to Liquor Commission Discounts Tuesday, January 29, 2013

Good morning Mr. Chairman and members of the Committee. For the record, my name is John Dumais and I am the President of the New Hampshire Grocers Association (NHGA). Our organization primarily represents every type of retail food store in the state of New Hampshire. These range from the small independent mom-and-pop markets and convenience stores up to the large chain operated supermarkets. For brevity, I have compiled a background on our industry that will be attached to my written testimony. I would however, like to take a few moments to express our real concerns and support of this Bill.

As you may know grocers work on very slim profit margin. The majority generate less than one penny on every dollar of sales. We live on these low margins to remain competitive. One of the products grocers have sold since 1976 has been table wines. First, we must buy our entire product inventory from one wholesaler, the State Liquor Commission. Secondly they determine what our wholesale price will be. That wholesale price is computed by taking the regular retail price in the Liquor store and reducing it (called a discount) by a set percentage. Also you should note that when the Liquor Store puts a product on sale to the consumer, grocers still get their price from the regular shelf price. Many times those 'consumer prices can be 30%, 40% and even 50% lower priced than the grocers wholesale price. Even with this situation, grocers worked to continue selling wines and benefit the state in total revenue. A few years back, under then Chairman Bodi, the Liquor Commission realized that grocers were selling 51% of all wines while state stores sold 49%. They said their intent was to protect smaller stores, but no small stores ever complained. The Bill passed anyway.

Immediately, larger retailers found less reason to merchandise these products. They reduced shelf space replacing the shelves with higher profit items. The result is that in one year's time. Grocers went from selling 51% of all wines to 47%. And it continues to slip even more today. To this end, the Commission is now constantly touting how much more revenue they are generating for the state. What they are not telling you is that they are doing it at the expense of the grocers. In fact, during the recent Evaluation hearing, the Chairman, said he believed it was a mistake for grocers to sell wine at all.

Another fallacy that they continue to exploit is that when the sell a bottle of wine the state makes more money than when grocers sell it for the state. As one item, they are absolutely correct. However, they are missing the bigger picture. When the Liquor store makes a sale that is basically all they sell. When a grocer makes that same sale, many other products are sold at the same time. Often that is gasoline, sandwiches or salads, tobacco or hot meals. All of those products generate tax revenue for the state. They do it from properties that pay real estate taxes, employ many employees and are usually licensed by numerous state agencies.

It is well known that 40% of our customers and almost 60% of our sales come from consumers who live out of state. There is no way that 77 Liquor Stores can generate the same <u>total</u> state revenues that 1,400 licensed food stores can produce. They cannot be in all of the locations or open all of the hours that food stores operate, providing convenience and encouraging more sales in New Hampshire.

This Bill can correct that situation. For these reasons, we urge you to SUPPORT passage of this Bill. Thank you

Communicate ~ Educate ~ Legislate



110 Stark Street, Manchester, NH 03101-1977 Tel.: (603) 669-9333, Fax: (603) 623-1137 Toll Free Member's Line (877) 669-9333 E-mail: <u>john@grocers.org</u> Web Site : www.grocers.org

# N. H. Retail Food Industry Background

Facts and figures about the industry and its top-selling products and services.

### Scope of the Industry

The New Hampshire retail food industry has 1,400-plus stores that account for more than \$12 billion in annual sales. Food store are regulated and licensed, on average, by more than 10 state agencies and pay over \$8,000 per year in fees and compliance costs. Here are more details:

• **Employment:** NH food stores employ over 280,500 employees providing over \$1 million in payroll and benefits.

For many students, food stores are their first opportunity for a job.

- Profitability: After expenses, net profit is currently less than one penny for every dollar of sales (074%). This is the most modern high volume supermarkets. For smaller independent operators (mom and pops) the profits are substantially less and in many cases non-existent. This explains, in part, why over 25% of all food stores in New Hampshire go out of business each year.
- <u>Customer Base:</u> 40% of all New Hampshire food store customers live in neighboring states. At the same time, because they travel some distance to arrive here, those customers are responsible for 60% of all sales.
- <u>Consumer Incentive</u>: Consumers who reside in surrounding states will travel a great distance and "cross border" to New Hampshire for lower priced purchases. The greater the price difference the more often they will come. Impacting their decision to travel is dependent upon travel expenses (the price of gasoline) and their current perceived economy (is their job in jeopardy, how much income they have, etc.)
- <u>Product Incentives</u>: New Hampshire's number one draw for New England consumers is having no sales tax. That is an advantage for the *occasional* purchase of higher priced items like furniture, computers clothing, etc. However lower priced food and beverage products are a greater incentive to traveling to New Hampshire on a weekly or bi-weekly bases.
- <u>Product Categories</u>: Food stores have a number of products that are particularly price sensitive. They include milk, bread, alcoholic beverages and tobacco products. Any of these with a substantial difference from stores in their own state, will make the trip to New Hampshire worthwhile. Combined together, it becomes an overwhelming reason to shop here.
- <u>Consumer Shopping Patterns</u>: In 2012, consumers nationwide, made an average of 2.2 trips per week to supermarkets. Weekly grocery expenses for two adults average \$94.40. With children, that increases \$121.70. Convenience and small independents realize more frequent visits of 4.3 trips per week. Over 85% of these trips include gasoline with an average purchase of \$50.25.
- <u>Gasoline Purchases:</u> Price remains the dominant reason why consumers buy gas at a particular location. Customers cited gas prices as their primary reason for shopping a particular store.
   <u>Conclusion:</u>

Food stores are a major contributor to state revenues, employment and tourism. Currently, grocers sell 48% of all retail table wine sales; 100% of all retail beer sales; 97% of all Lottery Ticket sales; 12% of all taxed meals; 98% of all gasoline sales; 99% of all cigarette sales; 93% of all pharmacy sales.

Food stores are in partnership with the state and their community. Items that are competitively priced, are responsible for ing 40% more consumers to the state; impacting all businesses, recreational attractions and ultimately state revenues.

# Voting Sheets

#### HOUSE COMMITTEE ON COMMERCE AND CONSUMER AFFAIRS

#### EXECUTIVE SESSION on HB 315-FN

BILL TITLE: relative to liquor commission discounts.

**DATE:** 2-19-13

**LOB ROOM:** 302

#### Amendments:

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Sponsor: Rep.	OLS Document #:
Sponsor: Rep.	OLS Document #:
Sponsor: Rep.	OLS Document #:

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

Moved by Rep.

Seconded by Rep.

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

Motions: OTP, OTP/A, ITI, Retained (Please circle one.)

Moved by Rep. Hammond

Seconded by Rep. Hunt

Vote: 15-3 (Please attach record of roll call vote.)

CONSENT CALENDAR VOTE: Consent on Regular (Circle One)

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

Statement of Intent:

Refer to Committee Report

Respectfully submitted,

Rep. Chris Muns, Clerk

#### HOUSE COMMITTEE ON COMMERCE AND CONSUMER AFFAIRS

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#### EXECUTIVE SESSION on HB 315-FN

BILL TITLE:	relative to liquor commission discounts.	
DATE: 2-19-	-13	
LOB ROOM:	302	
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Amendments:	‡	
Sponsor: Rep.	OLS Document #:	
Sponsor: Rep.	OLS Document #:	
Sponsor: Rep.	OLS Document #:	
Motions: OT	P, OTP/A, ITL, Retained (Please circle one.)	
Moved by I		
Seconded b	by Rep. HUM	
Vote:	(Please attach record of roll call vote.)	1 - 3N
Motions: OT	P, OTP/A, ITL, Retained (Please circle one.)	
Moved by I	Rep.	
Seconded b	by Rep.	
Vote:	(Please attach record of roll call vote.)	
		•
С	ONSENT CALENDAR VOTE: Consent or Regular (Ci	orcle One)
	(Vote to place on Consent Calendar must be unanimo	
~		Jus.)
Statement of Inte	ent: Refer to Committee Report	
	Respectfully submitted,	
	Rep. Chris Muns, Clerk	

	STATE OF NEW H OFFICE OF THE HO 2013 SESSIO	USE CLERK	1/10/2013 11:26 Roll Call Commit Report	
COMMERCE AND CONSUMER A	FFAIRS	n	and the second se	A
Bill #: <u>MB 315 FN</u> Title: <u>/</u>	relative to l			
PH Date:///		Exec Session Da	ate: 2 / P	1_13
Motion:	·	Amendment #: _	· ·	
MEMBER	: 	<u>ÝEA</u>	S	NAYS
Butler, Edward A, Chairman		V		
Schlachman, Donna L, V Chairm	an			
Kopka, Angeline A				
Gidge, Kenneth N				<u></u>
Hammond, Jill S,				
Mulholland, Catherine				
Heden, Ruth S				
McNamara, Richard D				
Muns, Chris, Clerk				·
Scarlotto, Joe W		5		
Williams, Kermit R	- 			
Hunt, John B				
Flanders, Donald H				· · · · · · · · · · · · · · · · · · ·
Bélanger, Ronald J				
Rice, Frederick C				
Tucker, Pamela Z		i i		
Jones, Laura M		6		
Murphy, Keith				
Doolan, Ralph J				÷
Sandblade, Emily C				-,
TOTAL VOTE:				/

LAMBERT, GEORCE MANLIBY, JON.

# Committee Report

### **REGULAR CALENDAR**

**February 27, 2013** 

## HOUSE OF REPRESENTATIVES

**REPORT OF COMMITTEE** 

The Majority of the Committee on <u>COMMERCE AND</u> <u>CONSUMER AFFAIRS</u> to which was referred HB315-FN,

AN ACT relative to liquor commission discounts. Having considered the same, report the same with the following Resolution: RESOLVED, That it is INEXPEDIENT TO LEGISLATE.

**Rep. Jill S Hammond** 

FOR THE MAJORITY OF THE COMMITTEE

### MAJORITY COMMITTEE REPORT

## Committee: Bill Number: Title: Date: Consent Calendar: Recommendation:

### **COMMERCE AND CONSUMER AFFAIRS**

HB315-FN

relative to liquor commission discounts.

February 20, 2013 NO

INEXPEDIENT TO LEGISLATE

### STATEMENT OF INTENT

This legislation would eliminate the current distinction in the discount applicable on purchases of wines by off-premise retail license holders from the liquor commission. Those licensees with wine purchases under \$350,000 annually get at least a 15%-20% discount; larger retailers with annually purchases above that amount receive at least a 10% discount. Allowing all retail licensees the larger discount would have resulted in a revenue decrease to the state liquor commission between \$4.7 million and \$5 million annually over the next four fiscal years.

Vote 15-3

#### Rep. Jill S Hammond FOR THE MAJORITY

#### **REGULAR CALENDAR**

#### COMMERCE AND CONSUMER AFFAIRS

HB315-FN, relative to liquor commission discounts. INEXPEDIENT TO LEGISLATE. Rep. Jill S Hammond for the Majority of COMMERCE AND CONSUMER AFFAIRS. This legislation would eliminate the current distinction in the discount applicable on purchases of wines by off-premise retail license holders from the liquor commission. Those licensees with wine purchases under \$350,000 annually get at least a 15%-20% discount; larger retailers with annually purchases above that amount receive at least a 10% discount. Allowing all retail licensees the larger discount would have resulted in a revenue decrease to the state liquor commission between \$4.7 million and \$5 million annually over the next four fiscal years. Vote 15-3.

#### Stapler, Carol

From:Schlachman, DonnaSent:Tuesday, February 19, 2013 9:31 PMTo:Hammond, Jill Shaffer; Stapler, CarolCc:Butler, EdSubject:RE: BlurbsCarol,<br/>This is OK.<br/>Donna

From: Jill Shaffer Hammond [jshafham@gmail.com] Sent: Tuesday, February 19, 2013 9:09 PM To: Schlachman, Donna Subject: Re: Blurbs

HB'320-FN, establishing a state bank. Inexpedient to Legislate.

Rep. Jill Shaffer Hammond for Commerce and Consumer Affairs: The intent of this bill was to establish a state bank, to hold public moneys and serve as a development bank. However, this would require substantial capitalization, a difficult undertaking in New Hampshire. The committee heard from the State Treasurer that development funding in this state is already handled well through such organizations as the Business Finance Authority, the Community Development Finance Authority, and the Municipal Bond Bank. The State Treasurer also reported that the State's banking needs are served quite sufficiently through accounts at several private sector banks, minimizing transaction fees through compensating balance arrangements, and in better times, traditional earnings. 18-0.

HB 315-FN, relative to liquor commission discounts. Inexpedient to Legislate.

Rep. Jill Shaffer Hammond for Commerce and Consumer Affairs: This legislation would eliminate the current distinction in the discount applicable on purchases of wines by off-premise retail license holders from the liquor commission. Those licensees with wine purchases under \$350,000 annually get at least a 15%-20% discount; larger retailers with annually purchases above that amount receive at least a 10% discount. Allowing all retail licensees the larger discount would would have resulted in a revenue decrease to the state liquor commission between \$4.7 million and \$5 million annually over the next four fiscal years. Vote 15-3.

On Tue, Feb 19, 2013 at 8:10 PM, Schlachman, Donna <<u>Donna.Schlachman@leg.state.nh.us</u>> wrote:

Just a reminder that I need blurbs from you by tomorrow at noon.

Thanks.

Donna

Rep. Donna Schlachman

Vice Chair, Commerce and Consumer Affairs Committee

Rockingham District #18, Exeter

2 Langdon Ave. Exeter 03833

271-3369 (Committee Room)

#### 772-4934 (home phone)

2/20/2013

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## **REGULAR CALENDAR**

**February 27, 2013** 

## HOUSE OF REPRESENTATIVES

## **REPORT OF COMMITTEE**

The Minority of the Committee on <u>COMMERCE AND</u> <u>CONSUMER AFFAIRS</u> to which was referred HB315-FN,

AN ACT relative to liquor commission discounts. Having considered the same, and being unable to agree with the Majority, report with the recommendation that the bill OUGHT TO PASS.

**Rep.** Laura M Jones

FOR THE MINORITY OF THE COMMITTEE

### MINORITY COMMITTEE REPORT

#### Committee:

Bill Number: Title:

Date: Consent Calendar:

Recommendation:

#### COMMERCE AND CONSUMER AFFAIRS

HB315-FN

relative to liquor commission discounts.

February 20, 2013 NO

OUGHT TO PASS

#### STATEMENT OF INTENT

This bill would have equalized the wholesale discount rate, on wine, for all retailers. Current law gives smaller retailers a greater percentage discount than larger retailers. The New Hampshire Constitution Part 1, Article 1 states that government is instituted for the general good. In other words, legitimate actions of government must benefit all equally at the time they are taken. Therefore, government should not pick winners and losers. The minority believes that there should be a level playing field for all retailers, and that government should not interfere with the operation of the free market by setting different rates.

#### Rep. Laura M Jones FOR THE MINORITY

#### REGULAR CALENDAR

#### COMMERCE AND CONSUMER AFFAIRS

HB315-FN, relative to liquor commission discounts. OUGHT TO PASS. Rep. Laura M Jones for the Minority of COMMERCE AND CONSUMER AFFAIRS. This bill would have equalized the wholesale discount rate, on wine, for all retailers. Current law gives smaller retailers a greater percentage discount than larger retailers. The New Hampshire Constitution Part 1, Article 1 states that government is instituted for the general good. In other words, legitimate actions of government must benefit all equally at the time they are taken. Therefore, government should not pick winners and losers. The minority believes that there should be a level playing field for all retailers, and that government should not interfere with the operation of the free market by setting different rates.

#### Stapler, Carol

From:Schlachman, DonnaSent:Tuesday, February 19, 2013 8:01 PMTo:Stapler, CarolCc:Butler, EdSubject:FW: Minority Report for HB 315-FN

Carol. This is OK for the Minority Report. Donna

From: Laura Jones [laurajonesnh@gmail.com] Sent: Tuesday, February 19, 2013 7:40 PM To: Schlachman, Donna Subject: Minority Report for HB 315-FN Commerce & Consumer Affairs

HB 315-FN relative to liquor commission discounts. 2-19-13 Regular Calendar INEXPEDIENT TO LEGISLATE

STATEMENT OF INTENT:

This bill would have equalized the wholesale discount rate, on wine, for all retailers. Current law gives smaller retailers a greater percentage discount than larger retailers. The New Hampshire Constitution Part 1, Article 1 states that government is instituted for the general good. In other words, legitimate actions of government must benefit all equally at the time they are taken.

Therefore, government should not pick winners and losers. The minority believes that there should be a level playing field for all retailers, and that government should not interfere with the operation of the free market by setting different rates.

COMMITTEE VOTE: 15-3 RESPECTFULLY SUBMITTED, Rep. Laura Jones For the Minority

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"The brave man inattentive to his duty, is worth little more to his country than the coward who deserts in the hour of danger." ~ Andrew Jackson

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