

44TH DISTRICT
JOHN C. RAFFERTY, JR.

SENATE BOX 203044
20 EAST WING
HARRISBURG, PA 17120-3044
(717) 787-1398
FAX (717) 783-4587

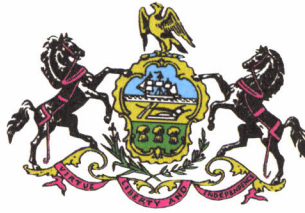
COLLEGEVILLE PROFESSIONAL CENTER
3770 RIDGE PIKE, SUITE 5
COLLEGEVILLE, PA 19426
(610) 831-8830
FAX (610) 831-8837

THE SHOPPES AT PUGHTOWN
2325 POTTSTOWN PIKE
POTTSTOWN, PA 19465
(610) 469-8390
FAX (610) 469-8394

INTERNET E-MAIL ADDRESS:
jrafferty@pasen.gov

WEBSITE:
www.senatorrafferty.com

TO: All Senators
FROM: John Rafferty
DATE: January 14, 2011
SUBJECT: Co-sponsorship Memo – Beer Sales Reform



Senate of Pennsylvania

COMMITTEES

TRANSPORTATION, CHAIRMAN
APPROPRIATIONS
BANKING & INSURANCE
CONSUMER PROTECTION & PROFESSIONAL
LICENSURE
JUDICIARY
LAW & JUSTICE
ADVISORY COUNCIL FOR THE SOUTHEASTERN
VETERANS' CENTER
JOINT STATE GOVERNMENT
COMMISSION, VICE CHAIRMAN
PENNSYLVANIA COMMISSION ON CRIME
AND DELINQUENCY
TARGETED COMMUNITY REVITALIZATION
AND CRIME PREVENTION ADVISORY COMMITTEE
STATE TRANSPORTATION COMMISSION

In the near future I will introduce a bill which will reform the way beer is sold in Pennsylvania.

Since 1995 the Pennsylvania State Police have been conducting age compliance checks to determine who is selling to minors. The Pennsylvania State Police, Bureau of Alcohol Enforcement have conducted hundreds of age compliance checks at beer distributors over the last four years. Surprisingly, when a minor attempts to buy beer by presenting a Pennsylvania driver's license (which tells you not to sell before a certain date) beer distributors still sell to minors 40% of the time! That number is unacceptable and it's time for Pennsylvania to move from an antiquated un-safe system to a modern safer system.

My legislation will provide more consumer convenience and more protections with the following changes to the Liquor Code.

- 100% 'carding' for all beer sales. All transactions of packaged beer must be sold 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 0 violations. All transactions are subject to the company's 100% proofing policy. Since Wegmans instituted its 100% carding policy in May 2004 company-wide – including other states where beer is bought in the aisles – there have been over 23 million transactions with only one violation.
- Supermarkets and large convenience stores may purchase an existing Distributor (D), Restaurant (R) or Eatery (E) liquor license and convert it to a Food Merchant License (F). The number of retail locations will not increase.

- A conversion fee of \$25,000 and an annual fee of \$2,500 fee will go to the PA State Police, Bureau of Alcohol Enforcement to be used for underage drinking programs and enforcement.
- F license may sell 6 packs in any configuration up to and including a case (24 cans or bottles). D may sell 'down' to a 6 pack. R and E 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.

It is time for Pennsylvania to move away from an un-safe antiquated system to a modern system used in 46 other states. And the consumers are supportive. Multiple surveys show overwhelming support (70% state-wide and up to 83% in areas like S.E. PA). This legislation will provide more flexibility for consumers to purchase beer through food merchant establishments as well as distributors; and will provide better protections against underage drinking.

This bill will allow consumers to purchase less beer (6 pack vs a case) if they so desire. Consumers should not be forced to purchase cases or kegs of beer at a distributor when they desire a lesser amount. Additionally, if a distributor sells to a minor, it's a case or keg of beer – or worse, multiple cases or kegs. And this bill provides increased enforcement and funding coming from license conversion fees and annual fees which will generate millions of dollars each year earmarked for enforcement and age compliance checks.

Pennsylvania has more than 100 micro breweries. More PA micro brewery products will be marketed and sold under a new system which is better able to meet consumer demand. To date, approximately 75% of beer transactions at Wegmans are from Pennsylvania micro breweries and imported products. Individuals are likely to try a new beer product if they can purchase a six pack instead of case.

If you would like to co-sponsor this legislation, please contact my office at 787-1398.

Thank you.