



## OFF-PREMISE RETAIL LICENSE LIMITS

The alcohol industry operates on a **three-tier system** in which alcohol producers can only sell their products to wholesalers, wholesalers can only sell to retailers, and only retailers can sell to consumers. For over 80 years, **the three-tier system has maintained balance among the tiers while promoting competition and consumer choice.**

To help **achieve a competitive balance within the retail tier**, many states put a limit on the number of off-premise retail licenses a single person or entity can hold.

### WHAT IS OFF-PREMISE RETAIL LICENSE?

Off-premise retail licenses are **licenses for retailers who sell alcohol in original sealed containers for off-premises consumption** such as package stores, convenience stores, liquor stores, wine stores, and grocery stores.

### BENEFITS OF OFF-PREMISE RETAIL LICENSE LIMITATIONS

Limiting the number of off-premise licenses any one person or entity **can hold prevents large retailers from leveraging their market power** to dominate the local alcohol market.

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### A MARKETPLACE OF DIVERSE RETAILERS:



**Encourages growth** of smaller retailers and entrepreneurs that would be pushed out by large retailers if unlimited licenses were available.



**Brings innovation and creativity** to the marketplace compared to the homogenous alcohol selection sold by large retailers.



**Develops product variety and diversity** for consumers and grows craft brands which would otherwise not be sold by large retailers that sell only nationally recognized brands.