Prospects Brighten For Wine In Tenn. Groceries

ERIK SCHELZIG,Associated Press

NASHVILLE, Tenn. (AP) — The top two Republicans in the Tennessee General Assembly support allowing the sale of wine in supermarkets, and the influx of new GOP lawmakers is giving them the opportunity to reshape key committees where efforts to make that change have long been blocked by opponents.

Under the state's restrictive three-tiered beverage control system, every drop of alcohol is supposed to flow from the manufacturer to a wholesale distributor and then to the retailers. And any bottle stronger than beer can only be bought at one of 501 liquor stores around the state.

The latest proposed overhaul would give counties that currently allow liquor sales to hold a referendum on whether to remove liquor stores' exclusive right to sell wine.

"It's one of those issues we've battled forever," Senate Speaker Ron Ramsey, R-Blountville, told The Associated Press. "And I think the opponents have held it off for about as long as they can hold it off."

Fellow Republican House Speaker Beth Harwell of Nashville agreed.

"This has been coming for a long time," she said. "It's certain that the public would like to see that, and hopefully we can work out something that is a win-win for everybody."

Republicans added to their already substantial advantages in both the Senate and House this year, gaining supermajorities in both chambers. Both Ramsey and Harwell are working on new committee assignments, including in the state and local government panels that have torpedoed the measure in the past.

"That will be a consideration that I will be thinking of when I'm making my committee appointments," said Ramsey. He's a teetotaler but considers the wine-in-groceries issue a matter of encouraging free-market principles.

David McMahan, a lobbyist for the state liquor stores association, said the proposal could undermine the state's efforts to combat underage drinking and would unfairly hurt existing businesses established with the understanding they would have exclusive rights to sell wine.

"This whole thing is much more complicated than the convenience of somebody saying, 'Hey I'd like get my bottle of wine where I buy my pork chop,'" he said. "It's really not that inconvenient."

McMahan said liquor stores have rejected suggestions that they be allowed to sell beer and other items as part of the proposed law change regarding wine. Most

liquor stores don't have the space or expensive coolers to suddenly sell beer, and he argues offering other goods could give minors a pretense to enter the business in search of liquor.

"We don't want to sell candy and soft drinks and things that would let them in the store," he said.

A Vanderbilt University poll conducted last year found at least 60 percent of Tennesseans support allowing wine in supermarkets — even when the survey question noted arguments that the change would hurt small businesses.

Republican Gov. Bill Haslam has expressed reservations, but acknowledged the move would be popular among many Tennesseans.

"If it came to a vote in Tennessee, it would probably pass," the governor said.

The governor said he hasn't been approached about what the local referendum element would entail and that he wasn't yet ready to say whether he would oppose such a move.

While liquor lobbyists are confident that the bill will gain no more traction than in previous years, an AP analysis of campaign finance data shows political action committees run by liquor wholesalers and retailers have significantly boosted spending over the past decade as part of their efforts to support of the status quo.

With final campaign finance reports still pending for the 2012 election cycle, the Tennessee Wine and Spirits Retailers PAC had given more than $128,000 to state candidates and committees, a 46 percent increase over the previous two-year cycle and eight times as much as it gave in the 2003-2004 cycle.

Meanwhile, the Wine and Spirits Wholesalers of Tennessee gave more than $205,800 in the recently completed election cycle, tripling the amount it spent in the 2004 cycle.

The change is favored by large supermarket chains such as Kroger, Publix and Costco, each of which has its own lobbying presence at the Capitol, as does the Tennessee Grocers and Convenience Store Association, which has overseen a statewide campaign called Red, White and Food to promote the change.

State Rep. Jon Lundberg, R-Bristol and a main sponsor of the wine-in-supermarkets bill, said he expects economic arguments to win.

"It's not a liquor bill, it's a jobs bill," he said. "Right now the state is mandating a monopoly, and I don't think citizens want that anymore."

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