



Testimony from: C. Jarrett Dieterle, Senior Fellow, The R Street Institute

In SUPPORT of HB 449, “Sale of Frozen or Mixed Alcoholic Beverages for Off-premises Consumption”

February 4, 2021

Representative Overdorf:

Thank you for considering this testimony. The R Street Institute 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. Part of that work includes analyzing and supporting rational alcoholic beverage policies that respect individual freedom, free enterprise and the public well-being.

Our team has been closely following efforts across the country to modernize the system around to-go and delivery alcohol. Since the coronavirus pandemic began, over 30 states have implemented some form of temporary authorization for to-go and delivery mixed beverages from restaurants and bars. Several states, including Ohio and Iowa, have already made these reforms permanent via enacted legislation. In addition, so far, over a dozen more states are likewise considering legislation to make permanent or substantially extend to-go cocktails.

Unlike nearly every other sector of the modern American economy, alcohol has remained largely sidelined from the delivery marketplace. Based on outdated notions stemming from Prohibition, alcohol laws and rules restricting alcohol delivery stubbornly remain on the books in many states and locales. Americans have grown accustomed to having everything from pharmaceutical drugs to cheeseburgers delivered directly to their doorstep, but alcohol has been arbitrarily locked out of this economic modernization.

The importance of allowing delivery and to-go alcohol has only become more important in the new normal of COVID-19 and beyond. Across the nation, people-oriented businesses like restaurants and bars have suffered as much or more than any other sector due to social distancing orders and restrictions on in-person dining. Given that alcohol sales often comprise a substantial portion of a restaurant’s revenue, it has become extremely difficult for these businesses to continue operating without the ability to offer to-go alcohol.

The economic impact of to-go alcohol for restaurants and bars is clear. During the pandemic, establishments that have been permitted to sell to-go and delivery alcohol have been able to bring back furloughed workers at higher rates than those who cannot serve to-go alcohol. To-go cocktails also can

open up potential new lines of businesses even after COVID-19, since many restaurants include takeout options as a key part of their business model.

While there has been some pushback among certain groups arguing that to-go and delivery alcohol could increase drunk driving rates, the most likely outcome of these reforms will be a reduction in drunk driving. The ability to order delivery alcohol alleviates the need to drive places to get it, and the Governors Highway Safety Association (GHSA) has noted that it has not heard of any concerns from highway safety agencies across the country as a result of COVID-19 alcohol reforms, including to-go and delivery cocktails.

During these uncertain times, it is important to consider innovative and responsive policy updates that can help small businesses survive. To-go and delivery alcohol is one such policy, and we therefore urge support for this reform.

Thank you for your time and consideration, and please do not hesitate to contact us if we can be of further assistance.

Respectfully submitted,

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