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Testimony from:

Marc Hyden, Director of State Government Affairs, R Street Institute

Testimony on HB 879, “AN ACT to amend Article 1 of Chapter 3 of Title 3 of the O.C.G.A., relating to provisions regarding the regulation of alcoholic beverages generally, so as to provide for the legislative intent of the General Assembly to exercise strict regulatory control over the three-tier system; to provide for penalties; to provide for related matters; to repeal conflicting laws; and for other purposes.”

June 19, 2020

Senate Regulated Industries Committee

Chairman and members of the committee,

My name is Marc Hyden. I am a Georgia resident and the director of State Government Affairs for the R Street Institute, which is a nonprofit, nonpartisan public policy research organization. Our mission is to engage in policy research and outreach to promote free markets and limited, effective government in many areas, including alcohol policy and public safety. That’s why HB 879 is of special interest to us.

As it stands, the Peach State has a peculiar stance on direct-to-consumer alcohol delivery. The current law stipulates that while wine may be shipped directly from wineries to Georgians’ homes, spirits and beer may not. The statute further restricts retailers from delivering any form of alcohol to homes, which makes little sense. Retailers specialize in selling products to consumers, and allowing home delivery from retailers to consumers is a logical extension of that practice.

The simple truth is that home delivery services have forever changed commerce and sated consumers’ desire for more convenient experiences. They permit customers to shop around for the best deals and have products shipped directly to their homes, meaning shoppers do not have to cope with traffic or long lines at stores. Rather, they can make purchases from the comfort of their own homes.

As we have seen in the many states that already permit home alcohol delivery, this can be done safely and responsibly. Those who make deliveries must follow the same rules and regulations that prohibit the sale of alcohol to minors or to the dangerously intoxicated.

What’s more, when Georgians entertain guests at their homes and run out of alcohol, they face a few choices: They can conclude their gathering, hail a taxi to drive them to the local store or they can risk driving drunk to acquire more alcohol.

However, with a more expansive alcohol home-delivery model, party hosts can stay put, and allow a delivery person to make the run—safely and quickly; in other states, some merchants have rolled out

one-hour delivery systems. This policy would almost certainly encourage more Georgians to think twice before getting behind the wheel after drinking too much, which would reduce DUIs and save lives.

Further, home alcohol delivery is even more important given the uncertainty of the ongoing pandemic, because it gives consumers—including those who are at-risk for COVID-19—another method of obtaining alcohol, while being able to simultaneously shelter in place.

For these reasons, the R Street Institute approves of the concept behind this bill, but we worry that as originally drafted, Georgians may not have been able to enjoy the full benefits. We feel that it would exclude some companies, current and future, from being able to make deliveries by barring retailers from also being carriers.

Addressing this would be only a small tweak that would improve the bill, and doing so would allow more merchants to meet consumer demand in the evolving world of e-commerce, all while making Georgia a safer place to live.

Whereas we have not seen any potential amendments or committee substitutes, which may be before this committee, if they fairly permit much broader competition, while allowing of-age consumers to safely and legally enjoy home alcohol delivery without unnecessary impediments, then the R Street Institute believes it is a step in the right direction.

Thank you for your time.

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