

# BEER SALES REFORM

## Providing More Consumer Convenience with More Protections

### Background:

More than four years ago, Senator Rafferty conducted statewide underage drinking hearings which focused on how minors are obtaining alcohol. Since 1995, the Pennsylvania State Police have been conducting age compliance checks to determine who is selling to minors. It is that shocking data coming from those checks which has revealed that minors are obtaining beer in large quantities (by the case or keg).

The Pennsylvania State Police Bureau of Alcohol Enforcement have conducted hundreds of age compliance checks at beer distributors over the last four years, and when a minor presented a Pennsylvania driver's license (which tells you not to sell before a certain date), beer distributors still sell to minors 40 percent of the time!

Confronted with this data, we must now fix the system!

### Protections:

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#### Pennsylvania must move from an antiquated unsafe system to a modern safer system:

- **100 percent 'carding' for all beer sales.** All transactions of packaged beer must be done with electronic age verification machines or 'carding' of all customers. Example: Since Market Café Restaurants at Wegmans began selling beer in May of 2008, there have been **more than 760,000 transactions with NO violations**. All transactions are subject to the company's 100 percent proofing policy. Since Wegmans instituted its 100 percent carding policy in May 2004, companywide – including other states where beer is bought in the aisles – there have been over 23 million transactions.
- Allow consumers to purchase less beer (six-pack versus a case). Consumers should not be forced to purchase cases or kegs of beer when they desire a lesser amount. If a distributor sells to a minor, it's a case or keg of beer – or worse, multiple cases or kegs.
- Increased enforcement and funding coming from \$25,000 license conversion fees and annual fees of \$2,500 which will generate millions of dollars annually earmarked for enforcement and age compliance checks.
- The number of retail locations will not increase.

## Convenience:

- Provides more flexibility for consumers to purchase beer through food merchant establishments as well as distributors.
  - Multiple surveys conducted show overwhelming support (70 percent statewide and up to 83 percent in Southeastern PA).
  - Forty-six states sell beer in supermarkets and convenience stores.
  - Consumers could purchase six-packs up to a case, instead of only cases or kegs.
  - Pennsylvania has more than 100 microbreweries. More PA microbrewery products will be marketed and sold under a new system which is better able to meet consumer demand. To date, approximately 75 percent of beer transactions at Wegmans are from Pennsylvania microbreweries and imported products.
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## License:

- Supermarkets and convenience stores may purchase an existing Distributor (D), Restaurant (R) or Eatery (E) liquor license and convert it to a Food Merchant License (F).
- A conversion fee of \$25,000 and an annual fee of \$2,500 will go to the PA State Police Bureau of Alcohol Enforcement to be used for underage drinking programs and enforcement.
- F License holders may sell six-packs in any configuration up to and including a case (24 cans or bottles). D License holders may sell 'down' to a six-pack. R and E License holders may sell up to a case.
- Beer distributors can remain in business or sell their license at their convenience. The value of their license will continue to increase.
- This is a slow transition from an unsafe antiquated system to a new modern system used in 46 other states.