



## **News for Immediate Release**

**Feb. 1, 2013**

### **Governor Corbett Discusses Liquor Privatization Plan in Scranton, Highlighting Consumer Choice, Convenience; \$1 Billion Proceeds to Education**

**Scranton** – Governor Tom Corbett was in Scranton today continuing to promote his plan to privatize the liquor system in Pennsylvania and his commitment to the \$1 billion in proceeds from the process going to education funding.

Corbett was joined today by Rep. Sandy Major, R-Susquehanna County; Rep. Tina Pickett, R-Bradford County; and Rep. Mario Scavello, R-Monroe.

Corbett said that the \$1 billion will be used to create the Passport for Learning Block Grant, which will provide flexibility to schools, allowing our public schools, instead of Harrisburg, to decide what their students need.

The grant will focus on four priority areas: school safety, enhanced early education programs, individualized learning and science, technology, engineering and mathematics courses and programs.

“Our proposal is part of my commitment to changing Harrisburg, streamlining government and moving Pennsylvania forward,” Corbett said. “Our plan gives consumers what they want by increasing choice and convenience, and helps to secure our future by adding \$1 billion in funding toward the education of our children, without raising any taxes.”

The \$1 billion in revenue will come from the three to four year process of selling the LCB: \$575 million from the wholesale license process, \$224 million from the wine and spirits retail auction process, \$107 million from the wine/beer license application process and \$112.5 million in the enhanced beer distributor application process.

“Pennsylvania and Utah are the only two states in the country who have fully state-controlled liquor systems,” Corbett said. “Our plan sells both the wholesale and retail arms of the state-run liquor business.”

“I want Pennsylvanians to enjoy the same convenience that virtually every other American today has,” Corbett said.

“My plan gets the state completely out of the liquor business. The state will no longer be a marketer of alcohol; instead, it will now focus on its role as a

regulator," Corbett said. "It also creates an unprecedented opportunity for economic expansion for private sector employers while remaining revenue neutral for the state."

Currently, there about 600 state stores in Pennsylvania, the governor's plan allows for 1,200 wine and spirits stores.

During the previous decade, the state stores' expenses have grown faster than their revenues, Corbett added.

Corbett said that his plan will offer Pennsylvania consumers greatly increased convenience and choice, because they will be able to buy the products they desire in a simpler, more accessible and more rational way. For example, consumers will be able to buy beer and wine where they shop for groceries, buy six packs of beer at a distributor instead of being forced to buy an entire case, and buy a six pack of beer at a convenience store.

Currently, Pennsylvania has far fewer alcohol retail establishments per resident than the average state. This proposal would allow the number of establishments to be naturally driven by the market, as it is in other states.

Corbett said that his plan balances the increased amount of retailers with additional enforcement measures.

The governor's plan calls for significantly enhanced fines for selling to minors and visibly intoxicated persons, with penalty ranges increasing from \$1,000 - \$5,000 to \$5,000 - \$10,000. The additional money from license surcharges and increased fines will be designated for enforcement efforts of the Pennsylvania State Police, Bureau of Liquor Control Enforcement, who will see a 22 percent funding increase under this plan. Corbett also proposes a 75 percent funding increase for alcohol treatment and prevention efforts.

Corbett's plan also calls for mandatory minimum license suspensions for businesses convicted of second and subsequent offenses for sales to minors or to VIPs. This will cause violations to be more meaningful, instead of being considered just a cost of doing business.

New alcohol retailers, such as wine and spirits stores, grocery stores, pharmacies and convenience stores must all use an ID scanner device before they can sell alcohol.

Corbett also explained that his proposal is fiscally neutral. Every dollar not returned to the state due to the divestiture of the LCB is returned to the state through restructured fees. He also noted that history in other states shows that many of the private sector jobs created will have comparable compensation. Corbett also noted that his plan includes measures for affected LCB employees, including tax credits for businesses that employ separated workers, educational

credits, civil service credits, individual employment plans and a multi-agency committee to help displaced employees find re-employment.

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