

ABL WEEKLY

Policy, Industry & Business News for Beverage Retailers

Friday, January 4, 2019

Issue 364

MEETINGS & EVENTS

[January 9 - MSLBA Alcohol Beverage Industry Opening Day Legislative Reception | Annapolis, MD](#)

[January 15 - SDLBDGA Annual Meeting & Legislative Hog Roast | Pierre, SD](#)

[February 24-26 - RHI Sociable City Summit | Philadelphia, PA](#)

[March 15-18 - Wine & Spirits Guild Spring Meeting | Philadelphia, PA](#)

[March 19 - TLW Annual Legislative Day | Madison, WI](#)

[March 20 - ILBA Lobby Day & Legislative Reception | Springfield, IL](#)

[March 24-26 - 2019 ABL Annual Meeting | Las Vegas, NV](#)

[March 31-April 3 - WSWA 76th Annual Convention & Exposition | Orlando, FL](#)

[April 1-4 - TLW Spring Conference & Tradeshow | Appleton, WI](#)

[April 7-10 - NBWA Legislative Conference | Washington, DC](#)

[May 5 - MBDAPA 83rd Annual Convention & Tradeshow | Pocono Manor, PA](#)

[June 3 - ILBA Annual Gold Outing | Springfield, IL](#)

[June 10-12 - Beverage Alcohol Retailers Conference | Louisville, KY](#)

[September 9-11 - MTA Annual Convention & Tradeshow | Sidney, MT](#)

[September 12 - IABR Fall Golf Outing | Indianapolis, IN](#)

[September 15-17 - ILBA Annual Convention & Tradeshow | LaSalle, IL](#)

[October 10 - IABR Annual Meeting & Board of Directors Meeting | Indianapolis, IN](#)

ABL & PUBLIC POLICY News

[Government Shutdown Means You May Not See Any New Beers or Wines for a While:](#) The prolonged government shutdown is already dramatically impacting the lives of federal workers and is leaving investors in the dark due to the lack of economic updates. But some impacts are less obvious. Among those: Until the government reopens, there won't be any new beer or wine releases. Breweries and wineries require federal approval for their products' labels. That department is closed these days, though, meaning brewers and vintners who want to roll out something new can't.

[Cannabis May Be Legalized At Federal Level Soon:](#) 2019 is tipped to be a good year for the legalization of cannabis. Marijuana may be approved at the federal level here in the U.S. in some form, with products derived from it getting a wider acceptance. According to a report by Forbes, the events in 2018 surrounding cannabis will help in increasing momentum to get marijuana legalized at the federal level this year. The two major developments last year were getting a legal sanction in Canada for recreational use and establishing a ready market for both sales and research. And in the U.S., the new Farm Bill has already legalized industrial hemp.

[Consumer Confidence Takes a December Dive:](#) Despite record holiday sales, U.S. consumers are starting to feel less confident about the economy amid trade concerns, market volatility and worries about slowing global economic growth. The Conference Board's Consumer Confidence Index took a dive in December, falling to 128.1, down from 136.4 in November. It was the largest monthly decline since July 2015 and the second consecutive month of declines. (In October, the Confidence Index was 137.9, its highest reading since 2000.)

[2019 U.S. Alcohol Consumption to Increase While Population Growth Stagnates:](#) In an abstract titled, "Alcohol Consumption in the United States: Past, Present, and Future Trends" published in the Journal of Wine Economics Volume 13, Number 2, James Fogerty and Derby Voon examined "long-run changes in alcohol

consumption patterns for the United States, at the state level, and presents forecasts for per capita consumption of beer, wine, and spirits." The research covered from the early 1970s into the first dozen years of the 21st century.

[Sports Betting Tax Revenue Not Likely to Be 'Pot of Gold' for State Budgets if Legalized](#): The race to legalize sports betting is on now that the U.S. Supreme Court has allowed it in all 50 states, but will it provide enough extra tax revenue to make much of a difference for schools, roads or pension debt? Just look to the states that capitalized immediately after the court's ruling last spring and to Nevada, which previously had an effective monopoly on sports gambling. Even though the market is still developing, the returns to date have been modest.

[Appeals Court Rules "Joint Employment" Test as Too Broad](#): In late December, the U.S. Court of Appeals for the DC Circuit ruled that a 2015 National Labor Relations Board (NLRB) decision failed to properly define "indirect control" as related to working conditions as part of the agency's so-called "joint employment test," Reuters reports. The 2-1 decision is being hailed a victory for business groups. The Obama-era test was to determine whether the relationship between a business and the employees of its contractor or franchisee qualifies as joint employment.

[Music Modernization Act Is an Important Display of Political Harmony \(Op-Ed\)](#): If there's one thing in this chaotic world that brings people together, it's music. It's that love for music that has united people across the music industry and across the political spectrum to support the Music Modernization Act. We two are among those strong supporters — because we're proud of this pitch-perfect and bipartisan bill that helps musicians get paid fairly for their enormous contributions to culture and society.

[The Music Modernization Act's Biggest Battle Is Still Ahead](#): "Historic" was the adjective of choice for artists, songwriters and politicians alike when Congress passed the Music Modernization Act earlier this year. The overdue bundle of reform — intended to update copyright rules for the streaming age and help music-makers take home more money — was an industry-wide effort, years in the making. The MMA's passage drew the template for a new licensing structure. But the finer details of that structure have yet to be delineated.

[Top 10 Events of 2018 That Shaped Marijuana Policy \(Op-Ed\)](#): 2018 was a watershed year in the battle for marijuana policy reform. At both the state and federal level, advocates scored numerous victories, and gained significant momentum for further reforms in the year to come. Here is a look back at some of the more significant events that shaped cannabis policy in 2018.

[All You Need to Know About Music Licensing](#): Any time you want to use a specific piece of music either as your message hold on program or to play in your facility, you will need permission. Every piece of music that has been composed comes with a license agreement that explains the way that music can be used. Click here to understand what kind of legalities and fines apply to the use of music. The type of license you require depends on how you are going to use the music. For instance, if you want to perform the song in public there is a different license for it. If you want to play the recording in your store or use it in your marketing video the license you would require is different.

AFFILIATE News

Retail Liquor Association of Oklahoma

[Liquor Stores Closing Due to Oklahoma's New Alcohol Law](#)

Some liquor stores are out of business three months after alcohol modernization laws took effect in Oklahoma. The Sooner State lost 18 retail liquor stores -- the state had 645 liquor stores and now has 627 -- between Oct. 1 and Oct. 31, according to data from the Oklahoma Alcoholic Beverage Laws Enforcement Commission. In October 2017, a year before State Question 792 became law, Oklahoma had 684 liquor stores, marking an 8.3 percent drop in one year.

Tavern League of Wisconsin

[SafeRide Program: Over Three Decades of Success](#)

The Tavern League of Wisconsin is proud to announce its award-winning SafeRide program provided over 91,000 free rides home from TLW-member businesses in 2017-2018. The highly successful program is administered by

Tavern League members in 62 counties and monitored by the Wisconsin Department of Transportation. The cost of this year's program was over \$700,000, with financial support from a surcharge on OWI convictions and fundraising efforts of Tavern League members.

INDUSTRY News

Axios

[Sin Industries Like Marijuana and Sports Betting Could Shine in 2019](#)

Brewbound

[IRI: Off-Premise Craft Beer Sales Up 2.5 Percent](#)
[Three Big Storylines That Defined Beer in 2018](#)

Mast-Jägermeister U.S

[Jägermeister Aims for an On-Premise Boost with Manifest, Its New Upscale Line Extension](#)

National Law Review

[Connecticut Court Rules in Favor of Medical Marijuana User in Discrimination Case](#)

SevenFifty Daily

[5 Ways to Make the Most of Your Beverage-Buying Budget](#)

STATE & LOCAL News

[California: New Laws Affecting the California Alcohol Sector in 2019](#): Winery and alcohol producers now can post photos on social media about upcoming special events at restaurants, bars, wine stores or other venues in California. Another new state law prohibits cannabis-infused cocktails. These are among the new California laws that became effective Jan. 1, according to the California Department of Alcoholic Beverage Control. Here are a few state bills affecting the alcohol industry that Gov. Jerry Brown signed into law in 2018.

[Colorado: Mom and Pop Liquor Stores Brace for Jan. 1, When New Law Allows Grocers to Sell Full-Strength Beer](#): With full-strength beer on tap for Colorado grocery stores next week, some mom and pop liquor stores are a bit nervous about what it will do to sales. "Of course, I'm worried," said Pat Bataa at Geno's Liquors in Denver's Highlands neighborhood. On Tuesday, Jan. 1, 2019, beer that is 3.2 percent alcohol by volume will be history in Colorado. Grocers and convenience stores will finally be allowed to carry full octane libations.

[District of Columbia: From Rats to Noise Complaints, City's New Nightlife Director Takes-On D.C. After Dark](#): It was nearly 8 p.m. when D.C.'s new director of nightlife and culture dashed into a Starbucks south of Dupont Circle. But it wasn't the promise of coffee that sent him darting inside. It was the trash cans he spotted, uncovered and overflowing – an invitation for rats. "Hey, who takes the trash out?" Shawn Townsend asked as bewildered customers looked up from their drinks. "I'm from the mayor's office. No one's in trouble. I just want to talk."

[Florida: "Pinot to Go" Bill Aims to Remove Wine Restrictions](#): Florida lawmakers could soon allow consumers to purchase bigger bottles of wine and take home wine from restaurants without buying food. State Sen. Jeff Brandes, R-St. Petersburg, filed a bill Wednesday in Tallahassee that would change state law to eliminate restrictions on wine containers. Florida law currently restricts the sale of wine to containers smaller than one gallon, which is approximately five standard 750ml bottles.

[Idaho: State's New DUI Law Requires First-Time Offenders to Install Ignition Locking Devices](#): Beginning Tuesday, first-time offenders of driving under the influence of drugs or alcohol in Idaho will be required by law to install an ignition interlock device in their vehicles. Previously, only people who got a DUI on more than one occasion were required to use the device. It requires a driver to blow into a mouthpiece before starting their vehicle; the mechanism will only unlock the ignition if the driver is deemed sober. The new law requires DUI

offenders to install the device in their vehicle, at their expense, for a year, after their license suspension period.

Indiana: Governor Remains Against Legalizing Marijuana: Indiana Gov. Eric Holcomb says he remains opposed to efforts to legalize medical or recreational marijuana in the state, even though voters in neighboring Michigan approved a November ballot initiative legalizing the drug's recreational use. The Republican governor tells The (Northwest Indiana) Times that he's "just not willing to look at that, especially since it is illegal right now according to the federal government." The federal government doesn't accept marijuana for medical use and warns of its high potential for abuse.

Iowa: Alcoholic Beverages Division Issued Record Number of Licenses in Last Fiscal Year: There were more places than ever to buy alcohol for a New Year's Eve party in the state. Iowa Alcoholic Beverages Division spokesman, Tyler Ackerson, says the fiscal year that ended in June showed an increase in licenses. "We had almost 17,000 licenses issued throughout the fiscal year, and that's a new high for us," Ackerson says. "We also saw more than 21,000 people being trained and certified in the responsible selling of alcohol through the online training program."

Michigan: Governor Signs Law Enacting Requirements for Satellite Brewing Locations: Outgoing Michigan Gov. Rick Snyder signed a package of bills last month limiting how licensed microbreweries expand with additional locations. The new law established production and equipment requirements for satellite facilities and created a tasting room license for the state's alcoholic beverage makers. Michigan didn't previously have minimum production requirements or equipment mandates for secondary locations.

Mississippi: Town to Vote on Sales of Wine and Beer: A Mississippi town of nearly 1,900 will vote Jan. 15 on whether to allow beer and wine sales. Wesson has lost \$2,000 to \$3,000 a month in tax revenues since Brookhaven legalized beer and liquor sales in June 2013, officials told The Daily Leader of Brookhaven. "It's not just liquor -- people would come up here and buy liquor, then they'd stop and get gas or go into a store," Mayor Alton Shaw told the newspaper earlier this year. "Anything you sell helps from a tax point of view."

Missouri: KC Restaurant Gets Shut Down After Trying to Launch CBD Oil Cocktail: Some local business owners say they're being shut down instead of being allowed to join the CBD oil craze. Hogshead launched a drink with CBD oil back in August, but they never actually sold any of it. The owner said Regulated Industries, the Kansas City agency that oversees alcohol licenses, told them CBD is not allowed in drinks. "It's such a hot kind of thing in the country right now," said Clark Grant, the executive chef and proprietor at Hogshead. Grant's CBD tiki-esque cocktail was short lived not once but twice.

New Hampshire: Bill Estimates \$33M in Revenue from Pot Legalization: Lawmakers in New Hampshire estimate legalizing marijuana statewide and regulating it could result in \$33 million in revenue for the state. Democratic state Rep. Renny Cushing, D-Hampton, says his bill builds upon the work of a recent marijuana study commission. New Hampshire Public Radio reports the drafted legislation has yet to be made public. If passed, the bill would legalize up to an ounce of recreational pot and five grams of concentrated cannabis for adults.

Oregon: Bill Would Make Oregon Second in Nation to Enact .05% DUI Law: Utah on Sunday will become the first state to lower the limit for driving under the influence of alcohol from .08 to .05 percent. Sen. Peter Courtney, D-Salem and president of the Oregon Senate, hopes Oregon becomes the second. Courtney is gearing up to introduce a bill during the upcoming legislative session -- which starts Jan. 22 -- that would make it illegal for drivers to get behind the wheel with a blood alcohol content of .05 percent or greater. "Alcohol is a deadly weapon," Courtney said.

Oregon: Marijuana Rule Increases Daily Purchase Limits for OMMP Cardholders: The Oregon Liquor Control Commission at its Dec. 20, 2018, meeting adopted changes in rules regulating recreational marijuana with a focus on tightening licensing and compliance requirements, providing licensees flexibility to conduct business, and improving access to medical marijuana for patients. Under the rules change Oregon Medical Marijuana Program cardholders or a designated caregiver will be allowed to purchase a larger amount of marijuana during a single transaction.

Pennsylvania: Jeff Pyle Tapped to Chair Liquor Control Committee: Local State Representative Jeff Pyle (R-Armstrong/Butler/Indiana) was appointed to chair the Liquor Control committee in Harrisburg when Speaker of the House Mike Turzai (R-Allegheny) yesterday announced the appointments of majority committee chairmen for the 2019-20 Legislative Session. House committees study each bill and determine which proposals will go to the full House.

Pennsylvania: Tougher Penalties for Repeat DUI Offenders: The legal consequences for repeatedly driving under the influence in Pennsylvania have become much more severe under a new law that just took effect. Legislation passed in October by the General Assembly and signed by Gov. Tom Wolf established the state's first felony for DUI. It applies when someone has been charged with a third offense in a decade with at least twice the legal limit for alcohol, or any fourth-time offender. Pennsylvania law sets the legal limit for driving at 0.08 percent.

Wisconsin: Brewery Recalls Beer Over Concerns of Glass in the Beer: The Madison-based brewing company Karben4 is recalling certain beers in glass bottled after they were notified of a possible defect that could leave small shards of glass in the beer. Karben4 issued the voluntary recall on Wednesday for bottles that were filled between Nov. 8 and Dec. 31. They said the glass defect and lead to a loss of carbonation and the potential for small pieces of glass falling into the beer. The brewery says they have sourced new glass bottles from a different production plant and will begin using those bottles on Thursday.

BUSINESS & LIFESTYLE News

The Sazerac Company Purchases Brands from Star Industries and Black Prince Distillery: Privately held distiller Sazerac Co. has bought 19 brands from two spirits companies: New York-based Star Industries and New Jersey-based Black Prince Distillery. The brands purchased by Sazerac are: Georgi, Majorska, Llord's, Alexis, Alexi, Black Prince, Blansac, Caribaya, Carnaby's, Clyde's, Devil Springs, Donegal, Dorado, Duncan's, Little John, McColl's, R.J. Hodges, Sir Francis and Wild Flame.

Like Them or Not, Cannabis Drinks Will Be Huge in 2019: 2018 was inarguably the year of CBD: Marijuana's non-psychoactive, less giggly compound showed up everywhere promising everything from pain relief to anxiety reduction, from LaCroix-esque sparkling water and high-end gumdrops to body lotion and bath salts (not those kind of bath salts). But while CBD consumption can certainly lend a chilled-out vibe at the proper dosage, to actually get high, there needs to be some THC involved, whether it be smoked or otherwise consumed - and it seems drinking your weed will be a big trend for the year ahead.

Whiskey Sour: U.S. Craft Distillers Say Trump Trade War with Europe Is Killing Export Plans: The Catoctin Creek Distilling Co., maker of rye whiskey, gin and the occasional fruit brandy, had big dreams of conquering Europe in 2018. Scott and Becky Harris, founders of the small-town distillery in the foothills of the Blue Ridge Mountains, even had handshake agreements with the cocktail shakers of London's finest hotels. But weeks after the Harrises' triumphant European tour, the White House unleashed a trade war with the European Union by slapping tariffs on steel and aluminum imports.

Heineken USA Releases Non-Alcoholic Beer in U.S.: Heineken USA is launching its latest innovation, Heineken 0.0, an alcohol-free malt beverage brewed with a unique recipe for a distinct balanced taste, containing only 69 calories per bottle. The brand's iconic label has been turned blue to match the color associated with the alcohol-free category globally. Heineken Master Brewers created the new zero-alcohol brew, made with natural ingredients, resulting in a drink brewed for beer lovers, by beer lovers.

Yes, Miller Lite Is Better Than Bud Light, but Not Because of 'More Taste' - It's Because of Less Taste: Miller Lite is officially allowed to say it has "more taste" than Bud Light. But it shouldn't. Yes, Miller Lite is the superior mass-marketed light beer. But it's not because it has more taste. It's because it has less taste. Let me explain. The question of "more taste" in light beer - already an oxymoron of sorts - garnered attention with MillerCoors' "Know Your Beer" marketing campaign from last summer.

Is Red Wine Really the Cause of That Headache?: I know plenty of people who suffer from headaches that they believe are triggered by drinking red wine-including, occasionally, me. Red Wine Headache is such a

common complaint that it has both an acronym (RWH) and its very own Wikipedia page, albeit with a disclaimer noting a lack of medical evidence regarding the condition and its causes. As Dr. Alexander Mauskop, director and founder of the New York Headache Center in Manhattan, said, "We don't know anything for sure."