

Opinion

Latest beer bill in legislature would undermine 2016's sensible compromise

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There are many risks associated with owning a small business, risks which small business owners willingly assume as part of the choice they make to build their local economies and communities. One that they should not need to endure is the state legislature changing the rules midstream to artificially give one particular segment of their industry a state-backed competitive advantage. Unfortunately, Senate Bill 243 is doing just that.

Being able to sell alcohol in Colorado is a privilege, one grounded in responsibility to the community, to our employees and to our customers. Convenience stores in Colorado are varied in size, shape, and what we offer, but we invariably take our position in the community seriously. The same industry that runs your local neighborhood convenience store also provides fuel to fire departments, ambulance fleets and schools, delivers home heating fuel, and responds to meet the community's needs when disasters occur.

Many of our members serve on the same boards, local chambers of commerce, and rotary clubs as our colleagues in the liquor store industry. Because of that, we thought that working with the liquor stores on Senate Bill 16-197 back in 2016 was a good faith effort at collaboration and reconciliation, representing a cease-fire from a decade of "beer wars" at the Colorado legislature. We helped secure the long-term position of liquor stores by providing increased barriers to entry for competition in wine and liquor sales and agreed to increased competition for our own stores through unlimited sales in our top inside product categories.

undo all that hard work and honest effort is an understatement.

- SB18-243 reverses many of the gains we made in the state two years ago when we worked to allow grocery and convenience stores to sell beer. To begin with, the bill imposes undue, unnecessary, and redundant proximity requirements on our stores, placing a distance restriction between a grocery or convenience store and a liquor store. This means that any new stores built on the assumption that the 2016 law would stand and the agreement we worked so hard to achieve would be honored, will now suddenly be out of compliance and forced to give up its right to sell a product which, in many cases, represents a significant product investment.

To put this into context, consider my recent experience at acquiring a 3.2 license: I started the process in November of last year and it took over 4 months of public hearings and securing letters of support from my neighbors and local community organizations. I had to go through the same checks at the state level as liquor stores and provide almost as much information as it takes to be a federally and state licensed dealer of transportation fuels. Through this extensive process community needs are taken into account and public safety issues addressed. What, then, is the purpose of a proximity restriction? Those same measures I spent months going through will be in place for any new applicant, with or without SB 243. The only explanation we are left with is that the distance restriction is nothing more than a measure to restrict competition.

If SB 243 passes, business owners in our industry, despite waiting almost two years to finally be able to sell beer, will be burdened with even more barriers to entry and will even have to face tough choices concerning our employees. SB 243 prohibits persons under 21 years of age from handling beer in a convenience or grocery store; therefore, should the bill become law, convenience store owners will be forced to make a tough call on the continued employment of our current 18-to-20-year-old associates. These employees and young adults are diligent, responsible, and hard-working productive members of society. For some it is a second job to help provide for their family, or to save money for college; for others it is their all-important first job, their entrance into the working world. SB 243 as written will curtail job opportunities for our neighbors and jeopardize the working status of people who have done nothing wrong, but because of legislative action will be prohibited by law from performing current job functions.

Finally, the bill imposes on convenience stores a requirement that at least 20% of their sales be from food, in order to be allowed to sell beer. This requirement will eliminate the ability of hundreds of small businesses like mine to sell beer, in direct contradiction of the intent of the agreement reached in 2016.

This ill-conceived bill is not seeking to address any impending or looming crisis; it will do nothing but restrict consumer choice, and reimpose the heavy hand of government control over what small businesses in the state can sell. The current law enables the efficient and seamless entry of small businesses like mine into the beer market. The state legislature should allow the current law – and the free marketplace – to work, rather than enact legislation to distort that market to give competitive advantage to one group over another.

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