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Testimony to the Florida House Business and Professions Subcommittee

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As Florida director of the R Street Institute, one of my responsibilities is to identify emerging free-market issues in my state and suggest to our national office in D.C. that we engage on them. Some of our experts have done work related to alcohol retail in other states, and like those cases, we see the issue before you here today as strictly a free-market one, especially the repeal of outdated provisions in Section 12 of the bill.

We believe it is government's responsibility to provide, enforce and ensure public safety. That definitely includes making sure that existing barriers preventing minors from accessing alcohol are preserved.

But we do not believe businesses that already sell alcoholic beverages and abide by those public safety regulations should be required to incur the enormous expense of essentially erecting a stand-alone store just to sell other kinds of alcoholic beverages.

The protocols employed by stores that sell beer and wine are essentially the same as those that sell other forms of liquor. That is, they must adopt policies and procedures to ensure they do not sell to minors, as well as loss-prevention safeguards to impede shoplifting.

In fact, our research has shown that convenience stores, supermarkets and other retailers that sell alcohol perform better than liquor stores in preventing sales to minors. This is especially true among big-name retailers who devote millions of dollars in resources to their loss-prevention departments. They also have a lot more at stake than smaller stores if they are caught breaking the law by selling alcohol to minors.

This ties into other research finding *de minimis* difference in rates of underage drinking between states that allow liquor sales by supermarkets and other retailers versus states that do not. The reason for this is simple: the overwhelming majority of minors who drink either purchase get their alcohol from friends, family and, in most cases, their own parents.

Therefore, I would conclude the only reason to preserve the status quo and continue requiring businesses to incur the expense of essentially erecting a stand-alone store to sell liquor is to use

the force of law and government to protect one particular segment of the market. In our view, that is not a proper role for government.

Rather than suppress commerce, government should explore ways to reduce barriers to make it easier for willing consumers to transact with the businesses of their choosing. Laws that hinder the growth of existing businesses or the entrance of new businesses should be repealed, especially when they serve no public safety purpose.

Repealing this onerous requirement will not put liquor stores out of business. On the contrary, it would encourage the industry to innovate and better compete with other retail stores. Likewise, consumers would benefit from greater competition, because they would have more options and reap the benefit of lower prices, which may very well lead to more tax revenue.

As it currently stands in Florida, it's not any easier for a minor to buy beer at a supermarket than it is to buy liquor at a liquor store. As such, we support the repeal of outdated laws that impose expensive, onerous requirements on businesses as a precondition to sell particular kinds of alcohol legally, as well as other provisions that reduce the hurdles emerging businesses and business models must clear.