

ABL WEEKLY

Policy, Industry & Business News for Beverage Retailers

Friday, February 1, 2019

Issue 368

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](#)

[July 13-15 - TPSA Annual Convention | Austin, TX](#)

[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

Super Bowl Squares Pools Are Legally Risky Even After the Fall of PASPA: On the surface, 2019 may seem like a great time to get involved in the world of sports betting. The Supreme Court has struck down the Professional and Amateur Sports Protection Act. At least eight states have taken steps to legalize regulated sports betting. And even the companies FanDuel and DraftKings have moved away from describing their overall business models as "daily fantasy sports."

Pressure Growing in Congress to Change Federal Policy on Marijuana: Major changes could be in store for marijuana policy coming from the nation's capital under new Democratic control of the U.S. House and new leadership at the Department of Justice. More and more states are defying federal law and making the drug legal for recreational use. For an example of America's tangled web of marijuana laws, look no further than Washington, DC. Congress passed laws making the drug illegal across the country.

United States: Legal and Policy Issues Surrounding Taprooms: Rapid growth in the number of small and independent breweries that rely on taproom sales has received a lot of attention- not all of it positive-across the beer industry. Any disruptive change in a mature product market is news. Until the unprecedented growth in the number of very small and independent craft brewers, taproom sales went largely unnoticed. Competing

retailers, beer wholesalers, and even well-established craft brewers were pleased with steadily growing craft beer sales and consumer demand.

[As Government Reopens, the New Congress Tries to Begin Again](#): With the government shutdown over for now, the 116th Congress will hit reset this week, showcasing a Democratic agenda in the House that was overshadowed by the struggle to reopen the government and furnishing both chambers with early opportunities to test whether divided government can produce results. The House, which spent weeks passing futile bills to reopen the government, will turn to legislation higher on the Democrats' priority list, including a bill to raise pay for civilian federal employees.

[Trump Gives \\$100,000 from Salary to National Institute on Alcohol Abuse and Alcoholism](#): The president's older brother, Fred Trump Jr., died of alcoholism-related complications in 1981, a death that the president has frequently cited as a reason why he does not drink and has not engaged in recreational drug use. Trump pledged in 2016 to donate his \$400,000 presidential salary if he won the White House, and has since donated the paycheck in installments to various government agencies.

[The Monopolist in the House: Rep. David Trone's Wine Company Seeks to Overturn a Constitutional Amendment](#): President Donald Trump has been reasonably condemned for attempting to trash the Constitution. But there's only one active politician in America working to actually reverse a standing constitutional amendment. He's a freshman Democratic House member from Maryland's 6th Congressional District. David Trone was elected in 2018 to fill the seat of John Delaney, who seems to think that he's running for president. Trone won a spirited primary with the assistance of \$14.2 million in self-funded contributions and another \$3.25 million in personal loans.

[10% of U.S. Wine Retail Sales Shipped Direct to Consumers in 2018](#): According to the 2019 Direct-to-Consumer (DtC) Wine Shipping Report, over 6 million cases of domestic U.S. wine were shipped DtC in 2018 (up 9% over 2017). The report, which examines wine shipments from wineries to consumers in the United States is produced jointly by the digital compliance company ShipCompliance by Sovos, and the wine industry's digital statistic producer, Wines Vines Analytics. The report covers all of 2018 and notes that at \$3 billion, DtC was up almost 12% over 2017—53% since 2015 and 6 times larger than 2011.

INDUSTRY News

Alcohol and Tobacco Tax and Trade Bureau (TTB)

[TTB Newsletter - Weekly News \(February 1\)](#)

[TTB Message to Industry and Others Affected by the Shutdown](#)

[With Government Reopened, TTB Begins Processing Backlog of Beer Labels](#)

3x3 Insights

[Retail Untapped - Episode 11: Breaking Down Bourbon Barrel Aged Wines](#)

Alcohol Law Advisor

[Legal and Policy Issues Surrounding Taprooms](#)

Beer Institute

[President Jim McGreevy Says Aluminum Tariffs Have Harmed Beer Makers](#)

MIC Coalition

[MIC Welcomes Lawmakers with Consent Decree Education](#)

NACS

[Artificial Intelligence Can Help Protect Retail Profits](#)

Nielsen

[Off-Premise Beer Sales Flatten in 2018 as Hard Seltzer Sales Near \\$500 Million](#)

SevenFifty Daily

[How to Do Business in a Franchise State](#)

Shanken News Daily

[SND Launches Weekly Cannabis Edition](#)

[Top Vodka Brands Go on Offense with New Innovations, Campaigns](#)

VinePair

[No One Is Safe from Counterfeit Wine](#)

[Carded in Louisiana? There's an App for That](#)

Washington Regional Alcohol Program

[Number of People Killed by Drunk Drivers Increases in D.C. Region, Even as Number of Crashes Decreases](#)

AFFILIATE News

Alaska CHARR

[City Wants voters to Approve Alcohol Tax for Homeless Services](#)

Anchorage residents will pay more for a drink or a bottle of wine if voters approve an alcohol tax on the April ballot. The Berkowitz administration proposed the retail tax as a way to pay for social services involving the homeless. Unlike the state, the city can dedicate funds for a specific purpose, explained Berkowitz chief of staff Ona Brause. She said money raised from the tax could not be used to fund general government.

Connecticut Package Stores Association

[Legislation Targeting Microbrews Dies Amid Quick Opposition](#)

Two proposed laws that would have restricted alcohol sales by breweries were withdrawn this week after opposition from brewers and General Assembly leaders. State Sen. Doug McCrory, D-Hartford, proposed that establishments either sell for onsite or offsite consumption and be restricted from doing both. He withdrew his bill from consideration late Thursday.

Malt Beverage Distributors Association of Pennsylvania

[Rep. Wheeland Is Candidate for U.S. Congress](#)

State Representative Jeff C. Wheeland has announced his candidacy for United States Congress (PA-12) and his intention to participate in the upcoming Republican conferee process officiated by the Republican Party of Pennsylvania. "First of all, I want to thank Congressman Tom Marino for his service to our region, as a Congressman, U.S. Attorney and District Attorney," said Wheeland.

Tavern League of Wisconsin

[Local Wedding Barns Affected by Liquor License Debate](#)

A statewide legal debate regarding whether wedding barns need to obtain liquor licenses to host events where alcohol is served could affect several businesses in western Racine County and eastern Walworth County. In the debate's latest development, two wedding barns and the Milwaukee-based Wisconsin Institute for Law & Liberty on Jan. 14 filed a lawsuit in Dunn County Circuit Court against Gov. Tony Evers administration. The suit seeks to prevent wedding-barn proprietors from being required to obtain a liquor license to have alcohol at their events.

STATE & LOCAL News

[District of Columbia: Small Businesses Push for Single Supplier Sports Betting Process](#): Small businesses in the Nation's Capital want a piece of the sports betting pie. But if the DC lawmakers decide to open up a competitive bidding process for the lottery's lone contract, they might lose their shot at joining the ranks of major operators. At least half of the 17 witnesses called before the Committee of Finance & Revenue on Monday, voiced their support for bypassing the bidding process for the DC Lottery contract, which includes sports betting operations.

[District of Columbia: City Legalized Sports Betting but Who Gets to Profit Is a New Source of Drama](#): D.C. officials on Monday defended efforts to award a sole-source contract to run the city's upcoming sports gambling

program, insisting that the normal competitive bidding process would delay legal betting and cost the city tens of millions in lost revenue. The D.C. Council was scheduled to vote earlier this month on legislation that would allow Intralot, the city's Greece-based lottery operator, to also set up online platforms for sports betting and related services. But some lawmakers balked at bypassing standard procurement rules, and the vote was delayed until a public hearing could be held.

Idaho: Bill Introduced to Reform State's Liquor License Laws: The Senate State Affairs Committee on Wednesday introduced legislation that would completely reform Idaho's liquor license laws to address the state's steep license prices, while also imposing additional requirements on restaurants serving alcohol. The bill, sponsored by Sen. Jim Rice, R-Caldwell, strikes the current quota system for issuing licenses based on population, and instead gives the control to local cities and counties.

Illinois: State Lawmakers Lay Out Plans for Recreational Marijuana: Marijuana "bars" would be prohibited, and teenagers caught driving under the influence of marijuana would lose their licenses, a Springfield audience was told Monday night by lawmakers crafting a bill to allow recreational use of cannabis in Illinois. Hearing those details pleased state Sen. Andy Manar, D-Bunker Hill, whose town hall-style meeting on the issue attracted close to 100 people at Lincoln Library.

Illinois: Senate Bill Would Create Liquor Licenses for Grocery, Other Delivery Services: A bill in the Illinois Senate could soon make it easier for more retailers to let you add a fifth of rum to the bottle of cola in a home delivery order. On Jan. 16, state Sen. Don Harmon, D-Oak Park, introduced Senate Bill 54, which would allow third-party grocery delivery services to obtain a state-issued liquor license in any Illinois community. The proposal would also prevent municipalities from imposing blanket bans on the services.

Illinois: Cannabis DUI Charges on the Rise Says Chicago Based Attorney: "Recently we have seen a noticeable rise in charges related to driving under the influence of cannabis. I will fight any felony or misdemeanor cannabis-related DUI traffic cases from arrest to trial," stated Purav Bhatt, of The Law Office of Purav Bhatt. Bhatt is a former Cook County State's Attorney. He is one of the top criminal defense lawyers in Chicago, with vast firsthand trial experience in the methods of prosecution and the processes which must be followed.

Maryland: County Liquor Exec Fires Back at Group's Call to Exit Alcohol Business: The leader of Montgomery County's Department of Liquor Control says the department received an unfair evaluation by a pro-business advocacy group that argued the county should end its wholesale and retail liquor monopoly. Robert Dorfman, who was appointed to the job in late 2016, objects to the use of the label "monopoly." He said 17 states have total control of liquor businesses. "People talk about Montgomery County, because it's the only county in the country with a monopoly," he said.

New Hampshire: Governor's Commission on Alcohol and Drugs Against Pot Legalization: A panel of state officials and opioid treatment specialists have recommended against legalizing marijuana in the state of New Hampshire, arguing that the long-term health effects aren't yet known and it could worsen the state's addiction crisis. In an unopposed voice vote on Friday, the Governor's Commission on Alcohol and Other Drugs took the unusual step to oppose House Bill 481, which would legalize and tax the drug in the state for those over 21 and provide a framework to regulate sales.

New York: State Legislator Calling for State to Lower Drunk Driving Limit from .08 BAC to .05: The legal limit for a New York driver's blood alcohol level could drop from .08 to .05 under a bill recently proposed in the New York State Assembly. Democratic New York Assemblyman Felix Ortiz is sponsoring the legislation to change the legal blood alcohol level threshold for drinking and driving, citing a recommendation by the National Academies of Sciences, Engineering and Medicine. In a report released Jan. 17, that collective science academy called for a lower blood alcohol limit to curb the more than 10,000 alcohol-impaired driving deaths that occur each year across the country.

Oregon: State BAC Limit May Fall to .05: As state legislators opened the 2019 legislative session last week, thousands of bills were introduced by lawmakers covering a wide swath of issues. Among them, a bill introduced by Senate President Peter Courtney proposes lowering the drunk driving limit from .08 blood alcohol content to .05. The law has support from the governor's office and would give Oregon the strictest DUI law in the country along with Utah, which lowered its limit to .05 in December 2018.

Pennsylvania: Gov. Wolf Signs into Law Stiffer Penalties for Repeat DUI Offenders: In front of families who lost a loved one to an impaired driver, Gov. Tom Wolf on Wednesday signed into law stiffer penalties for repeat DUI offenders. Among the four families who lost loved ones in Chester County to an impaired driver were Paul and Maggie Hannagan, who were injured in the Downingtown area crash in 2015 and lost their son Miles and daughter Charlotte to a drunk driver from Delaware County; Debbie and Ken Iwaniec who lost their son Pennsylvania State Trooper Kenton Iwaniec in 2008, shortly after his shift ended at the Avondale Barracks when he was hit by driver who was four times the legal limit.

South Carolina: Tensions Flare in State House Over Proposal to Allow Liquor Sales on Sunday: A proposal to allow expanded Sunday liquor sales in 10 tourist-heavy S.C. counties, including Richland and Lexington, sparked a tense debate Thursday between evangelicals and a state lawmaker who called them hypocrites. “Judge not, (lest) ye be judged,” said S.C. House Minority Leader Todd Rutherford, D-Richland, quoting the Bible as he began a minutes-long, heated response to a Republican lawmaker who said South Carolinians don’t want to see customers entering liquor stores as they drive home from church.

Texas: Lawmaker Proposes Bill Allowing Texans to Buy Liquor on Sundays: Texans should be able to buy liquor on Sundays. At least, that’s what one state lawmaker thinks. State Rep. Richard Pena Raymond (D-Laredo) introduced House Bill 1100, which says liquor stores should be open seven days a week. It proposes that stores should be open from noon to 10 p.m. on Sundays and from 9 a.m. - 10 p.m. the rest of the week. Not being able to buy liquor on Sunday is part of the so-called Blue Laws in Texas.

Utah: Legislature May Legalize Beer-to-Go Sales from Craft Breweries Thanks to a Bipartisan Bill: Two state legislators from across the aisle are working together to legalize the sale of beer that can be taken to-go from craft breweries. Rep. Eddie Rodriguez, D-Austin, and Sen. Dawn Buckingham, R-Lakeway, introduced companion bills in the House and Senate that are designed to give craft brewers a privilege other alcohol distributors in Texas already have. “I have many craft breweries in my district – just off the top of my head I can count five,” Rodriguez said.

Virginia: Federal Appeals Court to Hear Challenge to State’s Habitual Drunkard Law: The Richmond-based 4th U.S. Circuit Court of Appeals on Wednesday will hear a challenge to Virginia’s habitual drunkard law brought by four homeless alcoholics from Richmond and Roanoke. A lower court judge and a three-judge panel of the appeals court upheld Virginia’s interdiction statute, which allows a circuit court to civilly find someone to be a “habitual drunkard” and thereafter be prosecuted for possessing or consuming alcohol, or attempting to do so.

Virginia: Bill Would Create Limited Liquor License for Cigar Shops: A bill making its way through the Virginia General Assembly would create a new, limited liquor license for retail cigar shops, though with some very notable restrictions and emphasis on the word limited. An amended version of H.B. 2301 recently received the approval of the House Committee on General Laws by a 20-1 vote. As it is currently written, the bill would create a new limited liquor license that would allow—or limit, depending on your viewpoint—cigar shops to hold up to 18 sampling events per year, where wine, beer or mixed beverages could be served to any “bona fide” customer for consumption on the premises.

Washington: Regulators Ponder New Vaping Rules That Mimic Alcohol, Marijuana Regulations: As educators in Spokane battle the proliferation of e-cigarette puffing in the classroom, state regulators are eyeing stricter and clearer rules for the sale of vaping products. New proposed rules from the state Liquor and Cannabis Board, which were presented at a meeting held in Spokane earlier this month, require full disclosure of business owners to regulators and impose escalating fines for failure to follow state laws, including allowing those under 18 to enter stores where vaping devices can be sampled.

BUSINESS & LIFESTYLE News

CBD Goes Mainstream as Bars and Coffee Shops Add Weed-Related Drinks to Menus: Eric Cahan and his business partners opened an art-filled cafe in Manhattan’s East Village on April 10, 2018. Ten days later, Mamacha created a CBD-laced drink to celebrate the marijuana holiday, 420. Suddenly there was a line out the door. Cahan and Mamacha’s other owners sensed an opportunity. They learned as much as they could about CBD, reformulated their menu and curated oils, tinctures and other products to sell in the store.

Americans to Bet \$6B on Super Bowl: Americans are planning to wager \$6 billion collectively on the Super Bowl on Sunday, the American Gaming Association (AGA) announced. The AGA released a new survey about betting ahead of Super Bowl LIII, when the New England Patriots will play the Los Angeles Rams in Atlanta. One in 10 Americans plan to bet on the Super Bowl, which comes down to 22.7 million American adults. 52 percent of those bets will be on the Rams and 48 percent on the Patriots.

Bartenders Talk Being Sober in the Alcohol Industry: Fine cocktail places are getting into the sober spirit, supporting a health-conscious clientele with non-alcoholic drinks. The concept may at first seem like an oxymoron, but sober bartenders are becoming more common as the industry transforms. Bar professionals like Jack McGarry of New York's famous Dead Rabbit and Nectaly Mendoza of Las Vegas' Herbs & Rye don't drink anymore, breaking the industry stigma of sober servers and, eventually, sober bar patrons.

What Should You Know About an Out-of-State DUI? : Driving under Influence can be very dangerous for you and for the other motorists. You should never sit behind the wheel if you are not 100% sober because it takes a split second for you to be late with the reaction and somebody might end up hurt. But what about Out-of-State DUI? DUI stands for driving under the influence and is a crime defined by operating a motor vehicle and even a bike or boat under the influence of psychoactive substances including drugs, alcohol or both.

Consumers Wary of Cannabis-Infused Products: While consumers are interested in cannabis-infused foods and beverages, they don't necessarily trust the safety of commercially made products, according to research by Culinary Visions, a food trends forecasting practice based in Chicago. Trust and traceability are the main issues consumers have, according to the survey, when it comes to foods and beverages containing cannabis ingredients.

Will Sports Betting Transform How Games Are Watched, and Even Played? : Half an hour before a preseason hockey game last fall, Ted Leonsis strolled down the concourse of Capital One Arena in Washington, stopping every now and then to pose for someone's selfie. Leonsis owns both the Washington Capitals, the National Hockey League team, and the arena itself, a squat behemoth that fills a block of Chinatown not far from Ford's Theater. He also owns other teams that play there, including the Washington Wizards, in the National Basketball Association, and some smaller ones that don't.

Trader Joe's Kills Its Grocery Delivery Program: Trader Joe's has always done things differently than traditional grocery stores: That's pretty much its appeal and one of the reasons it's developed so many hardcore devotees over the decades. Now it appears that Trader Joe's is going its own way again—or at least going against one of the biggest industry trends. The chain has announced it's ending its grocery delivery service in New York City and is reportedly done with the idea of delivery altogether.

U.S. Wine Shipments Increase in 2018, the 24th Year of Annual Sales Growth: Despite fears of a slowdown, wine shipments in the United States increased by 1.2 percent in 2018, continuing an upward sales trend that began 24 years ago. However, declining consumption and stiffer competition from other beverages may end the streak of annual wine shipment increases this year. The wine industry sold 405 million cases of domestic and foreign wine last year, according to preliminary data released by consulting firm bw166 in Sacramento at the Unified Wine and Grape Symposium, the largest wine trade show in North America.

How Do You Prevent Wine Fraud? With Blockchain-Enabled Labels: Not that most of consider it on a regular basis, but fraud is a serious issue in the wine world. Wine label producer Avery Dennison even cites a stat from the International Center for Alcohol Policies that 30 percent of alcohol consumed worldwide is counterfeit. But new technologies are emerging to help deal with the problem, and a Napa Valley winery has recently signed on to test run one of these trendy sounding innovations: enhanced labels that can be traced with a blockchain.

Why Pizza Hut Could Strike It Big with Beer Delivery: Beer and pizza. It might be one of the most obvious food pairings on the planet. Yet this has been, historically, a logistical nightmare for quick-service chains that live in the delivery space. How do you check IDs? What guidelines can franchisors install to help multi-unit operators navigate laws that vary by state lines? The concerns go on. Back in May 2018, Pizza Hut expanded a beer delivery pilot to nearly 100 stores across Arizona and California. Then, just a couple of weeks ago, the YUM! Brands chain said it was on track to hit 1,000 restaurants by summer 2019.

Digital Retailing Improves Sales in Brick-and-Mortar Stores: The rapid growth of digital retailing, which allows consumers to get most anything where and how they want it, presents both challenges and opportunities, according to a report in Forbes. Despite the 1.1 billion SKUs available on the top online destinations, physical retail will, by 2020, still be 87.4% of the overall retail industry in the U.S. (online and physical)—but the in-store experience must transform.

Millennials' Shifting Tastes Are Boosting Sales of Whiskey and Tequila: Millennials have been blamed for the demise of everything from movies to dinner dates to golf. But now the much-slighted generation is getting credit for something unexpected: saving hard liquor. Smirnoff vodka and Bulleit whiskey maker Diageo said it has received a boost from American millennials. While young people in America are said to be drinking less alcohol overall, a shift in their tastes has helped the world's largest spirits company beat half-year earnings and sales forecasts.