

Recent Alcohol Retail Licensing Law Changes

Several states have recently changed their retail alcohol laws to allow broader chain store sales. We can learn from their experience. In looking over what has happened to them, you will notice the breadth of positive impact on each state. Consumers enjoy greater selection, including new brands, along with lower prices for their alcohol. Jobs have been created to accommodate beer and wine sales in chain stores, and while independent liquor stores have been impacted, they are not wholesale closing up and continue to survive in a competitive landscape. Initial public health concerns have not materialized.

Colorado



Before

Colorado chain stores used to only be allowed to sell beer with an ABV below 3.2% and at only one location. Colorado chains threatened a referendum via Your Choice Colorado to immediately be able to sell beer and wine at all locations, but a legislative compromise was passed in 2016.

After

The new law allows chain grocers, convenience, drug, and dollar stores to sell full-strength beer and wine. "Grocery stores could have up to five locations in 2017, eight in 2022, 13 in 2027 and 20 in 2032. After 2037, the limits go away and open competition ensues," according to the [Denver Post](#).

Impact

One [study](#) found that allowing Colorado chain stores to sell alcohol is expected to create 22,000 jobs and save Colorado consumers \$485 million. This new law impacted independent liquor stores much less than expected. Most [local stores](#) that were hurting in the beginning saw a significant rebound within a few months with customers coming into their store for expert advice about what alcohol to buy. These [independent liquor stores](#) are also now allowed to open a second location and sell snacks to help keep profits steady. Before this legislation was passed, Colorado's drunk driving fatality rate in [2015](#) was 182 compared to the year it took effect in [2019](#) with 171 fatalities.

Oklahoma



Before

Oklahoma grocery stores were only be able to sell beer below 3.2% ABV for many years. Oklahoma was also the only state that prohibited refrigerated alcohol statewide. The Yes on 792 coalition successfully placed a law change on the 2016 ballot to allow full-strength beer and wine in grocery and convenience stores. In November 2016, 66% of Oklahoma voters approved the amendment allowing grocery stores to sell beer and convenience stores to sell beer and wine above 3.2% ABV. The new amendment took effect in October 2018.

After

Oklahoma grocery, convenience, drug, and club stores are now allowed to sell beer under 8.99% ABV and wine under 15% ABV. There is no limit on the number of licenses imposed. Chain store must get a licenses for beer and wine separately.

Impact

The Oklahoma ABLE Commission reported record revenue after its law change, with revenue of [nearly \\$14 million in FY2019](#) up from [\\$7.5 million before the law change](#). At the same time, it did not increase the number of Oklahoma outlets ... nor did it significantly decrease them. Only a small number of independent Oklahoma liquor stores closed by the end of 2018 at the same time that the state issued 3,300 new beer and 1,700 new wine licenses, according to the [Oklahoma ABLE Commission](#). As for underage access, an Oklahoma [study](#) found that the most common sources of underage access are parties, friends, and adult purchasers - not retail chain stores. This study also found that complying with state alcohol access laws does not directly correlate with underage alcohol use and even discourages it. With this change also came greater selection of alcohol products and lower prices. Oklahoma [consumers reported](#) seeing the same alcohol.

Pennsylvania



Before

Beer and wine used to only be allowed to be sold in state liquor stores, state beer distributors, delis, and bars. Consumers and politicians alike tried for decades to get Pennsylvania out of the liquor sales business. Several House Republicans first rejected the bill and proposed legislation that would privatize the entire liquor system in Pennsylvania and get rid of the state's liquor control board. However, parties in the House and Senate were eventually successful in gathering support to pass Act 39. In June 2016, Governor Tom Wolf signed into law changes that allow licensed grocery stores to sell beer and a maximum of four bottles of wine to a grocery store at a time.

After

Now, grocery stores and drug stores can sell beer and wine. However, grocery stores that sell alcohol have to hold a café license and provide seating for at least 30 people in a separate section of the grocery store. Shoppers also must purchase beer and wine at a separate cash register than their other groceries.

Impact

Before this law took effect, around 30% of wine was purchased out of state. By increasing in-state wine sales, alcohol sales taxes benefit Pennsylvania, not its neighboring states. This impact is shown in the 2017-18 fiscal year, when the Pennsylvania Liquor Control Board reported record sales with \$381.9 million in liquor tax. While this is only a 3% increase from the previous year, it has taken several years for the state to auction off licenses and as a result, Pennsylvania hasn't realized a lot of increased sales tax and fee increases immediately. Some licenses auctioned off by Pennsylvania have sold for over \$500,000 each. This money from the alcohol sales tax contributed to Pennsylvania's schools, health and human services programs, law enforcement, and public safety. Furthermore, *Communities Mobilizing for Change on Alcohol*, an organization designed to decrease underage access, found that there were significantly lower levels of alcohol sales to minors in retail stores than in bars, restaurants, or other outlets.

Tennessee



Before

Since 1974, Tennessee required retail liquor license applicants to have lived in the state for two years and those looking for renewals to for 10 consecutive years, eliminating the possibility for chains to obtain licenses. The Tennessee Grocers and Convenience Store Association led a seven year legislative effort to change the law, culminating in their 2016 victory.

After

As of 2016, Tennessee grocery, club, drug, dollar, and convenience stores are permitted to sell wine and beer. Tennessee requires two permits to sell alcohol – one from the state to sell wine and liquor, and the other from the city to sell beer.

Impact

Dozens of new jobs were created throughout Tennessee grocery stores after this bill became law. This legislation also had no negative public health implications on Tennessee residents. In 2015, there were over 6,500 alcohol related driving accidents in the state. Two years after alcohol chain store sales were legalized, these accidents decreased by 1%. Furthermore, consumers have enjoyed lower prices of alcohol since this initiative passed. For example, according to the Tennessee Fiscal Review Committee, the average price of a bottle of wine in Tennessee was \$7.98. Due to increased competition, the average price declined by almost 5% to \$7.58.