

COMMONWEALTH OF PENNSYLVANIA
HOUSE OF REPRESENTATIVES

COMMERCE COMMITTEE
PUBLIC HEARING

STATE CAPITOL
HARRISBURG, PA

RYAN OFFICE BUILDING
ROOM 205

WEDNESDAY, FEBRUARY 3, 2021
10:00 A.M.

BEFORE:

HONORABLE BRAD ROAE, MAJORITY CHAIRMAN
HONORABLE JOHN GALLOWAY, MINORITY CHAIRMAN
HONORABLE MIKE ARMANINI
HONORABLE ROBERT BROOKS
HONORABLE VALERIE GAYDOS
HONORABLE KEITH GREINER
HONORABLE MIKE JONES
HONORABLE BARRY JOZWIAK
HONORABLE SHELBY LABS
HONORABLE ROBERT MERCURI
HONORABLE TRACY PENNYCUICK
HONORABLE MICHAEL PUSKARIC
HONORABLE PERRY STAMBAUGH
HONORABLE TIM TWARDZIK
HONORABLE MICHAEL DRISCOLL
HONORABLE DIANNE HERRIN
HONORABLE MALCOLM KENYATTA
HONORABLE DARISHA PARKER
HONORABLE MELISSA SHUSTERMAN
HONORABLE PERRY WARREN

Pennsylvania House of Representatives
Commonwealth of Pennsylvania

1 COMMITTEE STAFF PRESENT:

2 JENNIFER WEETER
REPUBLICAN EXECUTIVE DIRECTOR

3 MCCLAIN FULTZ
REPUBLICAN RESEARCH ANALYST

4 HEATHER RODGERS
REPUBLICAN LEGISLATIVE
5 ADMINISTRATIVE ASSISTANT II

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7 BETH HORNE-BEACHY
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DEMOCRATIC RESEARCH ANALYST

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I N D E X

TESTIFIERS

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SUBMITTED WRITTEN TESTIMONY

* * *

(See submitted written testimony
and handouts online.)

P R O C E E D I N G S

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3 MAJORITY CHAIRMAN ROAE: Good morning,
4 everyone. It is exactly 10 o'clock, so I'm going
5 to call the meeting of the Commerce Committee --
6 excuse me, the hearing of the Commerce Committee
7 to order.

8 Today we are going to be talking about
9 the tavern and club industry, how they're being
10 impacted by COVID-19. I think all of us have
11 been hearing from our local taverns and bars and
12 clubs. You know, in my area, a lot of the
13 volunteer fire departments are funded by the
14 clubs that they operate. We have all have, you
15 know, Elks Lodges and VFW posts and Eagles Lodges
16 that do a lot of good for our community. We all
17 have corner bars and pubs in our districts, and
18 they're all obviously being hit hard by the
19 pandemic.

20 So I'm sure we're all already aware of a
21 lot of the problems facing them, but hopefully in
22 today's hearing, we can get some specific
23 suggestions on what we can do to help. But I'm
24 going to be brief in my comments, so we can get
25 to the testifiers.

1 Does the minority Chair -- Representative
2 Galloway, would you like to make an opening
3 statement?

4 MINORITY CHAIRMAN GALLOWAY: Sure. I'll
5 be brief, as well. Thank you. Thank you,
6 Chairman, for holding this hearing. Thank you to
7 all of the people who are going to testify here
8 today. We are here to figure out how it is we
9 can move forward.

10 We have really, really good legislation
11 on both sides of the aisle. This is a Committee
12 that historically is nonpartisan, and we have
13 some good ideas. We're interested to hear what
14 it is that you want to support going forward.

15 And again, thank you very much,
16 Mr. Chairman.

17 MAJORITY CHAIRMAN ROAE: Okay. Thank
18 you, Mr. Chairman.

19 And I would like to ask that members,
20 when they ask questions today, please be very
21 brief in your questions. We're here to hear from
22 the testifiers. Last time, Representative
23 Parker, Representative Herrin, and Representative
24 Rabb did not get to ask their questions, so we're
25 going to put them on the priority list this time.

1 But I would like to ask everybody, please keep
2 your questions brief so that we can get to
3 everybody.

4 We do have a new -- well, actually, first
5 of all, our testifiers today, we have Thomas
6 Tyler. He's the president of McStew's Irish Pub,
7 and he's with the PA Tavern Association. We have
8 Chuck Moran, who's the executive director. And
9 then from the PA Federation of Fraternal and
10 Social Organizations, we have Ted Mowatt, who is
11 the executive director. And then Barry Dobb is
12 the president of the Harrisburg Maennerchor.

13 Are the testifiers on the video.

14 MR. TYLER: Yes.

15 MR. MORAN: Yes.

16 MAJORITY CHAIRMAN ROAE: Okay. We do
17 have a new tradition in the House this session
18 where we swear in testifiers. The Appropriations
19 Committee has always done that, but they want all
20 of the committees to do it now.

21 So if I could please ask the testifiers
22 to raise your right hand to be sworn in, and then
23 just say "I do" as soon as I'm done saying this.

24 (Whereupon, testifiers were sworn en
25 masse.)

1 MAJORITY CHAIRMAN ROAE: Okay. Thank
2 you. Thank you so much.

3 well, we're going to start right away.
4 First in the list here is Thomas Tyler, then
5 Chuck Moran. So you can begin.

6 Thank you.

7 MR. TYLER: Thank you. Chairman Roae,
8 Chairman Galloway, members of the Committee, good
9 morning. Again, my name is Tom Tyler. I am
10 president of the Pennsylvania Licensed Beverage
11 Association and owner of McStew's Irish Sports
12 Pub in Levittown, Bucks County.

13 Let me begin by thanking you for inviting
14 the Pennsylvania Licensed Beverage Association to
15 testify today about the struggles of our industry
16 as a result of COVID-19 and the state mitigation
17 orders. We appreciate being here to tell you the
18 stories of our members.

19 The Tavern Association represents more
20 than 400 small business taverns, pubs, and
21 licensed restaurants across the state. Most of
22 the members own "R" and "H" licenses, while some
23 have "E" or even a club license. For the most
24 part, we are your local bars, taverns, pubs, and
25 licensed restaurants. We do not actively recruit

1 large chains, grocery stores, or convenience
2 stores, which also may have an "R" license.

3 In terms of business, our average member
4 makes a living primarily from the alcohol sales.
5 Based on the membership studies, about 63 percent
6 of their business is alcohol sales; 37 percent of
7 sales are from food. Our average member employs
8 about 16 people, including the owner and family
9 members. They serve less than 4,000 customers
10 every month. If you can count the chairs and
11 barstools throughout the member establishments,
12 you'll find less than an average of 100. Simply
13 put, our members are your locally-owned,
14 mom-and-pop neighborhood businesses.

15 Chairmen, members, you have a written
16 copy of my testimony for the record. I have
17 testified on several occasions on a variety of
18 subjects before different committees over the
19 last several years. It's always the same. It's
20 prepared and proper. But today, I'm going to ask
21 for your indulgence. I'm going to invite you
22 into the bar and ask you to pull up a stool next
23 to me -- figuratively of course -- and let's have
24 a conversation.

25 I want to share with you some actual

1 stories of members throughout the State, our
2 membership, and what they are currently
3 experiencing. This comes from a member in Upper
4 Bucks County.

5 I own a small bar in Upper Bucks County,
6 and the shutdown crippled me personally, my
7 business and my employees and their families. I
8 dipped into my personal savings to loan my
9 employees, to help them pay their bills since
10 unemployment took so long to receive. I was
11 fortunate to receive PPP and grant money, but
12 this in no way makes up for the loss of business
13 or loss of income to my employees.

14 I have another story from a member in
15 Allegheny County, a small establishment, very
16 little table seating, needs the bar seating to
17 conduct business. The business was closed most
18 of 2020 and just reopened in January. I am an
19 owner of three small businesses, two of which I
20 share with my sister. My dad built these two
21 small businesses over 20 years ago in a
22 not-so-popular area of the county. He never took
23 a day off. He never took a vacation. He was a
24 veteran and fought for his country. He passed
25 away almost six years ago.

1 We have taxes. We have insurance. We
2 have licenses that all need to be paid. Let's
3 see, if I put all of my bills in one hand and all
4 of my income in the other -- which is zero --
5 what do you think is going to happen? It makes
6 me sick to my stomach every time I go to the
7 mailbox and see bills and taxes due and a lack of
8 being able to pay them at no fault of my own. I
9 didn't mismanage my money.

10 We have another one from Lebanon County.
11 This is Deb Brown of Gary's Bar. We are a
12 small-town local bar in Palmyra, Pennsylvania.
13 This is our 28th year in business. Where there
14 used to be a bar full of working class folks,
15 there is almost no one. People who used to stop
16 in for a beer after work don't come because they
17 have to buy a meal. They just want to -- excuse
18 me -- they just want a place to stop for a drink
19 or two, hear the news, catch up with friends, but
20 can't because they have to buy a meal.

21 I can't express enough the economic
22 hardship this has been for my employees. They
23 depend on tips to pay the bills and take care of
24 their family. I have had to lay off people for
25 the first time in 28 years. I am truly thankful

1 for any help I have received in the grants and
2 loans because I have been able to pay my
3 employees. Food sales are less than 20 percent
4 of my business. I depend on the sale of beer and
5 alcohol to stay open.

6 I'm afraid if things don't change soon, I
7 will lose my business. All we ask is that you
8 take an honest look at what the mandates are
9 accomplishing against the catastrophic --
10 catastrophic harm they are doing to small
11 businesses.

12 This comes from a member in Berks County.
13 Shutting our business down on the eve of one of
14 the largest days -- sales days, when food and
15 beverage were already purchased, was the first
16 sign of what was going to come. We lost
17 approximately \$5,000.00 in food and beverage
18 inventory. While the first emotion was
19 panicking, being shut down, we knew our business
20 would need short-term capital to get us through
21 the next few weeks. Payrolls needed to be met.
22 Suppliers needed to be paid and taxes filed.

23 We had to put \$50,000.00 into the
24 checking account to keep us afloat. We had 30 --
25 excuse me -- we had 43 employees before being

1 shut down, and now we are at 18. We are thankful
2 for the assistance, but we do not want the
3 government to help. We just want to open and
4 meet the challenges head-on.

5 From another member in Allegheny County.
6 I want to let you know how all of these
7 mitigation orders are affecting my bar business.
8 I am located in a small town in Allegheny County.
9 My bar is just that, a small local establishment.
10 My sales are based more on alcohol than food.
11 Everyone that patronizes my bar pretty much knows
12 one another. They come to socialize.

13 My bills don't go away just because I
14 have no sales. How do you expect my employees to
15 survive? My bartenders, especially, have lost a
16 lot of money. No one wants to lose their
17 business that they've sunk their heart and soul
18 into. It's been totally unfair that bars and
19 restaurants have been the primary target of much
20 of the mitigation since day one.

21 This comes from a member in Westmoreland
22 County. This is actually a reception venue, not
23 a bar, but they are a member of our association.
24 We have been a family-owned business for 63
25 years. We have four ballrooms, and every weekend

1 the ballrooms were filled with laughter, from
2 weddings, ceremonies, anniversaries, proms. We
3 hold up to 500 guests. We are now down to zero.

4 This pandemic has destroyed our business.
5 Rooms remain empty, and some rooms have been
6 empty for a year. Employees are laid off. Chefs
7 were taken off salary, are now part-time. Two
8 wait staff workers are employed part-time, out of
9 a staff of 30. In 63 years, we never laid anyone
10 off. Soon, we will have a month that \$100,000.00
11 is due for insurance and property taxes. PPP
12 money did help some, but has been gone for some
13 time. The money was greatly appreciated.

14 The owners have not taken a paycheck
15 since last year, just to keep the business going.
16 We just need to open, pay our own bills.

17 And this one is probably the most
18 difficult one that -- that I've read, so if my --
19 if I start to crack up here on my voice, I
20 apologize. This is from a member in Adams
21 County. On January 1st, 1973, a 25-year-old
22 Barry Zeigler became the owner of the Franklin
23 House Tavern in Hanover, after purchasing it from
24 his parents. His parents had bought it in 1959.

25 Barry continued to operate the Franklin

1 House for the next 47 years. On March 16th,
2 2020, when leaders mandated the bars and
3 restaurants close for 10 days, in effect, they
4 ordered the death of the Franklin House Tavern,
5 and many other bars and restaurants in the
6 Commonwealth. The order was to close for 10
7 days. We thought, okay, we can do this. It
8 won't be that bad. But then, 10 days stretched
9 into 87 days.

10 Despite being closed and not needing to
11 purchase inventory, our expenses to be closed was
12 about \$500.00 a day. Eighty-seven days later,
13 the bills totalled \$43,500.00 with no income.
14 The business was debt-free, except for the
15 monthly operating expenses. We kept paying the
16 bills and praying for the reopening day, knowing
17 the \$43,500.00 could have never been recouped.

18 On June 12th, we opened -- 2020, we
19 reopened at 50-percent occupancy. We had people
20 socially distanced. We counted people coming and
21 going. We played by the rules. On July 15th,
22 2020, with no warning, our occupancy was cut to
23 25 percent; food was required with an alcoholic
24 beverage purchase; no alcoholic beverage sales
25 after 11 p.m.; and no customers sitting at the

1 bar. Again, we played by the rules.

2 when the mandate came out that said no
3 alcoholic beverages after 5 p.m. on Thanksgiving
4 Eve, we played by the rules. We closed. When
5 the mandate was issued to close December 11th,
6 2020 to January 4th, 2021, we played by the rules
7 and we closed. At home, in our private
8 conversations, we knew we could not stand another
9 shutdown of three weeks.

10 Our next thought was that the first
11 quarter of the year is always the worst for us,
12 financially speaking. Having been closed 97-plus
13 days in 2020, occupancy reduced to 25 percent, no
14 alcohol sales after 11 p.m., and no sitting at
15 the bar, we knew we were done. We utilized PPP
16 money. We applied for grants. We did everything
17 possible to stay open. We worried about our
18 employees and how they were going to survive.

19 we should have started our 48th year of
20 business on January 1st, 2021. Instead, we, like
21 many other mom-and-pop businesses in
22 Pennsylvania, are closed permanently. Our
23 debt-free business that existed for 61 years,
24 through no fault of our own, could not survive
25 the mandated orders and pandemic.

1 Members, that's all I have in terms of
2 the testimony I wanted to provide you today.
3 It's something different than what I've provided
4 you in writing. This industry is at the brink of
5 extinction. These small mom-and-pop shops are
6 the lifeline of how they exist. They employ
7 family. I didn't even talk about my own personal
8 situation, but the existence of this industry
9 alone, again, is at the breaking point, and we
10 ask for your assistance. We ask for your
11 expedited assistance.

12 Thank you very much for your time.

13 MAJORITY CHAIRMAN ROAE: All right.

14 Thank you, sir, for your testimony. Very
15 heartbreaking to hear. Well, we already knew of
16 the struggles, but I just think it's important to
17 get it on the public record as we look for
18 solutions of how we can help.

19 Our next testifier is going to be from
20 the Pennsylvania Federation of Fraternal and
21 Social Organizations. If you're ready, you may
22 begin your testimony.

23 Ted Mowatt.

24 MR. MOWATT: I'm on. My camera just
25 doesn't seem to be --

1 MAJORITY CHAIRMAN ROAE: Okay.

2 MR. MOWATT: There we go.

3 Good morning, Chairman. Actually, I
4 thought Chuck was going to say something, so I
5 guess I was waiting my turn.

6 Good morning, Chairmen. Chairman Roae,
7 Chairman Galloway, and members of the House
8 Commerce Committee, I would like to thank you for
9 the opportunity to present testimony today on how
10 the ongoing COVID-19 pandemic has impacted clubs
11 and bars.

12 By way of a little background, since this
13 is my first time testifying on behalf of this
14 Committee, as opposed to Liquor Control or Gaming
15 Oversight, my usual venues where we are fairly
16 regulars, the Pennsylvania Federation of
17 Fraternal and Social Organizations is a statewide
18 association of nearly 500 social clubs, veterans
19 clubs, fire companies, and other non-profit
20 service organizations, most of whom have liquor
21 licenses.

22 Our clubs provide numerous charitable
23 works in the local communities, funded largely,
24 by law, by small games of chance. And they --
25 the clubs themselves are funded by membership

1 dues as well as food and beverage service. All
2 members of this Committee are likely familiar
3 with one or more of our member clubs.

4 My message will be brief: help. The
5 Committee heard again from the restaurants last
6 week -- and not to say that they don't need the
7 continued help -- but the General Assembly took a
8 number of actions to get them at least some new
9 ways to stay open during the pandemic, aside from
10 those that were vetoed, but the same cannot be
11 said for clubs.

12 Letting us use small games of chance
13 proceeds during and after the disaster
14 proclamation period is all well and good -- and
15 we appreciate that -- but if we can't be open
16 because of the seating limits and no ability to
17 sell takeout beer, even, let alone mixed drinks
18 and bottles, there isn't much sense -- there
19 isn't much small games of change being played.

20 These are all things that we have pleaded
21 with the Liquor and Gaming Oversight Committees
22 last year and into this one, but it's a little
23 newer for us to make our case here in the
24 Commerce Committee. To be fair, the House did do
25 some additional legislation that we supported

1 last session, but for some reason the Senate
2 chose not to take us -- take up those issues
3 before they adjourned.

4 Our veterans, social and service clubs
5 and fire companies deserve better. We watched
6 with interest the hearing last week involving
7 restaurants, and believe that the presenters
8 today have made and will be sharing similar
9 concerns from their perspectives. We have
10 frankly had difficulty communicating with our
11 members to determine the full scope of the impact
12 of the pandemic on their operations, since so
13 many have just been closed for much of the year.

14 Many of our clubs have not been able to
15 take advantage of the federal stimulus programs,
16 as they are in the wrong 5013(C) categories.
17 Even some of the bills that are currently moving
18 in the House and Senate for small businesses and
19 restaurants have been constructed to exclude club
20 licensees, for some reason that escapes us. We
21 are employers, even though we have a non-profit,
22 volunteer board structure, rather than an
23 independent ownership one.

24 Many of our employees have been
25 furloughed, and some have become subject to the

1 difficult unemployment system that is in the news
2 on a daily basis. We, too, struggle with
3 inventory issues when the latest shutdowns are
4 imposed with little notice. The notices
5 themselves generally have little or no reference
6 to clubs, yet when we seek clarification, we are
7 told that they do apply to us. Why don't they
8 just say that? It's been a struggle.

9 In short, clubs seem to be forgotten in
10 all of this, for reasons we can't comprehend. We
11 are good community citizens, comprised in many
12 cases of members of our greatest generation, as
13 well as other -- as our current heroes. Thank
14 you for this opportunity to make our case for
15 attention as well as our friends in
16 establishments down the street. And I think
17 Barry Dobb is on and will be able to give you
18 some examples similar to what we heard earlier
19 this morning.

20 We appreciate this opportunity to comment
21 and will certainly be interested in seeing how it
22 plays out. Thank you again for this opportunity,
23 and I'll welcome any questions.

24 MAJORITY CHAIRMAN Roae: Thank you for
25 your testimony.

1 And if Barry Dobb is ready, you may begin
2 your testimony.

3 MR. DOBB: All right. Thank you very
4 much for having us here today to testify.

5 Are you hearing me? Can you hear me?

6 MAJORITY CHAIRMAN ROAE: Yeah, we can see
7 you and hear you both.

8 MR. DOBB: Okay. All right. Thank you
9 very much for having me come to testify today.
10 I'm the president of the Harrisburg Maennerchor
11 club in Harrisburg, the oldest club of its kind
12 in the State, founded in 1867. When I know I say
13 oldest club, oldest continuously running club
14 until this year.

15 When COVID started, we had 15 employees.
16 Now, we have three. We open a day here and there
17 because we have -- we were a club that had over
18 800 members, we now have just over 200. We're
19 offering a special on renewals because we have no
20 other way of getting the money together to pay
21 the \$30,000.00 we have to pay between now and
22 June. Between now and June, between real estate
23 taxes, liquor liability, all of the other
24 insurances and that, school taxes, we rely on our
25 members. And being that they can't come in and

1 renew really hurts us.

2 The gambling, changing the gambling for
3 the one-year period after this ends, that was, as
4 Ted said, appreciated, but we don't have anybody
5 coming in to play. That's not very good. The
6 day I put that new machine on the wall many years
7 ago, between 5:00 and midnight, we took in
8 \$10,000.00. The last three weeks, we took in a
9 thousand. We're losing at least \$200.00 a day.
10 It's two and change a day if we don't open. If
11 we open, some days it goes to five and seven
12 hundred because we're gambling. People just
13 think we're not open or they can't be in or it's
14 not safe, whatever. It's just not working for
15 us. We're going to be booked -- if it continues
16 like this, we're not going to have members and we
17 need members. If we don't have members, we can't
18 have events. If we don't have events, we can't
19 raise money for charity and that kind of stuff.

20 So we missed our first golf tournament in
21 27 years last summer because of COVID. We
22 normally give \$2,500.00 to \$5,000.00 to American
23 Cancer. We weren't able to give anything. So
24 with all of these things together, they're really
25 tough on the club. And the fact that we're

1 singled out -- or it appears we're singled out --
2 that we don't qualify for it, any way, kind of
3 makes me sick.

4 Applied for PPP with our bank, M&T. We
5 got it. They called about a week later and told
6 us we had to pay it back. We did not qualify. I
7 said, how did we not qualify? Well, you're not a
8 501(c)3 or a 503(c)7. What's the difference?
9 Well, you don't qualify. I said, okay. Well
10 let's reprocess it under a regular business. You
11 can't because you're a not-for-profit, so you
12 can't get a business one either.

13 So I mean, we tried everything we could,
14 ended up with nothing. And here we are today
15 going broke, the oldest club in the state.

16 Thank you.

17 MAJORITY CHAIRMAN ROAE: All right.
18 Thank you for your testimony.

19 We are going to open it up for questions
20 right now. I'm going to start with the first
21 question.

22 Recently, President Biden suggested that
23 he wants to push for a \$15.00 an hour minimum
24 wage, and Governor Wolf has said he wants to do a
25 \$12.00 an hour minimum wage right away, and then

1 gradually increase it to \$15.00 an hour.

2 Could you tell us the impact of what that
3 would be like for taverns or clubs if, you know,
4 even entry level employees had to be paid a
5 starting wage of \$12.00 or \$15.00 an hour and
6 what impact that would have on your
7 organizations?

8 MR. TYLER: I would like to jump in here
9 on that as a private establishment. It's just --
10 if I were to move forward with that plan, if that
11 was law, I would end up one of two things. You'd
12 -- I'd be charging someone \$7.00, \$8.00 to drink
13 a beer or a drink, but frankly, that's just not
14 going to work. I would -- it would be
15 unsustainable. This business isn't built for
16 that model. There's just no -- there's no
17 feasible way to do that.

18 I also, as part of my establishment, one
19 of the things that has helped me through this
20 time is the fact that I also have a store which
21 sells the packages to go. And that store -- I
22 have store clerks that work there, but they're
23 generally people that are, a, starting, you know
24 younger starting out to get some work experience;
25 or b, they're working a second part-time job.

1 The margins that are built on the sale of
2 beer-to-go for me just wouldn't work with the
3 \$15.00 an hour. The package cost would go
4 through the roof and would make me uncompetitive
5 with -- which is now my biggest competitor with
6 to-go, supermarkets. For supermarkets, a beer is
7 a lost liter. They don't -- they have it there
8 for customers who are in their store. I don't.
9 I have to be a destination of convenience.

10 So it would just be crippling and would
11 ultimately sink my business.

12 MAJORITY CHAIRMAN ROAE: Okay. Next,
13 we're going to have the Democratic Chair,
14 Representative Galloway, ask a question.

15 MINORITY CHAIRMAN GALLOWAY: Good
16 morning, everybody. And I'm not going to ask too
17 many questions. Actually, I want to make sure
18 all the members get a question. I know we have a
19 busy day today.

20 But Mr. Tyler, thank you for being here
21 today. As you know, I'm a State Representative
22 from Levittown.

23 MR. TYLER: Yes, sir.

24 MINORITY CHAIRMAN GALLOWAY: Not in your
25 district, but very close.

1 MR. TYLER: Yes, sir.

2 MINORITY CHAIRMAN GALLOWAY: Just a quick
3 question. What do you pay your entry level
4 employees now or even your employees?

5 I mean, if this is going to cause --
6 \$15.00 an hour, we need you to be a little more
7 specific -- what do you pay them now?

8 MR. TYLER: So the store clerks are paid
9 at \$10.00 an hour. My kitchen staff is right
10 around the \$15.00 an hour mark. But it's the
11 store clerks -- and my fear of service staff,
12 which the state-mandated is \$2.83 an hour or
13 Federal-mandated. You know, not that it's a big
14 deal, but they get paid, you know, \$3.50 an hour
15 by me here, but they don't care about the hourly
16 wage. The tips are what is important to them.

17 So if that is brought on to the wait
18 staff, the service staff, that would be virtually
19 unsustainable -- or would be unsustainable for
20 me.

21 MINORITY CHAIRMAN GALLOWAY: So they're
22 not part of the minimum wage that we have today?

23 MR. TYLER: Correct.

24 MINORITY CHAIRMAN GALLOWAY: And you're
25 saying if we move to a \$15.00, they would?

1 MR. TYLER: I don't understand the
2 question, Chairman. I'm sorry.

3 MINORITY CHAIRMAN GALLOWAY: If you're
4 saying they're making \$3.50 an hour, but they
5 really --

6 MR. TYLER: Yes.

7 MINORITY CHAIRMAN GALLOWAY: -- care
8 about the tips, and we have a minimum wage in
9 place, we're increasing the minimum -- if we
10 increase it to \$15.00, how does it affect them?

11 I mean, they're not on the minimum wage
12 right now. They're not making \$7.15 now.

13 why would they be making it when we
14 increase it to \$15.00? what would change?

15 MR. TYLER: Oh, I disagree with you.
16 They are making far more than minimum wage.

17 MINORITY CHAIRMAN GALLOWAY: No, I agree.
18 But it's not a minimum. They're not under State
19 law to make a minimum, right?

20 MR. TYLER: Correct.

21 MINORITY CHAIRMAN GALLOWAY: why would
22 they be under State law if we simply increased it
23 to \$15.00?

24 MR. TYLER: I'm sorry. You were breaking
25 up, that last part.

1 MINORITY CHAIRMAN GALLOWAY: I -- maybe
2 we can move on to other questions. I appreciate
3 it, Mr. Tyler, and I look forward to seeing you
4 back in the district. Okay.

5 MR. TYLER: All right. Thank you.

6 MAJORITY CHAIRMAN ROAE: I haven't seen
7 the details of Governor Wolf's proposal or
8 President Biden's proposal, but yes, there's a
9 separate minimum wage for tipped employees. I'm
10 not sure -- in past proposals, they wanted to
11 raise the minimum wage for tipped employees to
12 \$12.00 an hour, rather than having the lower
13 minimum wage. I'm not sure that's in the current
14 proposal or not.

15 But anyway, I do want to put out the
16 invitation again on the Democrat side, if
17 Representatives Parker, Herrin, or Rabb want to
18 ask questions, we'll give you a priority since
19 you didn't get to ask questions last hearing.
20 Our next -- okay. Our -- we're alternating
21 between Republicans and Democrats, but our next
22 question is going to be Representative Brooks,
23 then Representative Parker.

24 REPRESENTATIVE BROOKS: The one
25 difference this week versus last week was we're

1 talking about food service because that's a new
2 kind of issue that was said -- had to be part of
3 the taverns and social clubs. My VFW doesn't
4 want to go through all of the red tape that it
5 has to go through to get food service, so it had
6 to shut down.

7 Is that what we're seeing happening or is
8 my VFW just an aberration?

9 MR. MOWATT: No. The VFWs also have a
10 problem with being excluded from the availability
11 of PPP. But you're right, a lot of them -- it is
12 a major hassle. And to go through what Barry
13 went through to get it and then have to give it
14 back, I think a lot of -- these are, you know,
15 often elderly volunteer members. They're not
16 business people, or they're sometimes retired
17 business people, but not in the restaurant
18 industry. And so, yeah, I think that is pretty
19 common for folks to just say, we're going to have
20 to shut down and worry about it when we reopen or
21 if we reopen.

22 MAJORITY CHAIRMAN ROAE: Okay. Next is
23 going to be Representative Parker.

24 REPRESENTATIVE PARKER: There it is.
25 Good morning. And thank you for your emotional

1 and heartwarming type of testimony. It has
2 brought a lot of clarity for individuals like
3 myself.

4 My district is the 198th District. It's
5 in Philadelphia, so my question is pretty much
6 short. In our area, we have utilized a lot of
7 the delivery services, like Uber Eats and
8 different things. In your area of perspective,
9 are you able to utilize that?

10 And if you're not able to utilize that
11 type of delivery service for what you're talking
12 about, can you give us a perspective of what the
13 business is, as far as this impact, if you're
14 able to open or stay closed, how many will be
15 able to bounce back if you utilize that type of a
16 delivery service?

17 MR. TYLER: Well, you're suggesting that
18 we are built on food. The delivery services are
19 not something that works for a bar because we're
20 not -- we're not a food destination. People are
21 not -- it's not enough for us to survive.

22 As you heard in our testimony, only about
23 35 percent of our sales come from food. And most
24 of that is done on premise with folks who are
25 having a cocktail. So that is not something that

1 we're able to do. By law, we can't deliver
2 alcohol.

3 I am one of the few, in my area, that
4 hold what's known as a transport for hire
5 license. So during the shutdown of 2020, I was
6 able to deliver beer, but -- and that worked
7 because all establishments were closed, period.
8 But from a perspective of utilizing delivery
9 services, there's no benefit to a bar for that
10 whatsoever.

11 REPRESENTATIVE PARKER: I just -- thank
12 you for answering that, because that is a
13 perspective for certain establishments where I
14 reside. They have had that option that they have
15 been utilizing delivery of their items. That's
16 why I asked.

17 So thank you so much.

18 MAJORITY CHAIRMAN ROAE: Okay. Next is
19 Representative Puskaric.

20 REPRESENTATIVE PUSKARIC: Thank you,
21 Mr. Chairman.

22 And Tom, if you could speak to the lack
23 of predictability for bar and tavern owners in
24 regards to perishable items that you guys have to
25 make the investment in, can you speak to some of

1 the challenges that you've had throughout this
2 process?

3 MR. TYLER: Of course. I'll speak to
4 what -- right now is a classic example. The
5 Super Bowl is on Sunday. And although we will be
6 limited to our capacity, we will be socially
7 distant, I'm reluctant to go out and invest in,
8 obviously, chicken wings right now, from the
9 perspective that I don't know if we're going to
10 be open on Sunday.

11 Now, we intend to be. And here's the --
12 it looks like we are, but the point of the matter
13 is I can't go out and invest that money because I
14 have to buy a lot for that particular day. So
15 I'm going to have to wait until almost the last
16 minute and see if my purveyor can have them
17 delivered to me on Saturday when I know, in fact,
18 that we probably will be open. But it's -- the
19 last -- when they closed us in March of 2020, I
20 was leading up to St. Patty's Day.

21 I'm an Irish pub. I had purchased
22 enormous amounts -- pounds of corn beef, cabbage,
23 a case -- close to three cases of cabbage in
24 preparation of service for food that day. That
25 is a big food day for an Irish pub, obviously.

1 All of that went to waste when we were closed
2 down.

3 So yes, waiting with bated breath to find
4 out if we are going to be shut down has a drastic
5 effect on when and how and how much food we
6 purchase for the business -- for the kitchen.

7 REPRESENTATIVE PUSKARIC: Thank you. And
8 I just would like to say, as a third generation
9 business man myself, I witnessed what my family
10 went through with the mortgage foreclosure crisis
11 back in '07-'08, and what they're doing to you
12 guys right now is just -- it is just truly
13 unacceptable. If we are ever going to rebuild
14 our economy, we have to give you some sort of
15 predictability moving forward.

16 So I just want to thank you for your
17 testimony and thank you for being here today.

18 MAJORITY CHAIRMAN ROAE: Well, I
19 certainly hope that taverns and bars and clubs
20 and restaurants -- I certainly hope they're able
21 to be open for the Super Bowl following, you
22 know, proper safety measures, like they have all
23 been doing. Because that would be financially
24 devastating if they lose another, you know --
25 that's probably one of the biggest days for all

1 the bars and taverns.

2 So our next question is from

3 Representative --

4 MR. DOBB: If I may.

5 MAJORITY CHAIRMAN ROAE: Oh, I'm sorry.

6 MR. DOBB: May I interject for a second?

7 MAJORITY CHAIRMAN ROAE: Yes, go ahead.

8 MR. DOBB: As Tom said about the waste
9 and all that goes into planning for these things
10 when they don't go off, we dumped all kinds of
11 cabbage and stuff last year, as well. We dumped
12 Irish beer. We dumped all kinds of things.

13 Now, we have three employees. When we
14 open up, we're very limited with what we can do.
15 Getting new employees is difficult because
16 they're getting all that PPP money. They don't
17 want to come back to work. And not our own
18 employee, any employees; nobody wants to come to
19 work now. Why would they want to come to work
20 when they get paid to stay home?

21 Again, trying to plan for Super Bowl, we
22 planned for that. Wolf could, the day before or
23 two days before, say sorry, you're shut down, no
24 Super Bowl parties. What do you do?

25 MAJORITY CHAIRMAN ROAE: Yeah, I don't

1 know what I would do. If I owned a restaurant or
2 a bar or tavern, anything like that, I would be
3 scared to death to invest all the money in food
4 that I might have to throw away, you know,
5 scheduling employees to work, then have to call
6 them up and say, sorry, you're laid off for the
7 day.

8 But anyway, our next question is from
9 Representative Herrin.

10 REPRESENTATIVE HERRIN: Yes, good
11 morning. Thank you, Mr. Chairman.

12 I'm Diane Herrin. I'm with the 156th
13 District in Chester county. We have a Main
14 Street here that is absolutely reliant on the
15 restaurant industry, as well as quite a few
16 taverns. And so we -- I know many of us very
17 much understand the incredible challenges that
18 you're facing, especially with your generational
19 businesses. And we all need and want our
20 economies to survive and thrive.

21 And so, we want to work with you. We
22 need to work with you. And my -- I have kind of
23 a two-part question. My question is, here in
24 West Chester, when the weather was nice, we shut
25 down our streets and we opened them up to outdoor

1 drinking, outdoor dining. And it was a Godsend
2 to help our businesses get through the season.

3 So as legislators, we are -- it's
4 incumbent on us to find a way to balance the need
5 to keep our constituents safe and keep the city
6 going. And so with up to 4,000 people dying a
7 day of COVID, with up to half -- almost half a
8 million in the country gone because of this
9 pandemic, we need to find a way to strike the
10 balance. And I'm wondering how -- number one,
11 Mr. Moran, in particular, how you would propose
12 ensuring the safety of your customers during the
13 winter months as part of a reopening plan?

14 And secondly, you know, one thing that I
15 think we're all trying to work on is to get
16 additional financial assistance to get you
17 through these winter months, so that in the
18 summer -- the spring and summer, when we can get
19 outdoors where it's certainly safer, and where
20 customers feel safer coming back, we can ensure
21 that, you know, your businesses get fully back up
22 and running again.

23 So my question is, how do you propose
24 ensuring safety of the customers during these
25 coming months? And how do you feel about, you

1 know, moving outdoors, when possible? Is that
2 something that will really help your industry?

3 MR. MORAN: Sure. I'd be happy to answer
4 that question. First, you know, it's basically
5 just follow the rules and enforce the rules. You
6 know, everyone in this industry is trained. The
7 guidance is out there. They're following CDC
8 rules. You know, most places out there are
9 opened at about 25 percent. You can open up to
10 50 percent if you self certify.

11 So number one, enforce the rules. That's
12 key. You know, recently, I was working with the
13 city of Harrisburg. They're getting creative and
14 trying to help -- much like your area did in
15 opening up the streets in nicer weather. They're
16 trying to figure out ways to do this during the
17 winter months. And you know, some places are
18 looking at drive-thru ice festivals with, you
19 know, restaurant participation at the end of the
20 drive-thru somehow.

21 I think there are some creative
22 activities that we can look into, that every
23 community could look into. It would be good for
24 the community businesses, but also for the
25 community mental health, as well, just to get

1 people out and doing some stuff.

2 You know, our industry -- and I know Tom
3 mentioned that, you know, we submitted our
4 testimony and you're also looking for ideas on
5 how to help. And it is in the written testimony,
6 but I will point out there's two parts to this in
7 terms of, you know, what needs to be done. You
8 know, we're still in survival mode. And I think
9 you're on the right track as far as grants go,
10 but those grants will only go so far.

11 So there are some other little things
12 that you guys can also do to help ease some of
13 the financial burdens now. The one thing is, you
14 know, every establishment, when they go to buy
15 their liquor, they get a discount from the State.
16 Is it possible to maybe raise that discount a
17 little bit higher, so they save a little bit more
18 money?

19 You know, very few taverns have small
20 games of chance, but for those that do, why not
21 allow them to keep a little bit more revenue,
22 maybe waive their fees, as well, which was not
23 done for the taverns?

24 And then, you know, since we are still in
25 survival mode, even though the licensing fees for

1 liquor licenses were waived for this year, maybe
2 you want to consider doing that again next year.
3 Once we get into the recovery mode, that's when
4 the mitigation orders need to start being eased
5 off.

6 The number one complaint that I get from
7 my members -- and you heard a story about a
8 small, you know, beer and shot bar in Allegheny
9 County -- is the bar-top seating. That
10 establishment cannot survive without using their
11 bar tops. They have no outdoor seating. When
12 you walk into their place, it's basically a bar,
13 not many tables or anything like that. But
14 allowing people to safely be seated with proper
15 social distancing at bar tops could help some of
16 the smallest places.

17 The other complaint that I often hear
18 about is the early last call. You know, they're
19 not really serving up till their full hours under
20 normal conditions, and that has left out a whole
21 audience that they can't serve at all, the people
22 who are working that second shift, which a lot of
23 these businesses rely on. You kind of -- you
24 heard the story from our member in Palmyra.
25 That's part of their business, you know, helping

1 people getting off work at 11 o'clock.

2 And then, you know, the whole food and
3 combination with beer, that's another one I also
4 here complained -- but also in recovery, I think
5 there are two other things you can do. First of
6 all, make that mixed drinks to go permanent. And
7 then, you know, consider expanding gaming in
8 taverns and clubs. You know, VGT, skill games,
9 put that on the table and let's have a good
10 discussion because that will help both these
11 establishments, as well as State tax dollars.

12 MR. MOWATT: And if I could, you know,
13 clubs, I agree with pretty much all of what Chuck
14 said. We have -- there's a couple of differences
15 that we -- that we share always. But you know, a
16 lot of our clubs that don't have catering
17 licenses, that don't have outside seating -- so
18 they've been subject to all of these shutdowns
19 all along. They didn't have the summer
20 advantages that a lot of places did. I think
21 that's true for some smaller taverns, as well.
22 They're in the middle of a block, a bunch of row
23 homes, that type of thing.

24 The Maennerchor, as well; they didn't
25 really have any opportunity to go outside. So

1 you know, we would look for the same type of
2 advantages going forward, as well as Chuck
3 mentioned.

4 REPRESENTATIVE HERRIN: Okay. Thank you,
5 folks.

6 MR. TYLER: Can I add one last thought to
7 the idea of outdoors for taverns?

8 These ideas are put out there as though
9 they are an easy solution, will help us continue
10 to survive. I can tell you, when we did -- when
11 we were allowed to open last year in June
12 outside, the expense that I had to spend to get
13 to a point was virtually bringing me down to my
14 last dollar. You're talking about tables,
15 umbrellas, about bars. So the idea of just
16 moving outside is not as efficient and as easy as
17 you may -- as you may think it is or portray it
18 to be.

19 REPRESENTATIVE HERRIN: Yeah, I do
20 understand. I saw our restaurants and taverns
21 here have to purchase all kinds of things,
22 including some big outdoor heaters and so forth.

23 So thank you all very much. This is very
24 helpful. And we look forward to continuing to
25 work with you.

1 MR. TYLER: Thank you.

2 MR. MOWATT: Thank you.

3 MAJORITY CHAIRMAN ROAE: Ironically,
4 talking about sitting at a bar, there's 12 of us
5 sitting -- this is basically like a bar that
6 we're sitting at right now. There's 12 of us
7 basically sitting at a bar, and there's only six
8 people sitting at tables right now. So I guess
9 you can socially distance as a bar just as easy
10 as you can a table, so hopefully the Governor can
11 change that.

12 But our next question is from
13 Representative Jozwiak.

14 REPRESENTATIVE JOZWIAK: Thank you,
15 Mr. Chairman.

16 I'm not sure if this question is for
17 Mr. Tyler or Mr. Moran or even Ted Mowatt.

18 But Mr. Tyler, in your testimony, in your
19 written testimony, you have allowed the clubs
20 that have the small games of chance license to
21 keep all their revenue. So you're talking about
22 eliminating the 60/40 split.

23 Is that what you're referring to there?

24 MR. TYLER: Yes.

25 REPRESENTATIVE JOZWIAK: Okay. So in

1 addition to that, it says you have considered
2 possible expansion of small games of chance.

3 what's your ideas of expansion of small
4 games?

5 There's the 30-day license and the annual
6 license.

7 what else -- what are you talking about?

8 MR. TYLER: Chuck, do you want to --

9 MR. MORAN: Yeah. I've gotten some ideas
10 from members. I mean, they'd be interested in
11 running new types of games, whether it be some
12 type of fantasy stuff with their bars, stuff like
13 that.

14 REPRESENTATIVE JOZWIAK: well, okay. I
15 didn't know if you meant maybe expanding the
16 prize levels in the small games of chance on some
17 of that stuff. So if you have some ideas, if
18 you'd get in touch with me, I'd be happy to talk
19 to you about that.

20 MR. MORAN: Sure will.

21 REPRESENTATIVE JOZWIAK: Thank you.
22 Thank you, Mr. Chairman.

23 MAJORITY CHAIRMAN ROAE: Chairman
24 Galloway has a question, so I'm going to let him
25 sneak in the order now.

1 MINORITY CHAIRMAN GALLOWAY: Thank you,
2 Mr. Chairman. I appreciate it.

3 This is the Commerce Committee. This is
4 not the Governor's Office. This isn't the Gaming
5 Committee. We have over 15 pieces of legislation
6 that deal directly with your industry sitting in
7 our Committee. What I need to know, what we need
8 to know is what about these pieces of legislation
9 do you like, do you not like, have you reviewed
10 them? Is there others that you'd like to see
11 introduced?

12 Thank you.

13 MR. MOWATT: Mr. Chairman, I -- you know,
14 on behalf of the clubs, we will take a look at
15 some of those bills that are in there. And we've
16 commented on a few. There is an amendment to
17 Senate Bill 109 that's apparently going to be
18 considered this week that would provide some help
19 from the \$145 million dollars to help the clubs
20 in the categories that weren't -- that weren't
21 helped, such as Barry's and different 501(c)
22 categories.

23 So we would support -- we would urge
24 support for that legislation.

25 MAJORITY CHAIRMAN ROAE: All right.

1 Next, we have Representative Gaydos.

2 REPRESENTATIVE GAYDOS: Thank you,
3 Mr. Chairman. And thank you for the panel of
4 business owners who are here letting us know how
5 this has just been just so devastating.

6 This is really a question for any of you.
7 What is a typical profit margin of a tavern? And
8 of course, I'm guessing that it's different for
9 fraternal organizations.

10 MR. TYLER: I -- I generally am running
11 at somewhere around 10 percent.

12 REPRESENTATIVE GAYDOS: So going to the
13 Vice Chairman's question, so you know, you said
14 your lower employees get paid \$10.00 an hour?

15 MR. TYLER: Correct.

16 REPRESENTATIVE GAYDOS: And presumably
17 they're less skilled, right, than the ones who
18 get \$15.00, so --

19 MR. TYLER: Yeah, they're generally
20 just --

21 REPRESENTATIVE GAYDOS: Different
22 skilled.

23 MR. TYLER: A lot of them -- yeah, their
24 first -- it could be their first job. It could
25 be their second job. It could be college. They

1 could be attending, you know, a local community
2 college. So it varies, and I have some that are
3 weekend workers as a second job.

4 REPRESENTATIVE GAYDOS: So how will the
5 folks who you pay \$15.00 an hour feel if suddenly
6 someone with no skills moves up and gets paid
7 that \$15.00 an hour?

8 And of course, we're talking your 10
9 percent profit margin. Now we're saying, from
10 \$10.00 to \$12.00. I mean, you know, these
11 numbers just don't add up. How do you even stay
12 in business?

13 So how will those \$15.00 an hour
14 employees react if suddenly someone with less
15 skills starts with \$15.00? What will happen to
16 those?

17 MR. TYLER: They'll be knocking on my
18 door to have a discussion about where their raise
19 is.

20 REPRESENTATIVE GAYDOS: So that just --
21 that would put you out of business? That just
22 like --

23 MR. TYLER: Completely.

24 REPRESENTATIVE GAYDOS: What profit
25 margin would there be?

1 MR. TYLER: There -- yeah. When I --
2 when I refer to a 10 percent, too, I'm kind of
3 referring to, you know, what ends up being what I
4 would refer to more like my gross profit, right.
5 I'm not -- and it's -- it's what the business may
6 end up netting after that -- after those taxes,
7 et cetera. And that's probably to the high side.

8 But I just, you know, all the numbers,
9 with regard to the salaries, just like in any
10 business, are managed, but they're magnified in a
11 hospitality type of business. There is not the
12 same -- specifically, you're talking about having
13 limited capacities and mitigation orders.
14 There's just no way to sustain the -- I don't
15 have the business now to be able to support the
16 employees.

17 MAJORITY CHAIRMAN ROAE: All right.

18 MR. TYLER: You know, I've resorted --

19 REPRESENTATIVE GAYDOS: Thank you.

20 MAJORITY CHAIRMAN ROAE: Okay. Next,
21 we're going to have Representative Warren, and
22 then Representative Jones.

23 Representative Warren.

24 REPRESENTATIVE WARREN: Thank you,
25 Chairman. Thank you, Chairman.

1 I was the -- I was the sponsor last year
2 of the bill that ultimately became Act 21, which
3 permitted the mixed drinks to go, which I think
4 each of the three of you mentioned in your
5 testimony. So one related question, and one
6 directly on point.

7 Mr. Tyler, I read your written testimony
8 last night. Not sure whether you said it today.
9 I had a minute or two of disconnectivity, but
10 something that really resonated was your proposal
11 for relief from the unemployment claim charges
12 for the industry, which really made a lot of
13 sense to me in that the unemployment was really
14 -- was due to no fault of the -- any of the
15 establishments or the industry, but rather
16 external forces, the pandemic. And I'm curious
17 if you have an estimate of what economic impact
18 the unemployment charges would have upon an
19 establishment or upon the industry overall?

20 And secondly, Mr. Mowatt, you mentioned
21 that the fraternal and social organizations did
22 not get the benefit of the mixed drinks to go.
23 And I know that's true. And I'm curious whether,
24 if there were an expansion of mixed drinks to go,
25 and I think they're called beer growlers to go,

1 to the fraternal and social organizations, is
2 that something that might be helpful?

3 Thank you.

4 MR. TYLER: First, with regards to the
5 unemployment, I did not understand, you know, how
6 that was going to be charged back to the
7 employers, considering we were required to be
8 shut down. It is mind boggling to me. But I
9 continue to receive my notification of charges.
10 I have not had the ability to assess the impact
11 at this point for my unemployment compensation
12 claims. So to give you an exact number, I am
13 unable to do that as we sit here right now, but
14 the fact that we have to be charged is, again, is
15 mind boggling.

16 MAJORITY CHAIRMAN ROAE: Okay. Our last
17 question is going to be -- huh?

18 Oh, did you answer the second question?

19 MR. TYLER: That wasn't for me. That was
20 for the clubs.

21 MR. MOWATT: Yeah, we did make -- we did
22 take a run for trying to get added to the bill
23 that allowed for mixed drink sales, just on a
24 fairness basis, on a temporary basis. We -- we
25 can't sell any type of drinks or even beer to go

1 at this point. But you know, we would have
2 welcomed that, and anything else that -- on the
3 long laundry list of things that could be
4 available to clubs, even to get us through the
5 pandemic, we would appreciate.

6 MAJORITY CHAIRMAN ROAE: Okay. Now, we
7 are on the floor at 11:00, so there's going to be
8 a very, very, very brief question from
9 Representative Jones.

10 REPRESENTATIVE JONES: Thank you,
11 Mr. Chairman. I didn't realize I had my hand up,
12 but I will ask a quick one.

13 Are you guys seeing the price of liquor
14 licenses starting to come -- a lot of these bar
15 owners, as you know way better than I do, one of
16 their big -- often their biggest asset is their
17 liquor license. With bars closing and so forth,
18 are we seeing downward pressure on the value of
19 those licenses as supply goes up, and I assume,
20 demand is low.

21 MR. TYLER: I, for one, cannot speak to
22 it. I just have not been paying attention to the
23 market outside of my four walls here to be
24 honest, with regards to, you know, how the --
25 how the license value has been affected. There

1 is still the existence of the supermarkets that
2 are looking to buy licenses. I -- obviously, I
3 think a simple supply and demand, the more that
4 come on to the market, the less the price is
5 going to be.

6 MAJORITY CHAIRMAN ROAE: All right.
7 Well, it's about 11 -- excuse me, it's 10:59
8 right now, so we're going to have to call the
9 hearing to a close. But I would like to thank
10 the testifiers for your testimony today, and also
11 like to thank the members that were here.

12 Chairman Galloway, anything to say real
13 quick?

14 MINORITY CHAIRMAN GALLOWAY: Just I want
15 to thank you, Mr. Chairman, for bringing this up.

16 It's difficult. It's difficult to talk
17 to and about, and to figure out where we fit in.
18 But obviously, we fit into a bigger picture as it
19 deals with all kinds of -- the questions you
20 brought up. And I want to thank all of you for
21 coming here, for testifying today. I appreciate
22 it.

23 Thank you very much.

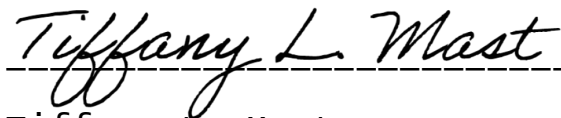
24 MAJORITY CHAIRMAN ROAE: Members, you
25 have 20 seconds to get to the floor. This

1 hearing is adjourned.

2 (Whereupon, the hearing concluded
3 at 10:59 a.m.)
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9 C E R T I F I C A T E
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11 I hereby certify that the proceedings are
12 contained fully and accurately in the notes taken
13 by me from audio of the within proceedings and
14 that this is a correct transcript of the same.
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18  _____

19 Tiffany L. Mast

20 Court Reporter
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