

ABL WEEKLY

Policy, Industry & Business News for Beverage Retailers

Friday, January 25, 2019

Issue 367

MEETINGS & EVENTS

[February 11-12 - TWSRA Legislative Report & Day on the Hill | Nashville, TN](#)

[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

Estate Tax Rate Reduction Act Introduced: U.S. Senators Roy Blunt R-Mo., Tom Cotton R-Ark., and John Boozman R-Ark., introduced the Estate Tax Rate Reduction Act, last week which would reduce the estate tax to 20 percent — the same as the current capital gains tax rate. “The current estate tax is often a crushing blow to family businesses and farmers who are trying to plan for the future,” said Blunt. “This legislation will bring relief to family farms and businesses as they transition from one generation to the next.”

Congress Re-Introduces Bill to Simplify Small Business Taxes: The Democratic and Republican leaders of the House Small Business Committee have re-introduced a 2017 bill to help small business owners simplify their taxes. Despite the passage of the Tax Cuts and Jobs Act at the end of 2017, the bill includes a number of provisions that were left out of the far-reaching tax code overhaul. Rep. Steve Chabot, R-Ohio, the ranking Republican on the committee, partnered with Rep. Nydia Velázquez, D-N.Y., who now chairs the committee.

Justices Slam 'Economic Protectionism' in Supreme Court Liquor Case, 100 Years After Prohibition: Exactly 100 years after the nation ratified the Eighteenth Amendment and began Prohibition, on Wednesday, the U.S. Supreme Court considered a case that could set a major precedent for how states can regulate the wine and liquor industry. In a spirited oral argument that avoided the typical partisan divide, many of the justices took aim at “economic protectionism,” or when states pass laws that favor in-state industries over out-of-state or recently arrived businesses.

Distilling on Tribal Lands Is Now Legal in the U.S.: To anyone who's been paying attention, the success of the modern craft alcohol movement is no secret. From the latest chic brewery opening down the street to the new distillery producing that small-batch liqueur you just can't live without, the fruits of entrepreneurial adventures

in alcohol are everywhere. But until just a few days ago, one group in the United States was conspicuously left out of the current craft alcohol renaissance: Native Americans.

[NIH Scientists and Teens Join Forces for 2019 National Drug & Alcohol Facts Week®](#): Teens and scientists will connect for the ninth annual National Drug & Alcohol Facts Week® (NDAFW) held Jan. 22-27, 2019. This week-long observance gives young people the facts about how drugs and alcohol can affect them, both in the short-term and over their lifetime. The National Institute on Drug Abuse (NIDA) will be joined by the National Institute on Alcohol Abuse and Alcoholism (NIAAA), both part of the National Institutes of Health (NIH), to coordinate the effort.

[State Cannabis Reform Laws for 2019](#): With polls showing that 66% of Americans support making marijuana use legal and around 90% support for allowing medical marijuana, state and federal lawmakers are getting the message that constituents want them to enact sensible and humane marijuana policies. Only 23 states allow citizen-initiated ballot initiatives, so in most states the only path to marijuana reform is via the legislature.

[Meet the New Members of the House Financial Services Committee](#): House leaders from both parties have recommended new members to the House Financial Services Committee, as Democrats prepare to set the agenda for the panel in the new Congress. The lineup of new members includes several high-profile Democratic rising stars, as well as members from districts who previously held seats on the panel in the last Congress.

[Trump Administration Spells Out Who Wins and Loses from New Tax Break](#): Shrugging off the limitations of the partial government shutdown, the Trump administration finalized rules on Friday governing who can claim a new 20 percent tax deduction for business owners. Officials said the rules would allow millions of businesses to file their 2018 taxes with certainty over whether they qualify for the break.

[Democrats Introduce \\$15 Per Hour Wage Bill](#): Democrats in the House and Senate have introduced a bill that would raise the federal minimum wage from \$7.25 an hour to \$15 an hour over the next five years, CNBC reports. Both House Speaker Nancy Pelosi (D-CA) and Senate Minority Leader Chuck Schumer (D-NY) support the Raise the Wage Act. The bill hit the House floor with 181 co-sponsors and the Senate version has 31 co-sponsors.

INDUSTRY News

3x3 Insights

[Retail Untapped Episode 10: Spirit Sales Before & After the Holidays](#)

Beer Institute

[Congress Should Ensure the Price Brewers Pay for Aluminum Reflects Market Fundamentals](#)

Brewers Association

[BA Announces the Exit of Charlie Papazian](#)

Campaign for a Healthy Alcohol Marketplace

[Status of Small Alcohol Suppliers: Still Growing with Bright Spots and Bumps](#)

Foundation for Advancing Alcohol Responsibility

[Prevent Underage Drinking](#)

JD Supra

[Music Modernization Act Brings Music Licensing Scheme into the Modern Age](#)

Law360

[Barr Shows He Is Mostly in Tune with DOJ Antitrust](#)

MIC Coalition

[Coalition Sends Letter to New Members of Congress](#)

MillerCoors

[Michelle St. Jacques Named as First-Ever Female CMO](#)

National Alcohol Beverage Control Association

[Zander Guy Voted Incoming Chair-Elect to NABCA Board](#)

NACS

[Navigating Retail Disruption](#)

SevenFifty Daily

[The Rise of Reserve Cocktail Lists](#)

[6 Ways to Upsell Craft Beer at Restaurants](#)

Wine & Spirits Wholesalers of America

[WSWA Women's Leadership Council Elects 2019-2020 Advisory Board and Officers](#)

[WSWA Offers Plan for Cannabis Distribution](#)

Wine Spectator

[Your Rosé May Be Late This Year: Wine and the Government Shutdown](#)

AFFILIATE News

Montana Tavern Association

[Bidding on Liquor Licenses Could Permanently Replace Old Lotto System](#)

Montana would switch permanently to an auction system to award liquor licenses under a bill proposed Thursday. The state used to hold lotteries for liquor licenses but during a special session in November 2017 called to fix a revenue shortage, lawmakers changed to a competitive bidding process. That way of distributing licenses was meant to increase money for the state's coffers.

Retail Liquor Association of Oklahoma

[Some Oklahoma Liquor Store Owners Feeling Pinch, Heat of Increased Competition After Passage of SQ 792](#)

Edmond Wine Shop opened its doors in 1972, catering specifically to the wine consumer, and has been in business ever since. However, since the passage of State Question 792, modernizing how and - more importantly - where wine and beer are sold in the state, it means owner Vance Gregory is faced with a new challenge.

[Liquor Stores Shifting Gears After Law Changes](#)

It appears that convenience comes at a cost to some liquor store owners. KFOR reports that have even closed their doors since last year's law changes. Since the passage of State Question 792, allowing liquor stores to sell refrigerated strong beer and grocery stores to do the same along with wine. It means store owners like Vance Gregory are faced with a new challenge.

Tavern League of Wisconsin

[Tavern League Pushes Back Against Wisconsin Wedding Barn Lawsuit](#)

A powerful lobbying group that represents restaurants and taverns is pushing back against a lawsuit filed earlier this month by two barn owners who are seeking to prevent such venues from needing liquor licenses to host weddings. Chris Marsicano, president of the Tavern League of Wisconsin, sent a memo to all 132 lawmakers Tuesday saying the lawsuit will "jeopardize all licensure and regulation of establishments that serve alcohol in Wisconsin."

STATE & LOCAL News

[Alaska: Governor Appoints New Marijuana Control Board Members with Anti-Cannabis Records](#): In a blow to Alaska's cannabis industry, newly inaugurated Gov. Mike Dunleavy has appointed former Fairbanks City Councilwoman Vivian Stiver and Wildlife Trooper Lt. Christopher Jaime to the state's Marijuana Control Board, which could have serious implications for the state's efforts to regulate on-site cannabis consumption at state-licensed dispensaries.

Colorado: Boulder Liquor Store Sues Over OK for Safeway to Expand Beer Offerings: The owner of Bailey's Wine & Spirits in Boulder has filed a lawsuit appealing a ruling by the city's Beverage Licensing Authority to allow Safeway to expand its beer department in the wake of a change in state law that allows grocery stores to sell full-strength beer. Erik Lebsack, whose attorney filed the case Jan. 16, claims the city didn't follow its legal processes and procedures in making the decision, which he said gives unfair advantage to a corporate giant.

Colorado: The First Bill Gov. Jared Polis Will Sign Is Worth a Celebratory Beer: The measure — which is expected to get final legislative approval Wednesday — is intended to fix a problem with the law that allowed the sale of full-strength beer in grocery and convenience stores starting Jan. 1. The state's Liquor Enforcement Division agreed to waive enforcement of the current law to give Colorado lawmakers time to address the problems regarding how beer is made, stored and delivered.

Connecticut: Legalizing Recreational Marijuana Debate Grows: In the back-and-forth debate the past few years at the General Assembly over legalizing recreational marijuana, opponents have argued there is no standard Breathalyzer test for marijuana as there is for alcohol. In anticipation of state legislators once again debating and possibly voting on legalizing recreational marijuana in Connecticut, Rep. Gail Lavielle, R-Wilton, has submitted a bill calling for a study of the issue.

Hawaii: New Proposal Seeks to Increase Punishments for Drunk Drivers: Representative Chris Lee is proposing harsher punishments for people convicted with Driving Under the Influence (DUI) or who have had their licenses revoked by the Administrative Driver's License Revocation Office for drunk driving. The new proposal would make it illegal for those convicted to buy or drink alcohol for three years. "I talked with a bunch of folks who have had DUIs who have driven drunk in the past.

Idaho: New Proposal Could Make Liquor Licenses Easier to Acquire: Liquor licenses are a bit hard to come by here in Idaho, at least for now. But a new piece of legislation at the statehouse could make it a little easier for some businesses to obtain one of those precious licenses. Currently, there are 1,118 liquor licenses in the state of Idaho, that's according to the Idaho State Police Alcohol Beverage Control who said, "Every incorporated city is allowed two liquor licenses. Larger cities can have one liquor license for every 1,500 residents."

Indiana: Indiana Liquor Group to Buy Save-On Liquor Chain: Indiana Liquor Group LLC will work with the Indiana Alcohol & Tobacco Commission this week for final approval of its purchase of Save-On Liquor stores. Our partners at The Herald Bulletin report Phillip E. Miller agreed to sell the 31-location package store chain to ILG last month. President of ILG, David Hartley, will renovate the locations, which are in seven Indiana counties, including 10 in Madison County.

Maryland: State Explores Faster Way to Approve Sports Betting: Maryland lawmakers are exploring a faster way to approve sports betting this year, but it's unclear if they will be able to do it without voter approval in 2020. Voters endorsed a constitutional amendment allowing casinos in 2008, but further commercial gambling expansion requires another voter referendum. Lawmakers failed to pass legislation to put sports betting on last November's ballot, but momentum appears to be building to act this year.

Massachusetts: Governor's Bill Would Expand Tools to Combat Driving Under Influence of Marijuana: Gov. Charlie Baker's office on Wednesday filed new legislation that would expand the arsenal of tools local law enforcement officials have to deal with drivers impaired by marijuana - something that is sorely needed, local police chiefs say, as recreational sale of the drug expands throughout the state. The bill is based on recommendations from the Cannabis Control Commission's Special Commission on Operating Under the Influence and Impaired Driving, which was created by a 2017 state law on the legalization of recreational marijuana.

Missouri: Dispute Over Hard Liquor Sales Stirs Debate Between Church, Store, City: A Kansas City church is caught in the middle of a liquor license dispute and the head pastor isn't happy about it. Highland Missionary Baptist Church is named on the liquor license for Shotz Convenience Store & Grill twice. Pastor John Jones says the church's name was put on the license without his knowledge or approval.

Nebraska: Beer Industry Sees Fight Brewing Over Proposed Tax Surge: The state has found a way to add millions to Nebraska coffers but one industry says the plan would bump its taxes by some 350 percent. The Nebraska lawmaker behind it believes it's just one part of a blueprint to fix the state's reliance on property taxes. Lindsey Clements is one of the people who would pay the price.

New Hampshire: Keno Retailers, Lottery Oppose Proposed Cut in Sales Commission: Keno could disappear from American Legion Post 90 in Raymond — among other places — if the state demands a bigger cut of the post's sales. "To tell you the truth, if they do lower the commission, I'm going to tell them to take the machines out," Commander Bob Howarth said Monday. Rep. Michael Cahill, D-Newmarket, is the prime sponsor of House Bill 390, which would cut the commission on keno sales from the current 8 percent to 5 percent, the same percentage earned for selling lottery tickets.

Oklahoma: More Lenient State Laws Could Chill Low-Alcohol Beer Market: Beer snobs are raising their mugs to a stronger brew in three states that once forbade grocers from selling anything but low-alcohol brands, and the changes could indirectly chill the industry in two others where such regulations remain. Until October, Oklahoma grocery and convenience stores could stock beer with only up to 3.2 percent alcohol content — considerably lower than even leading light beer brands.

Pennsylvania: PLCB Now Accepting Sealed Bids for Eighth Auction of Expired Restaurant Licenses: The Pennsylvania Liquor Control Board (PLCB) today issued an invitation for bids to award 25 expired restaurant licenses in the eighth license auction since Act 39 became effective in August 2016. This auction includes one license in each of the following 25 counties: Berks, Blair, Bucks, Clearfield, Dauphin, Delaware, Elk, Erie, Fayette, Huntingdon, Lackawanna, Lawrence, Lebanon, Lehigh, Lycoming, Mercer, Monroe, Montgomery, Northampton, Philadelphia, Pike, Sullivan, Venango, Wayne, and Westmoreland.

South Dakota: Lawmakers File Bill to Allow Discount on Liquor Purchases: We have an update on a story we first told you about in December. Two lawmakers have filed a bill in Pierre that could save you money at the liquor store. Last month, we told you how JJ's and other Sioux Falls stores have ended their rewards programs because of a state law. Senate Bill 53 would update the law, allowing stores to give you a discount when you buy multiple bottles of booze.

Vermont: Senate Hopes to Vote on Tax-And-Regulate Marijuana Bill Soon: Vermont Senate leaders say they hope to quickly pass a bill that would create a tax and regulation market for retail marijuana. Under this plan, the state would oversee the production and sale of marijuana at retail outlets across the state. Vermont Public Radio reports the regulatory system would be similar to the current sales system for alcohol.

Virginia: Senate Committee Approves Casino Bill: A State Senate committee has approved legislation that would allow casinos in Virginia. The vote in the Senate Committee on General Laws and Technology was 9 to 3. The amended bill calls for a gambling study, but it would also allow Bristol, Danville and three other cities to move forward with local referendums.

Virginia: State Considers Higher Smoking Age: In a state that has been growing tobacco since the Jamestown Colony, a bi-partisan group of lawmakers in the House and Senate have sponsored legislation that would raise the smoking and vaping age to 21, the Washington Post reports. "Certainly we have a history of tobacco . . . that really dates back to 1608," said Del. Christopher P. Stolle. "We adapt as we move forward, and we recognize it's something that needs to be done. We certainly are a product of our history, but I don't think we're bound by our history."

Virginia: Restaurants Could Soon Be Allowed to Advertise Happy Hour Specials: Restaurants in Virginia could be allowed to advertise their happy hour specials soon! The Virginia Senate and the House of Delegates passed bills January 23 that would allow restaurants to advertise prices of featured alcoholic beverages as well as their hours. According to the Richmond Times-Dispatch, Senate Bill 1726 was proposed by Sen. Ryan McDougle, R-Hanover, passed on a unanimous vote of 40-0.

Wisconsin: American Family Insurance to Replace Miller Brewing Co. as Naming Rights Sponsor for Brewers Stadium: MillerCoors said Tuesday it's giving up the naming rights to Miller Park after 2020. Beginning in 2021, the rights will go to American Family Insurance. "American Family Insurance, proactively pitched the Brewers

an incredibly rich offer for the future naming rights to Miller Park, and we're proud to welcome American Family to the family we've been part of for generations," MillerCoors said in a statement.

Wyoming: Ordinance That Would Punish Bartenders Who Serve Drunk Customers Moves Forward in Casper: People who serve alcohol — whether at bars, restaurants or private residences — may soon face consequences if they provide booze to someone who is clearly drunk. A new alcohol ordinance, which will require three rounds of voting to take effect, passed its first vote at Tuesday's Casper City Council meeting. The ordinance will make it illegal to serve alcohol to a person who is clearly intoxicated.

BUSINESS & LIFESTYLE News

Sports Betting Expert Expects Class Action Lawsuit: This year's NFC Championship Game was one of the most poorly officiated contests in recent memory, and not only cost the New Orleans Saints a trip to the Super Bowl, but also resulted in gamblers losing a ton of money. While Saints fans have taken to social media to express their disdain for the bad calls and no-calls, sports betting expert Darren Rovell of the Action Network expects that bettors who took the Saints will take their complaints to the next level.

Philip Morris Keeps Powder Dry on Cannabis: The head of Philip Morris International has said the cannabis market remains too risky for it to follow rival cigarette maker Altria by making a significant investment in the nascent sector. André Calantzopoulos, chief executive, stressed that there was a paucity of scientific data on the long-term impact of cannabis. Because international regulators were adopting different approaches to the drug, there could be logistical and reputational risks, he said.

Alcohol Marketers Face Sobering Times as Moderation Trend Grows: Lindsay Flegge normally goes out for drinks four times a week. "Margaritas are my favorite," says the 30-year-old suburban Indianapolis resident. But she hasn't had the tequila cocktail, or a drop of any other kind of alcohol, all month. "It's basically just to give my body a rest. I think we all know it's not good to be drinking alcohol all the time," she says.

Old Forester Will Make New Rye Whiskey for the First Time in 150 Years: Rye lovers, rejoice! Old Forester, the Louisville-based bourbon distiller, will introduce a new Kentucky straight rye whiskey, its first grain recipe in nearly 150 years. What's the difference between rye and bourbon whiskey? Glad you asked. American rye whiskey must be distilled from at least 51 percent rye grains - it leads to a spicier and more floral taste in the spirit. Whereas bourbon must, legally, be made of at least 51 percent corn.

Alcohol Delivery Can Be a Boon for Eateries as Off-Premise Dining Grows: The number of diners who opt to eat restaurant meals at home or on the go continues to rise, and the trend extends to just about every sector -- from quickserve to fine dining. Almost three-quarters of quickserve purchases are consumed off-premise, and nearly half of fast-casual meals and 16% of casual dining meals are eaten away from the restaurant, according to 2017 data from the NPD Group.

As Americans Drink Less Alcohol, Booze Makers Look Beyond the Barrel: Americans are increasingly laying off the booze, prompting the world's biggest brewers and liquor companies to push beyond their traditional fare and roll out teas, energy drinks and nonalcoholic spirits. New data show that U.S. alcohol volumes dropped 0.8% last year, slightly steeper than the 0.7% decline in 2017. Beer was worst hit, with volumes down 1.5% in 2018, compared with a 1.1% decline in 2017, while growth in wine and spirits slowed, according to data compiled for The Wall Street Journal by industry tracker IWSR.

Americans Drank Less Alcohol in 2018 for the Third Straight Year: Americans are drinking less alcohol. Total cases of beer, wine and spirits consumed in the U.S. dropped 0.8 percent to nearly 3.35 billion in 2018, the third consecutive year of declining volumes, according to a report from IWSR, which studies the beverage market. The main culprit is the beer slump, with consumption down 1.5 percent last year as more drinkers gravitated to spirits and wine.

Bartenders Tell Us the Best Beers to Drink All Winter Long: It might seem like the summer is beer weather. Few things are more refreshing than downing an ice cold beer after spending an hour with the sun beating down on you as you mow your lawn. A day at the beach is incomplete without a light, refreshing beer (or five).

And no outdoor concert isn't better with Corona and lime. That season is perfect for IPAs, pale ales, and other lighter beers. The winter, on the other hand, is the perfect time for stouts, porters, and all kinds of barrel-aged deliciousness.

Direct Sales Alters U.S. Wine Market: The data is impressive. In 2018, wineries shipped more than 6 million cases of wine, a nine percent increase over the previous year, according to Larry Cormier's presentation at the annual Direct to Consumer Wine Symposium held in Concord, California. Cormier is the general manager of the Colorado-based ShipCompliant/Sovos company, which gathers this data for presentation to the wine community each year.

Americans Are Drinking Less, but Almost Half Still Think Sharing a Drink Improves Work Relationships: Americans aren't just setting the booze aside for Dry January. For the third year in a row, the country's total consumption of beer, wine, and spirits declined, but the well hasn't quite dried up when it comes to indulging in a tippie at work events.

Which Companies Actually Make Costco's Kirkland-Brand Booze?: It's no secret that robots make the best pizza at Costco, and that the robot revolution will start when the pizza androids finally decide to revolt. But there's one secret the retailer doesn't want you to know: which companies are making all of its deliciously affordable Kirkland booze? If you've ever shopped for inexpensive gin, vodka, tequila, or other spirits at Costco, you've probably wondered the same thing.