

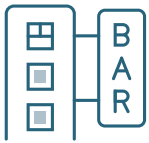
SUPPORT LOCAL RESTAURANTS

HB 2773 (spirituous liquor; delivery; off-sale permits)

REPRESENTATIVE JEFF WENINGER

CO-SPONSORS: CHÁVEZ, HERNANDEZ, A., KAISER, LIEBERMAN, NUTT, SHAH

HB 2773: KEY PROVISIONS



- Creates a statutory structure allowing **Series 6** liquor licensees to sell mixed cocktails for off-premises consumption
 - No additional application or fee required



- Allows **Series 12** liquor licensees to apply for and purchase a permit to sell mixed cocktails for off-premises consumption
 - Must apply to DLLC and be approved (similar to growlers)
 - Must pay additional fee
 - Additional alcohol training required
 - Must maintain 40/60 food-to-alcohol ratio; loss of license if non-compliant



- Creates a new license type for **third-party facilitators**
 - Must apply and be approved by DLLC
 - Liquor training for delivery drivers
 - Reporting requirements
 - Age verification

AS CONSUMER PREFERENCES CHANGE, RESTAURANTS MUST EVOLVE TO SURVIVE

To-go orders from restaurants have much lower profit margins than on-premises sales. As consumer preferences change, it is important for Arizona's alcohol policy to also be examined. The growing trend of to-go orders, combined with the effects of the pandemic, are severely impacting Arizona's restaurant industry.

52%

of adults said that purchasing **takeout or delivery food** is essential to the way they live; this has **doubled** in just the past 10 years

58%

of adults said they are more likely to have restaurant food delivered than they were two years ago

12%



of Arizona's restaurants have closed over the past year, more closures likely still to come



With the growing trend of off-premises orders, restaurants are losing on-premises cocktail sales; by allowing to-go cocktails, restaurants will be able to recapture some of those dollars



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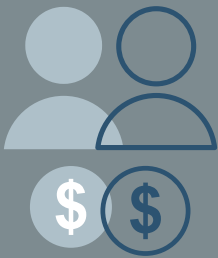
states have statutorily passed cocktails-to-go for restaurants

Colorado, Illinois, Iowa, Ohio, Oregon, Massachusetts, Michigan, Kansas

12

states considering legislation (not including Arizona)

Delaware, Florida, Kentucky, Virginia, Missouri, Nebraska, Maryland, Oregon, New Jersey, Texas, New York, New Hampshire



Success for restaurants does not mean loss of revenue for Series 6 licensees; to-go cocktails from restaurants are a **convenience item** that is **not** in competition with other liquor purveyors



Protects state and local sales tax revenue; the State will also realize an increase in liquor permit fees to be used for increased enforcement



Cocktails are an artisanal item, which can be drastically different in quality and style, even when using the same ingredients; while beer and wine are easily attainable at a grocery store or a liquor store, cocktails are not easily replicated at home

PLEASE SUPPORT

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For more information, contact Dan Bogert at (602) 307-9134.

#AZCocktailsToGo