

ABL WEEKLY

Policy, Industry & Business News for Beverage Retailers

Friday, March 15, 2019

Issue 374

MEETINGS & EVENTS

[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 29-31 - ECRS Ignite 19 Retail Success Conference | Nashville, TN](#)
[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

Labor Department Proposes New Overtime Threshold: The U.S. Labor Department late Thursday announced its long-awaited proposed update of overtime thresholds, raising the minimum salary for employees to qualify for Fair Labor Standards Act white-collar exemptions to \$35,308 per year. Under current law, employees with a salary below \$455 a week (or \$23,660 annually) must be paid overtime if they work more than 40 hours per week.

Now That the Music Modernization Act Has Passed, Who's Gonna Run the Damn Thing? (Podcast): The Music Modernization Act, signed into law by President Trump in October of last year, signaled a brand-new level of cooperation between music publishers, streaming platforms, the radio industry, and the broader tech industry. Champagne bottles were uncorked as we gazed at the big blue sky ahead.

U.S. Lawmakers Look to Rollout New Cannabis Laws: U.S. lawmakers from both parties want to change the country's marijuana laws during the 116th Congress, an idea that has gained popularity as public support for legalized cannabis grows, according to RollCall.com. Proponents believe that now is the time to fix the banking, tax and legal gray areas that have emerged as states set up marijuana dispensaries in open defiance of federal law.

Cannabis Bills Proliferate In U.S. Congress: So much competing cannabis legislation is floating around Congress these days it can be hard to keep it all straight. Last week, Representative Ed Perlmutter (D-CO) introduced the Secure and Fair Enforcement Banking Act to the House. The bill, which boasts over 100 sponsors, would prevent federal banking regulators from penalizing banks for "providing financial services to a cannabis-related legitimate business provider" or state agencies presiding over such activity.

[Trump Wants E-Cigarette Companies to Pay User Fees](#): The Trump administration wants the e-cigarette industry to pay \$100 million a year in user fees to underwrite regulatory oversight by the Food and Drug Administration, the Washington Post reports. While several other types of tobacco products, including cigarettes, cigars and snuff, are subject to similar fees, e-cigarettes are not. This fiscal year, the agency is expected to collect an estimated \$712 million in user fees, with cigarettes providing more than 86% of the total.

[FDA Restricts Sales of Flavored E-Cigarettes, Cigars at Retail](#): On March 13, the U.S. Food and Drug Administration (FDA) effectively banned gas stations and convenience stores from selling most flavored electronic cigarettes under its new draft guidance, “Modifications to Compliance Policy for Certain Deemed Tobacco Products,” the Wall Street Journal reports. First set forth by the agency in November, the directives restrict access to flavored e-cigs that have been popular among minors.

[Report: U.S. Wine Exports Down in 2018](#): U.S. wine exports have declined over the last year through December by 12 percent in volume and 5 percent in value, according to a recent report by bw166, a wine industry consulting group. Almost 35 percent of the packaged U.S. wine by value went to Canada. The U.S. bulk wine market – wine shipped in containers to be later repackaged– was different as exports in that sector grew by 12 percent in volume and 10 percent in value.

INDUSTRY News

Alcohol and Tobacco Tax and Trade Bureau (TTB)

[TTB Newsletter - Weekly News \(March 15\)](#)

3x3 Insights

[Retail Untapped Episode 16: Top-Performing Wines and Varietals](#)

Alcohol Law Advisor

[Massachusetts' Highest Court Upholds Record Fine Against Beer Distributor for Pay-To-Play Scheme but Overturns Fine for Bar that Accepted Kickbacks](#)

Beverage Law

[TTB Consignment Sales Investigations - What Is Behind the Curtain of the TTB Press Releases?](#)

Brewers Association

[BA Unveils 2018 Rankings of Top US Brewing Companies](#)

[Craft Brewers and Barley Growers Advocate for Strong Barley Policy at Annual Hill Climb](#)

Nation's Restaurant News

[Report: Gender Gap Widens in Key Food Industry Leadership Roles](#)

Nielsen

[Company Enters Cannabis Measurement in the U.S.](#)

SevenFifty Daily

[How Wine Businesses Are Using Emerging Technologies](#)

[Women Wholesalers Share Workplace Strategies and Challenges](#)

Shanken News Daily

[Impact's 43rd Annual Marketing Seminar Convenes Drinks Industry's Brightest Lights](#)

Wine-Searcher

[The Maddening Business of Marketing to Millennials](#)

Wine & Spirits Wholesalers of America

[Inaugural Retailer and Consumer Day to Kick Off WSWA's 76th Annual Convention & Exposition](#)

AFFILIATE News

Alaska CHARR

[Anchorage Voters Faced with Alcohol Tax Proposal in April Election](#)

Anchorage residents will pay more for a drink or a bottle of wine if voters approve a 5 percent alcohol tax on the April 2 municipal ballot. Mayor Ethan Berkowitz's administration proposed the retail tax as a way to pay for social services involving the homeless. Berkowitz said the city is making progress on that front, but more money will be needed to see real change. "The resources we have now are not adequate to turn the tide as we would like to turn it," Berkowitz said.

Illinois Licensed Beverage Association

[Bill Would Let Rockford Raise Gambling Machine Fee](#)

Rockford leaders have groused for years that the city's non-home rule status prevents it from charging businesses more than \$25 a year for the privilege of having a state-sanctioned gambling machine on the premises. An establishment can have a maximum of five machines, so the most the city can collect from one of those "Miss Lynn's" places or your favorite restaurant and bar is \$125 a year.

Tavern League of Wisconsin

[No Liquor Licenses for Wedding Barns? Tavern League Tells Members to Host More Private Events in Wake of Evers Decision](#)

Restaurants and bars could begin hosting more private events in the wake of Gov. Tony Evers' decision to not require that owners of barn wedding venues obtain liquor licenses in order to host events. The Tavern League of Wisconsin, a powerful lobbying group that represents such establishments, is providing advice to its members on ways to avoid regulation after Evers' decision — including hosting events in vacant storefronts.

STATE & LOCAL News

[Alaska: To Tax or Not to Tax Alcohol - A Divided Anchorage](#): Supporters say it'll help to raise about \$13 million to fight homelessness and addiction in Anchorage, with minimal impact to your wallet — about 40 cents more for a six-pack of beer, 50 cents for a \$10 mixed drink, or \$2 for a \$50 bottle of wine. Opponents say Ballot Measure 9 comes loaded with potential for unintended consequences that could make homelessness worse in Anchorage.

[Alaska: Juneau Businesses Find Themselves in Alcohol License Limbo as Legislators Work to Change Laws](#): Lately, businesses in Juneau and across Alaska have been surprised to find their alcohol license renewals denied by the state. The state alcohol board says it's trying to follow existing statute for recreational site licenses, which only lists a few types of venues permitted to serve alcohol. A bill working its way through the Legislature hopes to solve the issue, but legislators say more reforms are necessary to overhaul Alaska's outdated alcohol laws.

[California: Statewide Sting Operation Nets 357 Arrests](#): A statewide sting operation resulted in hundreds of arrests of adults who supplied alcohol to minors. Operation Shoulder Tap involved state agents from the California Department of Alcoholic Beverage Control teaming up with local police and sheriff's departments from 70 different agencies on Saturday, with underage decoys asking adults to buy booze. "Can you do me a favor," one of the decoys asked.

[Florida: Distributors Getting the Shaft in Distillery Legislation](#): At first blush, it sounds good. Legislation is moving this year ostensibly to help the state's growing number of craft distillers. But upon closer look, there's a flaw. The benefits come at the expense of the state's alcoholic-beverage distributors, which pay taxes and produce jobs and have done so for decades. Here's how: By easing regulation of shipping and selling spirits, which will almost surely blow a hole the size of a Mack truck in Florida's "three-tier system."

Florida: Lawmakers Say Florida Alcohol Rules Need an Update: A number of bills that would make changes to Florida's alcohol rules are moving through the legislature. But many of them make exceptions to the state's three tier system that separates manufacturers, distributors and vendors. When it comes to alcohol, Rep. Holly Raschein (R-Key Largo) says Florida's law need an update.

Idaho: Second Liquor License Reform Bill 'Not Quite There Yet,' Killed by Senate Panel: Following state Sen. Jim Rice's second attempt this session to pass a sweeping liquor license reform bill, the Senate State Affairs Committee on Monday killed the new proposal. The bill, proposed last week, was similar to the first proposal, SB1040, in that it eliminated the state's current quota system for issuing liquor licenses based on population.

Illinois: Want Liquor Delivered to Your House? Senate Committee Advances Legislation: A bill allowing for the home-delivery of liquor passed the Senate Executive Committee Wednesday, with its sponsor promising to bring an amended proposal back for further discussion. State Sen. Don Harmon's Senate Bill 54 passed unanimously. Harmon said he was still working with the liquor control commission and other groups to fine-tune the bill before it comes to a vote before the full chamber.

Kentucky: Senate Advances First-Time DUI Offender Ignition Interlock Bill: Prospects for a bill supported by bourbon producers and Mothers Against Drunk Driving improved Wednesday when Kentucky lawmakers reversed course to advance the proposal aimed at increasing the use of a device that blocks a vehicle from starting if the driver isn't sober. The bill to strengthen Kentucky's ignition interlock law had stalled at a recent House Judiciary Committee meeting when it failed to win enough support.

Kentucky: Public Protection Cabinet Announces Leadership Changes at Alcoholic Beverage Control: Public Protection Cabinet Secretary K. Gail Russell today announced leadership changes at the Department of Alcoholic Beverage Control (ABC), the agency responsible for regulating the sale of alcoholic beverages in Kentucky. Carol Beth Martin, who has served as malt beverage administrator since February 2016, has been appointed acting commissioner. She replaces Christy Trout-Van Tatenhove, who served as ABC commissioner since October 2016.

Louisiana: Sazerac Preparing for Opening of Downtown Facilities in New Orleans: Developers of a downtown cocktail museum have unveiled a literal sign that it's almost ready to open. A 14-foot high LED sign illuminates the Sazerac House Homeplace at the corner of Canal and Magazine streets, where the New Orleans-based company in 2016 purchased two vacant buildings.

Maryland: State Inches Toward Franchise Reform: Franchise law reform is closer to reality in Maryland without the help of Maryland Comptroller Peter Franchot. The Senate Education, Health and Environmental Affairs Committee voted unanimously last week to loosen the state's franchise laws that lock brewers into contracts with their wholesalers, according to The Daily Record. Under the proposed changes, beer companies making fewer than 30,000 barrels annually would be allowed to exit their existing distribution agreements by giving 45 days' notice and paying fair market value.

New Mexico: Marijuana Legalization Bill Passes House: New Mexico lawmakers late Thursday pushed the state closer than ever toward legalizing recreational marijuana for adults. In a late-night debate on the House floor, Democratic Rep. Javier Martinez of Albuquerque unveiled legislation crafted after bipartisan, bicameral talks involving House Democrats and Senate Republicans.

North Carolina: Private Liquor Sales Not Easy As ABC: It's around noon on Friday, and customers are trickling in and out of the Mount Airy ABC Store on Starlite Road, perhaps to stock up for weekend activities. Among those inside the city's lone liquor-selling establishment is a reporter (who, in the interest of full disclosure, is there for purely professional reasons). There are rows and rows of bottles with brown- and clear-colored liquids neatly arranged by categories such as bourbon, gin and rum.

North Carolina: Local ABC Boards Push to Keep Current System: The Boone Alcoholic Beverage Control board and the Blowing Rock Town Council have passed resolutions in support of keeping the Boone and Blowing Rock liquor stores separate and controlled by the state. Boone and Blowing Rock each have

their own ABC board to oversee their ABC stores. Those boards, as required by state law, distribute a percentage of their sales to their local municipalities.

Pennsylvania: Wet vs. Dry: Rules May Get Tweaked for Municipalities Considering Booze Sales: There seems to be a slight uptick in recent years in communities wanting to move away from their dry or partially dry status to allowing liquor to be sold inside their borders. In fact, petitions are being circulated in three midstate communities to gather signatures to get a liquor referendum on the ballot, according to media accounts.

Texas: Beer Bill Filed with Legislature Changes Proposed Requirements for Breweries: Yes, there is yet another update to the beer-to-go saga: The proposed Flow Meter bill was filed in the Texas Legislature on Friday, March 8, but as it relates to flow meter provisions, the stipulations for superfluous overregulation were completely removed. The Texas Craft Brewers Guild Facebook post on March 8 reads, "It's officially after 6pm and 850 new bills were filed in the Texas Legislature today."

Utah: Lawmakers Reach a Deal to Put Stronger Beer in Grocery Stores but it Would Be 4%, Not 4.8%: Utah lawmakers have struck a deal to let higher-alcohol beer be sold in Utah grocery and convenience stores. House members signed off on the measure Wednesday by a 61-14 vote, sending the bill back to the Senate for a final vote that is expected to occur Thursday.

Virginia: New Warning Label for Alcohol Products Aims to Reduce Underage Drinking: A new initiative in Virginia aims to reduce underage drinking by reminding adults 21 and older of the consequences of buying alcohol for underage youth. Results from the 2017 National Survey on Drug Use and Health showed the majority of underage drinkers did not pay for alcohol last time they drank and the most common source of alcohol for these young adults was an older person unrelated to them.

Wisconsin: Gov. Tony Evers Won't Force Wedding Barns to Get Liquor Licenses: Democratic Gov. Tony Evers' administration won't force wedding barns to obtain liquor licenses, his spokeswoman said Friday in a move that could defuse a lawsuit seeking to force state regulators to leave barn operators alone. Former Republican Attorney General Brad Schimel threw wedding barns' future into question in November when he issued an informal opinion saying private events held in public spaces require liquor licenses.

Wyoming: 24/7 Sobriety - Legislation Updates Fundamentals of Alcohol Compliance Program: A law that took four years to pass through the Wyoming Legislature might keep drunk drivers from reoffending in the future. Four years ago, Sen. Dave Kinskey, R-Sheridan, helped work on a bill that revised the existing 24/7 sobriety program in the state. The current program, signed into law by former governor Matt Mead, is designed for repeat offenders driving under the influence.

BUSINESS & LIFESTYLE News

Aluminum Bottles Gaining Traction in Winemaking: After increasing traction for premium U.S. wine in aluminum cans, the light-weight metal is coming to another increasingly popular way consumers can enjoy the fruit of the vine on the go: aluminum bottles. "Aluminum cans are getting broad acceptance by consumers — mostly younger consumers — and that has upped the incentive for aluminum container manufacturers to finally make aluminum bottles in the correct approved volumes for wine," said Paul Tincknell, a principal of design firm Tincknell & Tincknell.

Coors Will Give You Free Beer Every Time It Gets Trolled by Bud Light: The Great Corn Syrup War rages on. I've been conscripted simply because I drink beer. I have grown tired, yet, the war proceeds onward even after Bud Light released a sort of apology about its Super Bowl ads. You remember, dear, the ones about corn syrup that most people thought were a little misleading.

Increasing Transparency in Beer Packaging: The world's largest brewer, Anheuser-Busch InBev, has become the first company to print facts and ingredients labels on its case packaging to increase the

transparency of its products, with Bud Light being the first product to feature the new information. The shake-up in its packaging strategy is a result of increasing consumer demand for transparency in packaging.

Cannabis Drinks Confront a Serious Buzz Kill - They Taste Terrible: Cannabis drinks are hitting the global market, promising anxiety reduction, pain relief and better sleep. One thing none of them tout is taste. "Like a barnyard," Ron Silver, owner of Bubby's restaurant in New York, says of the cannabis oil used to make weed-infused drinks. The self-described cannabis advocate says he started cooking with hemp oil about five years ago and was initially dismayed by the results.

Consumers Love Food Delivery. Restaurants and Grocers Hate It.: Consumers expect to order books, toys, shoes and anything else they want online and have it show up at their doors quickly and inexpensively. Restaurants and grocers are rushing to satisfy the exact same demand. They're having a hard time. A hungry customer in Denver might order a \$9.99 Cuban sandwich from Panera Bread Co., which can arrive at her door in about 30 minutes.

The Wine Industry Can and Should Be Doing More to Market to Gen X (And Everyone): As an agricultural product, wine is dependent on a somewhat certain set of natural conditions in order for the grapes it is made from to reach maturity and ripeness prior to being harvested. In recent years, the wine industry around the world has been faced with a series of challenges that includes wildfires, hail, frost, flooding, and abnormal weather cycles.

Bartenders Tell Us How to Have a Fun, Hangover-Free St. Patrick's Day: Let's face it, you're going to drink on St. Patrick's Day. And you're probably going to drink quite heavily. Probably a lot more than you usually booze on Sundays. But since the holiday falls on a weekend day, you're more likely to tie one on this year. It makes sense. Everywhere you look there'll be green beer, Irish stouts and whiskeys, and all the cabbage and corned beef you can stuff into your gaping maw.

Budweiser-Branded Meats Are Coming to Stores This Summer: Beer is a classic beverage for barbecues. But this summer, one of America's best-known beers, Budweiser, is cozying up with Coleman Natural Meats to offer pulled pork, smoked ribs and bratwurst accented with the familiar taste of Bud. "Introducing classic Coleman Natural Budweiser products to a new younger audience will bring generations of consumers from the beer aisle to the prepared meat case," Mel Coleman Jr., founding family rancher of Coleman Natural Meats, said in a statement.