

## Testimony

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MLBA President

Bill language FYI: <https://www.house.leg.state.mn.us/comm/docs/0f9a42c4-4c3e-4e32-80a1-3468fcd52159.pdf>

### Introduction:

- Thank you, Mr. Chair and members of the Committee.
- I'm Jennifer Schoenzeit, owner of Zipps Liquor in Minneapolis. It is an independent, family-run liquor store in Minneapolis. Second generation. # of employees.
- I'm also, current President of the Minnesota Licensed Beverage Association, which has membership of small, independent bars, restaurants, and liquor stores.
  
- The MLBA supports the provision in the bill regarding liquor posting flexibility.
  
- Here's what liquor posting is:
- Before COVID-19 and currently, the MN Department of Public Safety's Alcohol and Gambling Enforcement Division issues a monthly list of alcohol license holders – like bars, restaurants, and liquor stores, who have not yet paid their local sales and use tax on alcohol. If a retailer is on this list, liquor wholesalers are not allowed to sell them additional products.
- What this provision in the bill does, is give flexibility to DPS on this posting list, and allows them to choose to delay the list so businesses can get back into business FASTER when the emergency Executive Orders are lifted. These bars and restaurants, which the government closed, could be given four additional months to repay the tax. This is simply a delay in payment – not a waiver of the tax.
  
- The economic importance of the hospitality industry to Minnesota's economy cannot be overstated. Over 330,000 Minnesota jobs in retail, food service, hospitality and recreational sectors – about 13 percent of the state's jobs. Most of the businesses in this sector are relatively small, independent family-owned businesses without substantial cash reserves. Through no fault of their own, on-premise retailers have been required to close by governmental action and, furthermore, have been required by governmental action to provide sick pay and unemployment compensation benefits to their employees. It is estimated that anywhere from 25% to 40% of these businesses will fail. These retail operations are being shuttered for an indeterminate amount of time, their sales and revenue have abruptly stopped, while at the same time the ongoing costs and financial commitments push these businesses into an ever deeper financial hole or bankruptcy.
  
- This is one small but important step the legislature can take to help bars and restaurants get back to business.
- Other fixes the committee could make include adjusting the June accelerated taxes and consider bars and restaurants to sell limited quantities of wine and beer with food take-out orders.
  
- Thank you, Mr. Chair and members of the Committee.