ABL Friday HAPPY HOUR

July 31, 2026

Welcome to your **ABL Friday Happy Hour** ... *803 words ... 2-3 minutes.* Here's the latest on legislative policy, industry developments, and other news affecting beverage alcohol retailers.

1. Senate Eyes CR Through December; Highway Law Extension Expected

Senate leadership is moving toward passing a continuing resolution (CR) next week that would keep the federal government funded through December 11 – one week longer than the December 4 deadline passed by the House last week. At the same time, Senate Environment and Public Works Committee Chair Shelley Moore Capito (R-WV) has indicated she intends to attach a clean extension of the current surface transportation law to the funding package, avoiding a lapse in federal highway programs while Congress continues work on a longer-term reauthorization.

- **Why it matters:** For ABL members, extending the current highway law would temporarily preserve existing impaired-driving and highway safety programs. As Congress returns this fall, the government funding package and highway extension will remain important legislative vehicles to watch for alcohol-related policy riders and other provisions affecting the hospitality industry.

2. RNDC Begins Bankruptcy Process

Republic National Distributing Company (RNDC) declared Chapter 11 bankruptcy this week, creating financial implications for hundreds of wine and spirits suppliers left with unpaid invoices. According to court filings, RNDC has more than 100,000 creditors and lists over $300 million in unsecured claims. Because of the structure of the bankruptcy process, many suppliers—particularly smaller brands—may recover only a fraction of what they are owed, if anything. Some emerging suppliers report going months without payment while continuing to ship product to preserve retail placements.

- **Why it matters:** For retailers, the immediate impact should be limited. Most brands have already transitioned—or are in the process of transitioning—to successor wholesalers in former RNDC markets. However, bankruptcy could create temporary supply disruptions for certain brands, particularly smaller and emerging suppliers facing significant financial losses or delayed market transitions. More broadly, the case serves as a reminder that continued consolidation and financial concentration in distribution can create systemic risks that extend well beyond the wholesaler itself.

3. Massachusetts Retailers Call for Regulatory Parity on Cannabis

The Massachusetts Package Stores Association (MassPack) is continuing its advocacy for stronger oversight of the state's legal cannabis market. In a new **op-ed** published by *CommonWealth Beacon*, MassPack Executive Director – and ABL Board Member & Communications & Membership Committee Chair – Rob Mellion argues that cannabis retailers should be subject to the same rigorous compliance inspections, enforcement, transparency, and public accountability that govern alcohol and tobacco retailers. The piece calls for expanded local enforcement authority, independent compliance audits, and a dedicated state investigative unit to ensure cannabis is regulated as an age-restricted product rather than treated as an exception.

- **Why it matters:** ABL's state affiliates are often on the front lines of policy debates that have national implications. MassPack's advocacy reflects a broader principle shared by ABL: all intoxicating, age-restricted products should be regulated in the same fashion, with the same level of accountability, consumer protection, and enforcement that has a been a hallmark of state and local beverage alcohol regulation.

4. Betting Bigger Than Broadway

Americans wagered an estimated $166 billion on sports betting in 2025 – more than the combined revenues of the U.S. movie, music, live entertainment, book publishing and museum industries, according to a new analysis by *Fortune*. (By comparison, purchases of beverage alcohol for personal use in 2025 exceeded $220 billion.) Researchers estimate the true figure could approach $300 billion when including betting through tribal sportsbooks and prediction markets.

- **Why it matters:** As legalized sports betting continues to expand, it is competing not only with other forms of gambling, but also with traditional hospitality and entertainment spending. For bars, taverns and restaurants, the long-term question is whether sports wagering complements the on-premise experience – or increasingly competes for the same discretionary dollars consumers once spent dining out, attending live events or socializing in person.

5. Seventh Circuit to Hear Illinois Retail Shipping Challenge

The U.S. Court of Appeals for the Seventh Circuit has scheduled oral arguments for September 17 in the latest constitutional challenge to Illinois' prohibition on direct-to-consumer shipments by out-of-state alcohol retailers. The appeal follows a federal district court decision upholding Illinois law, consistent with similar victories for states defending their retail alcohol regulatory systems in the First, Second, Third, Fourth, Fifth, Sixth, Eighth, and Ninth Circuits. The case marks the latest effort to use the dormant Commerce Clause to invalidate state residency and licensing requirements. (Shout out to *Alcohol Law Review* for its coverage.)

- **Why it matters:** The Illinois appeal is one of the few remaining active constitutional challenges to state retail alcohol laws following a decade of litigation. ABL has consistently supported states' authority under the Twenty-first Amendment to regulate alcohol distribution and retail licensing, and courts have repeatedly affirmed that authority.