

ABL WEEKLY

Policy, Industry & Business News for Beverage Retailers

Friday, January 18, 2019

Issue 366

MEETINGS & EVENTS

[February 21 - Maryland Alcohol Lobby Day, Annapolis MD](#)

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

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

[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 Golf 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

[Supreme Court Justices Seem Skeptical of Tenn. Residency Requirement for Liquor Store Owners:](#)

Supreme Court justices indicated Wednesday that they thought Tennessee's tough residency requirements for those who want to run liquor stores have more to do with protecting in-state economic interests than guarding against the evils of alcohol. But they also wondered how far they could go, since the Constitution gives states an especially pivotal role in regulating booze.

[Supreme Court Justices Question Residency Rules for Liquor Store Owners:](#) U.S. Supreme Court justices expressed doubts about a Tennessee law that imposes residency requirements on people seeking to run liquor stores, taking up a rare test of the 1933 constitutional amendment that repealed Prohibition. Tennessee requires people to live in the state for two years to get a retail liquor license and for 10 years to get a license renewed.

[Congresswoman Calls on Trump to Restart Small Business Lending:](#) The chairwoman of the House Committee on Small Business is calling on President Donald Trump to restart small business lending as the government shutdown is about to become the longest ever. The Small Business Administration, on Dec. 22, halted its popular loan programs that are heavily used by small and mid-sized businesses, a major setback to entrepreneurs trying to start or expand their companies and one that is rippling through the economy.

[Congresswoman Dingell Proposes Bill Enforcing Ignition Interlock Devices After Michigan Family Killed in Drunk Driving Accident:](#) U.S. Rep. Debbie Dingell, D-Mich., announced Thursday she would be introducing legislation to crack down on drunk drivers in a speech to the House of Representatives. Issam Abbas, 42, his wife, Dr. Rima Abbas, 38, and their three children, Ali, 13, Isabelle, 12, and Giselle, 7, were driving home to Michigan from their vacation in Florida when they were struck by an oncoming pickup truck. The driver was intoxicated.

The AMLC Is Aggressively Moving Forward to Implement the Music Modernization Act: Despite rumors of anti-competitive threats, the American Music Licensing Collective (AMLC) is aggressively moving forward and seeking qualified tech partners. President Trump may have signed the Music Modernization Act (MMA) into law. But he's also throwing a gigantic monkey wrench into process required to transform the MMA into reality. With the U.S. government shutdown entering its third week with little signs of ending, implementation of the MMA is likely being delayed.

Restaurants Are Scrambling for Cheap Labor in 2019: Every autumn, retailers hire large numbers of seasonal workers to handle the rush of holiday business. Then, after the new year kicks in, many of those temps typically rejoin the ranks of low-skilled job seekers, eager for work and often willing to accept meager pay. That cycle has long been good for the restaurant industry, with food preparation workers and servers receiving mean annual wages that were half those of the U.S. average, according to May 2017 U.S. Bureau of Labor Statistics data. It may not work out that way in 2019.

Bring Beer, Make Friends: New Congressman Tries to Bring 6-Pack to House Floor: There are few smiles coming out of Washington D.C. these days, but Rep. Joe Cunningham managed to prompt a few Friday when he tried to walk onto the House floor with a six-pack of beer. The newly elected Democrat from South Carolina didn't quite make it that far, stopped before he could enter. The beer was a gift for Rep. Peter DeFazio, D-Ore., a co-chair of the House Small Brewers Caucus, Cunningham said on Twitter.

Justice Department Issues New Opinion That Could Further Restrict Online Gambling: The Justice Department late Monday issued a legal opinion that could further restrict online gambling even as some states have been moving to embrace it – a restriction long sought by GOP megadonor Sheldon Adelson, who controls one of the world's largest casino empires. The opinion from the Justice Department's Office of Legal Counsel, which will probably be tested in the courts, reversed an Obama-era opinion that declared that the Wire Act applied only to sports gambling.

McConnell Blocks House Bill to Reopen Government for Second Time: Senate Republicans blocked a House-passed package to reopen the federal government for a second time in as many weeks on Tuesday. Democratic Sens. Chris Van Hollen (Md.) and Ben Cardin (Md.) asked for consent take up a package of bills that would reopen the federal government. One bill would fund the Department of Homeland Security through Feb. 8, while the other would fund the rest of the impacted departments and agencies through Sept. 30, the end of the fiscal year.

Cannabis Experts from Legal U.S. States Surprised, Dismayed by Alberta Store Freeze: Alberta's decision to halt new cannabis store openings was an overreaction that will only help the black market, said pot industry experts from two U.S. states where the drug was legalized in 2014. Last Nov. 21, provincial regulator Alberta Gaming, Liquor and Cannabis (AGLC) slapped an indefinite moratorium on new pot shops, citing product supply shortages. Though there were some supply gaps in Colorado when the state legalized recreational use of cannabis, "we never backed off the licensing of stores," said Dan Rowland, who has advised Denver officials and Canadian industry retailers.

Government Shutdown Snarls New Product Approval Process: As part of the partial government shutdown that began on December 22, the Alcohol and Tobacco Tax and Trade Bureau (TTB) has suspended the approval process for bringing new alcoholic beverages to market. With the shutdown in its fourth week, craft brewers and wineries are feeling the pinch, and consequences could reverberate through 2019. "If the shutdown persists, it will gradually begin to impact consumers' options in-store, as more wine producers won't be able to release new products," says Brett Vankoski, wine director at Latitude Beverage, producer of 90+ Cellars, Lila Wines, Mija Sangria, and others.

Alcohol Law Advisor
[Congressional Cannabis Caucus - 116th Congress](#)

Alcohol Law Review
[100 Years After the Failure of Prohibition, the Supreme Court Has Opportunity to Prevent Another Federalization of Alcohol Policy](#)

American Distilled Spirits Association
[ADSA Responds to TWSRA v. Byrd Hearing at SCOTUS](#)

IWSR
[Americans Drank 3.345 Billion Cases of Alcohol in 2018](#)

Law360
[Up Next at High Court: Booze, Property and Class Actions](#)
[21st Amendment vs. Commerce Clause at the High Court](#)

National Beer Wholesalers Association
[NBWA Statement on Supreme Court Oral Argument](#)

Nielsen
[In the Crowded U.S. Beer Market, Shelf Space Is Key to Maximizing Sales](#)

SevenFifty Daily
[Military Commissaries are Latest Battleground in Fight for Shelf Space](#)

Southern Glazer's Wine & Spirits
[SGWS Announces Key Executive Promotions in East Region](#)
[SGWS Publishes its 2018 Philanthropy and Volunteering Update](#)

Wine & Spirits Wholesalers of America
[Supreme Court Hearing Demonstrates Support for Three-Tier System and 21st Amendment](#)

AFFILIATE News

Maryland State Licensed Beverage Association
[Common Market Proposes Way to Bring Beer, Wine into Store](#)

The Frederick County delegation mostly agreed on what alcohol regulations it will consider tackling this session, but one proposal is already causing a buzz. The Common Market on Buckeystown Pike, and two other small “mom and pop” grocery stores in Frederick County, are seeking an exception from state law to sell alcohol. The Maryland State Licensed Beverage Association, however, is already pushing back against what they see as the opening of a “window” for chains and franchises to follow through.

Tavern League of Wisconsin
[Wedding Barn Owners, Conservative Legal Group Plan Suit Against Evers Administration to Settle Debate Over Liquor Licenses](#)

Two farmers who rent out their barns for weddings and a conservative legal group are suing Gov. Tony Evers and his administration to prevent such venues from needing liquor licenses to operate. The barn owners filed a lawsuit Tuesday in Dunn County Circuit Court asking a judge to decide whether the state's liquor laws apply to private barns that are rented out for parties where alcohol is consumed but not for sale. Barn owners and free-market conservatives have argued the venues are private places and should not be subject to regulations applied to businesses whose model hinges on selling alcohol.

District of Columbia: DC Craft Brewery Sues, Says Shutdown May Hurt New Beer Sales: A Washington, DC-based craft brewery sued the Trump administration on Tuesday over the ongoing shutdown it says is threatening to prevent it from selling a new beer. The lawsuit from Atlas Brew Works claims the administration is harming its free speech rights by requiring compliance with a federal law administered by an agency whose operations are not funded through the shutdown.

Nevada: Marijuana Lounges in Las Vegas Face Hurdle: Alcohol: Viewed by some as the next logical step in Nevada's progressive marijuana policy, Las Vegas' proposed plan to permit cannabis consumption lounges faces at least one major hurdle: Alcohol. The draft bill sponsored by Councilman Bob Coffin would allow so-called social use venues where marijuana could be consumed to also serve adult beverages. Coffin said he inserted alcohol use in the bill to give establishments "economic viability," but it's a non-starter for police officials, who have otherwise acknowledged most of their trepidation about lounges has dissolved through meetings with city staff.

New Jersey: Last Votes Needed to Legalize Marijuana May Come from These 3 GOP Moderates: With Democrats who lead the state Senate still tantalizingly short of votes needed to legalize recreational marijuana in New Jersey, a triumvirate of moderate Republican senators has emerged to seize the moment. The move was first reported in NJ Cannabis Insider. Sensing they are at a point of maximum leverage, state Sens. Declan O'Scanlon, R-Monmouth, Christopher "Kip" Bateman, R-Somerset, and Chris Brown, R-Atlantic, want a package of concessions from Gov. Phil Murphy that could give the freshman Democratic governor the votes he needs — and Republicans a shot at previously unimaginable spending reforms.

New York: Governor Details Cannabis Legalization Plan: New York Governor Andrew Cuomo detailed specifics of his plan to legalize recreational marijuana yesterday in conjunction with his State of the State address. Cuomo's proposal would impose a 20% state tax and a 2% local tax on sales of cannabis from wholesalers to retailers, plus a per-gram tax on growers. These rates are higher than Colorado's 15% rate or neighboring Massachusetts' 17% state tax and 3% local tax arrangement, but much lower than Washington's 37% excise tax.

Oregon: Legislature to Consider Laws Protecting Wine Industry: Oregon lawmakers will consider several proposals during the 2019 Legislature to protect the state's \$5.6 billion wine industry, including a measure aimed at preventing out-of-state winemakers from hijacking the names and reputations of certain growing areas. The issue stems from a dispute last year between several Willamette Valley wineries and Copper Cane LLC, a California wine producer that purchases grapes from about 50 Oregon vineyards to make Pinot noir and rosé.

South Dakota: Council Considers Streamlining SDL Process: The Chadron City Council is considering a more streamlined approach to approve special designated liquor licenses. Currently, all SDLs must receive approval from the full city council before the business owner seek approval from the state's Liquor Control Commission. Special designated licenses are required anytime a liquor license holder wants to deviate from their license — a beer garden outside its regular licensed area or catering a wedding off-site, for example.

Utah: As Six-Pack Variety Evaporates, a New Campaign to Change State's 3.2 Beer Law Bubbles Up: Utah was warned years ago that this might happen — that the selection of beer in grocery and convenience stores would dwindle. And now, just weeks into 2019, six-packs of beer with 3.2 alcohol content are disappearing. From Bud Light and Corona in bottles to Rainer and Tecate in cans, "a lot of six-packs have gone away," explained Kate Bradshaw, a Salt Lake City lobbyist and director for the Responsible Beer Choice Coalition. She said at least 13 major brands have pulled their six-pack configurations from Utah.

Virginia: Instead of Getting Rid of Virginia's Liquor Ratio Rule, Senators Have Plans to Change It: Virginia's liquor ratio law will stay in place for at least one more year. The Senate's Subcommittee on Alcoholic Beverage Control decided to scrap an idea that would have gotten rid of the ratio for restaurants that make \$500,000 or more in food sales. "It seemed like a lot of people in the industry had some opposition to this measure," Division of Legislative Services attorney David May told the subcommittee Friday. "It wasn't the amount. They couldn't come to an agreement, period."

Wisconsin: State Senator Proposes Ignition Interlock Bill to Curb Drunk Driving: A newly elected state senator from northeast Wisconsin is preparing to propose legislation this month that he says will slow the trend of repeated drunk driving here in Wisconsin. Senator Andre Jacque's proposal asks for most first time OWI offenders, to get a second chance at eliminating the crime from their record. NBC26 has the details on how the proposal would work.

Wisconsin: Criminalizing 1st-Time DUIs Is a Tough Sell in Wisconsin: With a new Democratic ally in the governor's office, a handful of Republican lawmakers are pushing for Wisconsin to join the rest of the country and criminalize first-offense drunken driving. On paper it might look like a can't-miss bipartisan initiative, but it's not that easy in a state where beer is so much a part of the culture that the major league baseball team is called the Brewers. Powerful Republican opponents are already lining up against the idea, calling it impractical and too expensive.

BUSINESS & LIFESTYLE News

Bud Light Becomes First American Beer Labeled with Nutritional Facts: Almost any packaged item we consume has an ingredients or nutritional label, even bottled water. But not beer-until now. Anheuser-Busch InBev announced today Bud Light will be the first American beer sold in a package containing a list of ingredients and serving facts. The new packaging is expected to hit shelves in February. According to a press release, in addition to an ingredients list (water, barley, rice, hops), the label will list serving size, calories (110 per 12-ounce can), total fat, saturated fat, trans fat, carbohydrates (6.5 grams), sugars and protein.

Coors Brewery Hosts 101-Year-Old Whose Secret to Longevity Is a Daily Coors Light: Like he does most every day, Andrew E. Slavonic had his 4 p.m. Coors Light on Thursday. But this time, it was straight from the source. The World War II veteran, accompanied by family members, pulled up a chair at Bill's pub at the Coors Brewery in Golden, Colo., capping a three-day visit from his home outside Pittsburgh. After the spry former Army Air Force aerial gunner was featured in a story on Fox News extolling his daily Coors Light as the secret to his longevity, Coors Light arranged to fly Slavonic and his family members to Colorado to show them around the brewery as a belated 101st birthday gift.

Craft Beer Looks Beyond 'Young White Dudes with Beards': Faced with slowing sales growth, some brewers are looking to reach a new, more diverse audience. Thousands of craft beer brewers across the country have a problem: Sales are slowing, tastes are changing and stiff competition is coming from new directions. Wine and spirits have cut into market share. Cannabis deregulation looms. Despite a dozen years of growth in the industry, some people in the business are wondering aloud if the "post-craft" era is nigh, and some are embracing the opportunity to broaden their appeal.

How One Bootlegger Kept Congress Stocked with Booze During Prohibition: One hundred years ago today, the 18th Amendment to the U.S. Constitution, prohibiting the "manufacture, sale, or transportation of intoxicating liquors for beverage purposes," was ratified by the necessary 36th state, Nebraska, and Prohibition took effect. It didn't take too long after that for George L. Cassiday, who later became known as "The Man with the Green Hat," to get to work.

Total U.S. Wine Market Tops \$70 Billion: Wines Vines Analytics, a division of Wine Communications Group and the wine industry's comprehensive source for the latest data on wine sales, direct-to-consumer shipments and other key metrics launched a new, authoritative and dynamic monthly report. The Wine Analytics Report is a digital publication including data, analysis and news for executives, winemakers, winery owners and anyone wanting to closely follow the trends shaping the growing U.S. wine industry.