

ABL WEEKLY

Policy, Industry & Business News for Beverage Retailers

Friday, March 22, 2019

Issue 375

MEETINGS & EVENTS

[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

[U.S. Rep. Dingell Pushes for Mandatory Interlocks to Prevent Drunk Driving](#): Rep. Debbie Dingell pushed Thursday for Congress to approve legislation that would require cars to be equipped with technology that would prevent them from being operated if the driver is intoxicated. Speaking at a House Energy and Commerce Committee subcommittee hearing, Dingell invoked the deaths of the Abbas family of Northville, who were killed in January when their SUV was struck by a drunken driver who drove the wrong way on Interstate 75.

[U.S. Postal Service Issues Advisory on Mailing Hemp-Derived CBD](#): The U.S. Postal Service quietly issued an advisory earlier this month clarifying rules around mailing cannabis preparations, saying that "some CBD products derived from industrial hemp can be mailable under specific conditions." The memo also signals that USPS will further loosen restrictions in the future in light of the passage of the 2018 Farm Bill, which federally legalized industrial hemp.

[Bill to Protect Banks That Work With the Cannabis Industry Gets a Vote in Congress Next Week](#): The House Financial Services Committee will vote next Tuesday on a bipartisan bill that would protect banks that service businesses in the cannabis industry from being penalized by federal regulators. More than a quarter of the House is in support of the Secure and Fair Enforcement (SAFE) Banking Act. The bill was formally filed earlier this month.

[Drugged Driving Trends and Statistics in the U.S.](#): The United States is facing an interesting set of events when it comes to drug use. Overall attitudes towards drugs like marijuana are becoming more liberal in much of the country. 33 states have legalized medical marijuana use, while ten states have legalized recreational use of marijuana. These shifts leave many states and law enforcement organizations scrambling to figure out how to handle the logistics of changing legislation.

[MADD, Nationwide Urge Parents To 'Keep Talking' About Alcohol and Other Drugs During Busy Spring Season](#): Mothers Against Drunk Driving (MADD) and National Presenting Sponsor Nationwide kicked off our

Spring PowerTalk 21 Campaign at an event Tuesday highlighting the dangers of underage drinking — and busting myths about marijuana use — to ignite discussions among parents and teens during the busy season of spring breaks, proms and graduations.

INDUSTRY News

Alcohol and Tobacco Tax and Trade Bureau (TTB)

[TTB Newsletter - Weekly News \(March 22\)](#)

[TTB Extends the Comment Period for the Alcohol Beverage Labeling and Advertising Regulations Modernization Proposed Rule](#)

3x3 Insights

[Retail Untapped - Episode 17: Flavored Smirnoff Sales](#)

Center for Alcohol Policy

[Nominations Open for Seventh Annual Leadership in Alcohol Regulation Award](#)

Distilled Spirits Council

[Impact of Retaliatory Tariffs on American Whiskeys Accelerates](#)

Drizly

[Company Names Former NYSLA General Counsel as VP Of Legal, Regulatory & Industry Affairs](#)

NACS

[How to Protect Your Location from Skimming](#)

National Conference of State Liquor Administrators

[NCSLA Announces Executive Committee Change](#)

Nielsen

[St. Patrick's Day Is the Highest Grossing Day of the Year for U.S. Bars and Restaurants](#)

SevenFifty Daily

[6 Barware Trends Predicted by Bar Suppliers](#)

AFFILIATE News

Connecticut Package Stores Association

[Package Stores Offer Dime Recycling Fee in Lieu of Liquor Bottle Deposits](#)

Connecticut's package stores have proposed a 10-cent "recycling fee" as a compromise alternative to the 25-cent deposit Gov. Ned Lamont recommended last month. The Connecticut Package Stores Association also is asking Lamont and the legislature's Environment Committee to consider a 10-cent fee on 50 milliliter "nip" bottles, though consumers could return that to reclaim a nickel deposit.

Maryland State Licensed Beverage Association

[Beer Industry Stakeholders in Maryland Compromise on Reform](#)

Maryland's craft brewers, wholesalers and retailers have reached an agreement on sweeping legislation that, if approved, would reform the state's laws surrounding self-distribution, taproom sales and franchise agreements. Brewers Association of Maryland (BAM) lobbyist Brad Rifkin characterized the compromise as "a major turning point" for craft brewers and the "transformative change" the trade group has sought since 2016.

Montana Tavern Association

[Lawmakers Hear Bill to Legalize Sports Gambling in Montana](#)

A Montana legislative committee heard testimony Tuesday on a bill to legalize betting on college and professional sporting events as long as it's done in bars with full liquor licenses. The bill sponsored by Republican Sen. Mark Blasdel of Kalispell follows a 2018 U.S. Supreme Court ruling that allows states to legalize sports gambling.

Retail Liquor Association of Oklahoma

[Liquor Stores Would Be Allowed to Offer Beer, Wine Samples to Customers Under Legislative Bills](#)

Measures moving through the Oklahoma Legislature would let liquor stores provide samples of spirits, wine and beer to customers. House Bill 2363, authored by Rep. Chris Kannady, R-Oklahoma City, would allow patrons to 6 ounces of wine or 12 ounces of beer per customer per day either on or off the premises of the retail spirits licensee.

STATE & LOCAL News

[Alabama: New Bill Would Legalize Brewery-Owned Brew Pubs, Change Excise Taxes](#): A new bill introduced in the Alabama House this week would make several changes to laws governing the state's craft beer industry. State Rep. Becky Nordgren (R-Gadsden) introduced a bill supporters are calling "Brewery Modernization 2.0," or HB 151. As Dan Roberts, executive director of the Alabama Brewer's Guild described, the bill's purpose is to update the 2011 act that legalized tasting rooms in Alabama.

[California: Tragedy Doesn't Justify Flawed Proposal to Water-Down BAC Limit \(Op-Ed\)](#): Later this month, debate is set to begin around California Assembly Bill 1713—legislation that would lower the legal blood alcohol limit for driving from 0.08 to 0.05 BAC and redefine "drunk" in the eyes of the law to mean consuming one or two glasses of wine. Although the policy is being framed as a strategy to reduce drunk driving accidents, the idea is deeply flawed. The story behind the bill's introduction is tragic.

[Delaware: State Alcohol Commissioner Questions Newark's Unruly Bars Point System](#): Newark's law that penalizes unruly bars by suspending their special-use permits to sell alcohol is "completely illegal," Delaware Alcoholic Beverage Control Commissioner John Cordrey alleged at a recent hearing. The statement came during a hearing for Caffé Gelato, which was required to appear before the commissioner after a third violation for serving an underage customer, an incident that occurred in September.

[Maryland: Beer Industry Stakeholders Compromise on Reform](#): Maryland's craft brewers, wholesalers and retailers have reached an agreement on sweeping legislation that, if approved, would reform the state's laws surrounding self-distribution, taproom sales and franchise agreements. Brewers Association of Maryland (BAM) lobbyist Brad Rifkin characterized the compromise as "a major turning point" for craft brewers and the "transformative change" the trade group has sought since 2016.

[Maryland: State Maryland Poised to Pass \\$15 Minimum Wage Bill](#): The Maryland Senate is expected to approve a statewide \$15 minimum wage bill this week after the House passed a similar measure by a wide majority, the Washington Post reports. While Gov. Larry Hogan has expressed interest in raising the state's minimum wage, he proposed going from the current \$10.10 to \$12.10 an hour by 2022. The proposal in the Senate would hike the minimum wage for nearly all workers to \$15 by 2025.

[Massachusetts: State's Strict Drinking Laws Are Decades In the Making](#): Happy hour, drinking games, free beer: what do they have in common? They are all banned under Massachusetts law. Most of the state's current legislation stems from past alcohol-related incidents. In 1984, then-governor Michael Dukakis signed a bill to outlaw happy hour discounts after a young woman was killed in a drunk driving accident.

[Michigan: Brewers Caught Off Guard by Charitable Donation Regulations](#): Brewery owners statewide were caught off guard after being informed they could be violating state liquor regulations by brewing beer for charitable causes. At the center of the controversy, a popular effort from breweries nationwide and in Michigan to brew a special batch of beer to benefit the victims of the California wildfires.

Michigan: Nearly 130K Bottles of Wine Illegally Shipped into Michigan: One in four bottles of alcohol shipped into Michigan during the end of 2018 was shipped illegally, according to data by the Michigan Beer & Wine Wholesalers Association. Their research found that during October to December 2018, approximately 528, 310 bottles of alcohol were shipped into the state, and of those bottles, 185,408 were spirits or illegally shipped wine.

Michigan: Sunday Alcohol Sales Cause Some Stores to Move or Shutter: For just over a year, Indiana has allowed Sunday alcohol sales at retail stores, and there already have been at least a couple of store closings on the Michigan side of the border. The J&B Party store at 3114 S. 11th St. in Niles is abandoned with little but shelves, boxes and beer posters remaining inside. The sale of the license is pending and will be transferred to a storefront at 4031 Michigan 139 near St. Joseph.

Minnesota: State Is About to Be the Last State Left with 3.2 Beer: Until last week, Minnesota and the Beehive State (that's Utah's official nickname, by the way-we Googled it) were the only states left with 3.2 beer, the final holdouts in the war of attrition over watery, low-alcohol suds. Battles in said conflict were waged in Oklahoma, Colorado, and Kansas last year. On Wednesday, Utah legislators reached a deal to get (slightly) higher-alcohol brews in grocery and convenience stores throughout the state.

New Jersey: Legislature Advances Bill to Legalize Recreational Marijuana: Committees in the New Jersey Assembly and Senate on Monday night advanced a measure aimed at legalizing recreational marijuana. The move came after a marathon-like day at the capital that involved hours of delay and back-room wrangling, according to The Associated Press.

New Jersey: State Mandates Cash Acceptance at Retail: New Jersey restaurants and stores must accept cash under a new law that forbids retailers from requiring card payments only, NJ.com reports. Gov. Phil Murphy signed the law this week, making the Garden State the second (behind Massachusetts) to mandate acceptance of cash at retail establishments. The law took immediate effect.

New York: Doubling State Alcohol Tax Could Create New Fund to Help People Fighting Addiction: Paying a little more for a beer or glass of wine could help double the services offered for people suffering with alcohol and drug addiction. But are New Yorkers already taxed enough? Down-state democrat Mike DenDekker sponsored the Addiction, Prevention, and Recovery Act to double the tax on alcohol. An additional \$260 million dollars a year would be put into a separate fund that will go directly to creating services for people fighting alcohol and drug addiction.

North Carolina: ABC Boards Skeptical as McGrady Plans Slate of Alcohol Bills: Changes are in the works for how North Carolinians buy liquor, and local officials from government representatives to ABC board members are worried about what it might mean for local communities that receive money from sales. State Rep. Chuck McGrady has filed a bill seeking to make a number of changes to ABC systems across the state, and he's warming up to file a handful of bills in the coming weeks, leading up to a bill that would privatize liquor sales.

North Carolina: Lawmakers Seek to Allow Alcohol Sales at College Sporting Events: A Wayne County representative is one of two who helped introduce a bill that would make selling beer and wine at college athletic events. N.C. House Majority Leader John Bell (R-Wayne) and N.C. Senate Majority Whip Rick Gunn (R-Alamance) filed companion bills (HB 389 and SB 296) in the N.C. General Assembly on Tuesday. They would provide UNC System schools the ability to sell beer and wine at sporting events.

Oklahoma: Bottle Service Bill Passes House: A bill that would allow Oklahoma businesses to offer "bottle service" passed off the House floor last week with a bipartisan vote of 90 to 9. House Bill 2651, authored by Rep. Ajay Pittman (D-OKC), provides a definition of "bottle service" as used in the Oklahoma Alcoholic Beverage Control Act to mean the sale and provision of spirits in their original packages by a mixed beverage licensee to be consumed in that mixed beverage licensee's club suite.

Pennsylvania: PLCB Returns Nearly \$2.1 Million in Licensing Fees to Local Communities: The Pennsylvania Liquor Control Board (PLCB) today announced the return of nearly \$2.1 million in licensing fees to 1,103 municipalities in which licensees are located. Twice a year, as required by law, the PLCB

returns liquor license fees paid by PLCB-approved licensees to the municipalities that are home to those licenses.

Tennessee: Alcohol Sales Legislation on Public Institution Campuses Passes Senate: Legislation TN SB0598 was filed for introduction on Feb. 5 and would allow alcohol sales at University of Tennessee venues. TN SB0598 designates any facility on the campus of a public institution of higher education that is designed and used for school-sanctioned sporting events as a sports authority facility for purposes of consumption of alcoholic beverages on the premises.

BUSINESS & LIFESTYLE News

Tennessee Whiskey and the Question of Calling It a Bourbon : A few weeks back I posted a piece on a proposed rule change by the Tax and Trade Bureau on the term "barrel" with regards to spirits aging. In perusing these proposals, I stumbled across another little ditty dealing with Tennessee whiskey that I wanted to take a look at. Tennessee whiskey is a style of whiskey that, like most whiskey styles in the U.S., has to follow some strict rules in order to use its moniker, though in this case they are only at the state level and not the federal.

The Blunt Truth: Cannabis Retail Is Here: Just a year after legalizing recreational marijuana, Colorado's licensed retailers in 2016 notched nearly a billion dollars in sales, surprising many observers who didn't reckon the higher priced goods could compete with the black market. Just two years on, Cowen & Co. analysts, noting how swiftly more states are moving to bless adult use, boosted their U.S. cannabis market target by \$25 billion, saying in a report released in April that they anticipate the industry "to generate \$75 [billion] in sales by 2030."

Big Alcohol Is Bracing for a More Sober Future: I grab a menu at the bar. I see a list of twelve cocktails. I see two types of tea. I see sparkling water. I see Coca-Cola. "What drinks do you serve without alcohol?" The bartender points me back to the list, which I review as a formality before asking if there's anything else. "Maybe a mixed drink?" "We could make an Arnold Palmer. Do you know what an Arnold Palmer is? Or a Shirley Temple?"

AB InBev Names New Chairman: Anheuser-Busch InBev SA BUD 2.19% named a new chairman and said the CEO of private-equity firm 3G Capital was leaving its board, part of a broader shake-up at the world's biggest brewer as it struggles with slumping sales. The company said Tuesday that four directors would leave at its April shareholder meeting and that it would appoint current board member Marty Barrington, the retired chief executive of Marlboro maker Altria Group Inc., as its next chairman.

Rejoice, the Official Time for Wine O' Clock Has Finally Been Revealed: Having a glass of wine is one of the best things in life. Or so it is in America, according to a new study. Across the pond, researchers have named the 20 best simple pleasures in life and drinking wine topped the list at 65%, alongside watching your favourite TV shows in the comfort of your own home (56%) and eating a home-cooked meal (55%).

Constellation Brands Is Nearing Deal to Sell Some Wine Brands to E. & J. Gallo: Constellation Brands is in advanced talks to sell its some of its low-end wine brands to E. & J. Gallo Winery, people familiar with the situation tell CNBC. Constellation, which also sells Corona and Modelo beers, had hoped its wine business would fetch \$3 billion. However, the sale is expected to be around \$2 billion or less, said one of the people.

Four Loko, Joose & Sparks: An Abridged History of Caffeinated Alcohol: Remembrances of Four Loko - the super-caffeinated, alcoholic energy drink available in every convenience store for a narrow window of time before intervention by the Food and Drug Administration at the end of the aughts - are their own genre of internet content. It is, if there is such a thing, the internet's beverage, even years after the demise of its original formula.

Letter to the Editor: Former Anheuser-Busch CEO on Why Transparency Benefits Entire Beer Industry:

As the oldest brewer in town, I would like to offer my thoughts on the recent conversation around Bud Light's campaign focused on ingredients transparency. Starting with my great grandfather, Anheuser-Busch has been committed to brewing our beers with the highest quality ingredients. It's very simple; the combination of the finest ingredients brought together in our strict and time-consuming brewing process yields a beer that is consistent, refreshing, and drinkable.

Eagle Distributing, Quality Brands of Omaha Distribute More Than 100K Cans of Water to Nebraska Flood Victims:

Following the catastrophic floods that caused 75 cities in Nebraska to declare a state of emergency, two local beer distributors are delivering 100,000 cans of water to help those impacted by the flooding. "The emergency drinking water will be sent to Anheuser-Busch wholesaler partner, Eagle Distributing in Fremont, NE, who will work alongside Quality Brands of Omaha to distribute the water locally to those in need."

Michelob Ultra Just Launched a Fruity, Keto Beer: Michelob Ultra just announced that this month, they're launching the first-ever flavored versions of its beloved keto-friendly, low-calorie light beer, called Michelob Ultra Infusions. The first beer to drop will be Lime & Prickly Pear Cactus, rumored to be followed by Pomegranate & Agave shortly after. Michelob Ultra Infusions have just 95 calories per bottle and around 5 carbs each.

Thirstie Announces \$7M Series-A Funding: Thirstie, a six-year-old New York-based developer of white label ecommerce solutions for liquor brands, today announced that it has raised \$7 million in an oversubscribed series A funding round led by Queens Court Capital, with participation from the former CEOs of Coach, Citibank, and Credit Suisse USA, and Swat Equity Partners founder Richard Kirshenbaum.