ABL WEEKLY

ALCOHOL INDUSTRY & BUSINESS NEWS FOR BEVERAGE RETAILERS

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ABL ANNUAL MEETING

Registration for the 2017 ABL Annual Meeting Is Now Open!

Click Here to Visit the Meeting Website & Register Today!

CALENDAR

February 12-14 - Responsible Hospitality Institute Leadership Summit | Austin, TX
February 16-17 - American Craft Spirits Association 4th Annual Distillers Convention | Nashville, TN
March 12-14 - National Alcohol Beverage Control Association Legal Symposium | Arlington, VA
March 26-28 - ABL 15th Annual Meeting | Las Vegas, NV
March 27-29 - Night Club & Bar Convention & Trade Show | Las Vegas, NV
April 3-6 - Tavern League of Wisconsin Spring Convention & Trade Show | La Crosse, WI
April 3-6 - American Distilling Institute Craft Spirits Conference | Baltimore, MD
April 10-13 - 2017 Craft Brewers Conference & BrewExpo America | Washington, DC
April 18-21 - Wine & Spirits Wholesales of America 74th Annual Convention & Expo | Orlando, FL
April 30-May 3 - National Beer Wholesalers Association Legislative Conference | Washington, DC

ABL & PUBLIC POLICY News

Six Burning Questions That Remain on Trump's Estate Tax Plans

President-elect Donald Trump has promised to introduce a tax overhaul plan that includes estate tax repeal as a priority in his first 100 days, but wealth planners say there are several questions that must be addressed before repeal becomes reality. Many of the details on estate tax repeal have yet to be hashed out.

Congresswoman Kathleen Rice Proposes National Version of Leandra's Law

U.S. Rep. Kathleen Rice has proposed a bill that would make New York's Leandra's Law, which makes driving while intoxicated with a child in the car a felony offense, the law throughout the country.

Private Equity Firm Blackstone to Buy SESAC

SESAC will soon be acquired by top private equity firm Blackstone in a deal hailed as a promising sign for the business of music licensing. Blackstone's plans to purchase SESAC were announced without financial details on Wednesday. But, Blackstone did disclose that the deal will be made out of its long-term equity fund, signaling that it plans to spend at least 10 years growing the business.

Coming in 2017: Repeat of an Epic Fight Between Banks and Retailers

A fight that no member of Congress really wants to revisit has returned to haunt lawmakers even before the Trump administration becomes reality. It's worth $8 billion per year to the winning industry - banks or retailers - and it involves the debit cards that most Americans carry in their wallets. As part of the 2010 financial reform law, Congress directed the Federal Reserve to impose rules on the fees that debit card issuers (banks) can charge companies (retailers) that accept their cards for payment.

Lawmaker Proposes Making Utah First State to Lower Alcohol Limit to .05

A Provo lawmaker wants to make Utah the first state in the country to lower its legal limit for driving under the influence to a 0.05 percent blood-alcohol content - a level the average male drinker could reach at three drinks and at which a female could be considered drunk after two.

Republican Lawmakers Open 115th Congress in Washington

The 115th Congress was sworn in and got to work Tuesday in the nation's capital. Republicans control both chambers of Congress, and are awaiting the swearing in a Republican Donald Trump as president. Even with one party in power, there were still some hiccups on this first day. It started with a vote taken by the Republican caucus Monday night to change ethics oversight rules, in a move that certainly gave the impression of limiting investigation of themselves.

Concerns About the "Border Adjustable" Tax Plan from the House GOP (Part I)

The Republicans in the House of Representatives, led by Ways & Means Chairman Kevin Brady and Speaker Paul Ryan, have proposed a "Better Way" tax plan that has many very desirable features. And there are many other provisions that would reduce penalties on work, saving, investment, and entrepreneurship. No, it's not quite a flat tax, which is the gold standard of tax reform, but it is a very pro-growth initiative worthy of praise.

ABL MEMBER BENEFIT

INTELLICHECK
WHEN YOU NEED TO KNOW NOW

ABL and Intellicheck Mobilisa have joined in a new partnership to address the ongoing issue of underage access to alcohol. Building on ABL's many efforts to support responsible, age-restricted beverage retailing, Intellicheck is offering its Age ID™ solution to improve customer service and ensure compliance with state regulatory laws by instantly authenticating a customer's identity and age via a mobile device or integrated with a point of sale instrument. The ability to spot fake or altered identification and to positively verify a consumer's age in real time provides ABL members with a valuable solution for keeping alcohol out of underage hands. For more information, please click here.

INDUSTRY News

Alcohol and Tobacco Tax and Trade Bureau (TTB)
TTB Newsletter | Weekly News (January 6)
TTB Publishes Final Rule to Streamline Importation and Exportation Procedures
TTB Eases Tax Requirements on Brewers, Cidermakers

Association for Convenience and Fuel Retailing (NACS)
Coalition Asks New Congress to Protect Debit Reforms

National Beer Wholesalers Association
NBWA's 2016 Year in Review

Southern Glazer's Wine & Spirits
Southern Glazer's Wine & Spirits' Announces Departure of Rob Swartz, EVP of Integration

ABL MEMBER BENEFIT

ABL has partnered with Fintech, the leading provider of electronic data and payments solutions to the alcohol industry, to provide a secure, affordable and hassle-free way for ABL members to pay for alcohol deliveries electronically and improve the beverage alcohol purchasing process. Under the program, ABL members are eligible for a discount on Fintech's electronic payment and data solutions systems. For more information, please click here.

AFFILIATE News

New York State Liquor Store Association
Another Voice: Liquor Store Lawsuit Is Not About Blocking Competition (Op-Ed)
As the statewide advocacy organization for retailers of all sizes in the wine and spirits industry, I want to clarify some clear misperceptions about the lawsuit recently filed by Premium Wine & Spirits against the State Liquor Authority (SLA) and a liquor store in the Buffalo area. First, there have been comments that the lawsuit was filed because the owner is afraid of competition. This belief has no basis in fact.

Retail Liquor Association of Oklahoma
Lawsuit Calls New Oklahoma Liquor Amendment Unconstitutional
In the weeks between Thanksgiving and New Year's, liquor stores like Byron's Liquor Warehouse, are packed. It's a marathon holiday season. "A lot of sweat, a lot of elbow grease but we make it through every year," Byron's General Manager Blake Cody said on Wednesday. "It's quite a bit, we do several, probably about a million dollars if not more. We have a lot of product coming in and out in the month of December," he continued.

Retail Liquor Association of Oklahoma Launches Petition Drive
The Retail Liquor Association of Oklahoma recently launched a petition drive to update Oklahoma's liquor laws. In order to get it on this year's ballot they will have to collect about 125,000 signatures by the end of August. Bryan Kerr, president of the RLAO said, "It won't be easy to get that many signatures in such a short amount of time but we'll have petitions at every liquor store that supports change throughout the state."

STATE News

Alaska's First Pot Shop Opens to a Long Line of Customers
Alaska's first marijuana retail outlet opened to a throng of customers Saturday, two

years after voters approved allowing people 21 and older to recreationally use pot. More than 250 people lined up outside Herbal Outfitters in Valdez, store owner Richard Ballow said.

Alaska: State Legislature to Expect Revisions on Alcohol Laws

When the legislature convenes in 2017, Sen. Peter Micciche, R-Soldotna, is expected to push for reforms on Title 4, which addresses Alaska's alcohol laws, according to the Associated Press. For 36 years, Alaska's alcohol statues have not been revised, according to the AP. And the Alaska Alcoholic Beverage Control Board wants to implement Title 4 revisions for the "new millennium," says ABC board chairman Bob Klein.

California: Northern California Lawmakers Push to Close Marijuana Driving Loophole

Two San Francisco Bay area lawmakers are proposing a new law that would make it illegal to smoke marijuana and drive, KGO-TV reports. In November, California voters decided to legalize recreational marijuana under proportion 64. However, the new law only makes it illegal to have an open container of marijuana in your car.

Hawaii: Stricter Limits on Tap? Lee Loy Wants to Get Rid of Any Wiggle Room in Use of Taxpayer Funds to Purchase Alcohol

Stricter limits on taxpayer-funded alcohol purchases soon could become law under a bill to be considered next week by a County Council committee. Bill 6, by Hilo Councilwoman Sue Lee Loy, would take any wiggle room out of the ability of county officials and employees to buy alcohol with county money.

Hawaii: Tougher Alcohol Purchase Rules on Hold to Consider "Toasting"

Hawaii County Council members postponed a bill Wednesday that would strengthen restrictions on the purchase of alcohol after discussing whether certain ceremonial activities should be exempt. Hilo Councilwoman Sue Lee Loy initially proposed changing the county code to specifically ban use of county funds to supply alcohol for "social or entertainment purposes."

Idaho: State Supreme Court Creates Forced Blood Draw Exception

Police in Idaho no longer need a warrant to take blood forcibly from a motorist - as long as a judge does not pick up the phone. The state Supreme Court on Friday upheld the involuntary extraction of blood from Daniel Chernobieff, who had been stopped around 11pm on September 11, 2013 for a routine traffic violation. Idaho State Police Corporal Matthew Sly suspected Chernobieff of driving under the influence of alcohol (DUI), but Chernobieff refused all field sobriety and breath tests.

Illinois: More Suburbs Banning Alcohol Smoking, Powdered Alcohol

New methods of ingesting alcohol that bring about quicker intoxication are causing some suburban leaders to adopt local prohibitions before they've encountered even a single example. Schaumburg officials are planning to follow in the footsteps of those in Naperville, Pingree Grove and River Forest on Jan. 10 by outlawing the possession and sale of both powdered alcohol and alcohol-smoking devices.

Maine: State's Recreational Marijuana Law Takes Effect This Month

Recreational marijuana use will be legal in Maine this month after a referendum passed by voters in November cleared its last hurdle, a signature from Gov. Paul LePage (R). The office of Maine's secretary of state said on Twitter Tuesday that they had received a signed proclamation for ballot initiative Question 1 from LePage dated Dec. 31, meaning the law is set to take effect Jan. 30.

Maine: State Rep Leading Push for More Hops Research to Aid Brewers
Maine Rep. Chellie Pingree is helping lead a group of lawmakers in support of hops research. Hops are flowers of the hop plant, and they're used to impart flavor and aroma to beer. More than 100 lawmakers are calling for the U.S. Department of Agriculture to increase its commitment to research of the plant.

Michigan: State Liquor Control Enacts Rule Allowing Self-Serve Beer and Wine Taps
A new rule was approved by the Michigan Liquor Control Commission, which allows for self-service taps at individual bar or restaurant tables, but some say this will only intensify issues of underage drinking and over-serving. The idea that you don't have to wait for another glass of beer or wine. You could refill your glass right from your table and it could be coming to bars in West Michigan.

Minnesota: After Drastic Revenue Loss, Edina Liquor Plans to Fight Back
Edina-owned liquor stores may experiment with online ordering and delivery next year as part of a new plan to attract more customers and boost profits. The plan, presented to the City Council this week, is the product of a task force created after competition from large retailers dramatically reduced profits for three stores run by Edina Liquor. At its peak in 2012, Edina Liquor's municipal liquor stores (known as "munis") brought in about $1.5 million in profits. That number fell to about $650,000 in 2015, and city officials estimate similar profits by the end of this year.

Mississippi: Laws on Having Alcohol in Dry Counties (Video)
Nearly half of the counties in Mississippi are considered dry counties, meaning alcohol and beer is prohibited. "It's against the law to have beer or whisky in a dry county transporting it throughout the county," said Monroe County Sheriff Cecil Cantrell. Monroe County is one of 34 counties in the state to have laws against possessing alcohol or beer. When it comes to dry counties, Sheriff Cantrell said there's zero tolerance for alcoholic beverages.

New York: State Reaches Settlement with Kombucha Producers
New York-based kombucha producers and retailers have reached an agreement with state regulatory agencies that will allow the fermented tea drinks to be made and sold like similarly positioned beverages, as opposed to alcoholic products, according to Buffalo Business First. Kombucha commonly contains less than 0.5 percent alcohol by volume however, last year the New York State Liquor Authority issued a directive that would have forced kombucha brewers to cease operations, reclassify themselves as producers of alcoholic beverages and apply for state liquor licenses.

Ohio: Judges Issue Ruling in Long-Running Heidelberg Distributing Lawsuit
A Cincinnati-based state appeals court has upheld key components of a trial judge's ruling in a bitter family dispute over control of Moraine-based Heidelberg Distributing Co. A branch of the family that is most involved in the day-to-day operations of Heidelberg had promptly appealed a Hamilton County Common Pleas judge's decision in the fall of 2015 that in part favored a branch of the family that is not directly involved in the company's daily operations.

Pennsylvania: Harris Seeks to Update Pa.'s Liquor Laws
In his position as liquor-control chairman of the Pennsylvania House of Representatives, Rep. Adam Harris wants to make decisions that benefit consumers and businesses. Since taking the post in September, Harris has been researching the state's complex liquor code and speaking to licensees from across the state about

their businesses and what improvements can be made.

Pennsylvania: House Bill 1196 Soon to Take Effect, Allow Beer Distributors to Sell Six Packs and More

Calling all beer lovers! Two weeks from now you'll be able to purchase six packs, four packs, or single thirty-two ounce bottles of beer at beer distributors in Pennsylvania. Something they have been pushing for - for years.

Pennsylvania: New PLCB Executive Director Named in the Midst of Historic Liquor Law Changes

As 2016 winds down, state lawmakers and the governor have been celebrating sweeping liquor law reforms passed over pint glasses of bipartisanship. In a matter of days this summer, Pennsylvania went from having a Prohibition-era system of alcohol sales to a more modern system for beer, wine and spirit sales. The reform law Act 39 opened up wine sales in state grocery and convenience store chains, let vineyards ship wine directly to consumers and launched a statewide auction system for expired restaurant liquor licenses to give more businesses opportunities to sell booze.

Pennsylvania: PLCB Now Accepting Sealed Bids for Second Auction of Expired Restaurant Licenses

he Pennsylvania Liquor Control Board (PLCB) today issued an invitation for bids to award 50 expired restaurant licenses in the second license auction since Act 39 became effective earlier this year. This auction includes 50 licenses across 48 counties.

Pennsylvania: Rebranding State's Liquor Business Falls Short of Serving Consumer, Critics Say

The state liquor board remodeled 33 stores and added two new stores during the past year. Convenience has become the watchword of the Pennsylvania Liquor Control Board as it attempts to rebrand its consumer image by remodeling stores and adding new outlets. But that may not be enough to silence those who argue that the state shouldn't be in the booze business. The state liquor board has made strides in some policy changes this year.

Pennsylvania: Wine Shoppers Enjoying Convenient Options

Grocery stores in the region are now selling wine to customers who say they enjoy the convenience of one stop shopping. Bob Finn is the manager at the Wegmans on the Carlisle Pikein Mechanicsburg. He says customers appreciate the option to purchase wine in the store.

Tennessee: Breweries to Brew High-Gravity Beers Under New Law in 2017

A new law will now allow Tennessee brewers to make beer with higher alcohol levels beginning in 2017. All breweries will be able to produce high-gravity beer for the first time. Before the new law, breweries had to pay for a distillery license to make higher alcohol beer, which made expanding beer options financially difficult for most breweries.

Tennessee: Retailers Have New Legislative Goal: Wine Sales on Sunday

Two years ago after persuading Tennessee lawmakers to let them sell wine, state grocery and convenience stores are now setting an ambitious new goal: repealing the long-standing ban on Sunday sales of wine. Rob Ikard, president and CEO of the Tennessee Grocers & Convenience Store Association, said the grocers group is joining with Tennessee wineries and the Distilled Spirits Council to push for what he

calls "seven-day sales."

Tennessee: Costco Evicts Liquor and Wine Stores in Memphis
Six months after Costco Wholesale warehouses in Tennessee have been able sell wine, the members-only retailer is evicting two wine and liquor stores in Memphis that have leased space at the stores for years. Southwind Wine & Spirits, at the southeast Memphis Costco warehouse on Hacks Cross and Winchester, and Wolfchase Wine & Spirits, at the Cordova warehouse on North Germantown Parkway near Interstate 40, must move out by the end of January, store managers said.

Texas: State Court of Appeals Hands Down Instructive Administrative Law Opinion
A recent Texas Court of Appeals decision, *EATX Coffee, LLC v. Texas Alcoholic Beverage Commission*, provides an important reminder of how principles of administrative law may check the current trend towards "regulation by Internet." Ct. of App of Texas, 4th Dist., No. 04-16-00213-CV (Dec. 7, 2016).

Utah: Lawmaker Hints at Possibility 'Zion Curtains' May Fall
The senator tasked by the Utah State Legislature's Republican majority with overseeing liquor legislation tells FOX 13 he may consider removing so-called "Zion Curtains" from restaurants. Sen. Jerry Stevenson, R-Layton, acknowledged he was exploring the possibility of legislation to remove the separate preparation areas which prevent you from seeing drinks being made in restaurants.

Virginia: A Fourth Republican Enters the Race for Virginia Governor
Another Republican has filed the paperwork to run for governor of Virginia, making the race a four-way contest for the party nomination. Denver Riggleman, a former Air Force intelligence officer and owner of a craft distillery outside Charlottesville, created a candidate committee last week to raise money for his gubernatorial campaign.

Washington: Over $1.4 Billion in Legal Marijuana Sold in Washington State in 2016
There was over $1.4 billion in legal marijuana sold in Washington State in 2016; this is according to data released by the Liquor and Cannabis Board. In total, there was approximately $1.41 billion in legal marijuana sold between January 1st and December 31st of last year. This resulted in over $260 million in taxes for the state.

Wisconsin: Legislators Asked to Reinstate OWI Vehicle Seizure Law
State lawmakers have been asked to give Wisconsin's circuit court judges the authority to order the seizure of vehicles owned by repeat drunken drivers, a power they had before a push toward ignition-interlock devices. Brown County supervisors have voted to ask legislators to reinstate the law giving judges the option of ordering law enforcement to seize vehicles from people who have repeatedly been found guilty of operating while intoxicated.

BUSINESS & LIFESTYLE News

Mobile Delivery Provider Drync Now Customizing Its Concept for Retailers
Expanding on its original mission, mobile drinks delivery provider Drync is now creating customized apps for its retail clients. The company's original app allows consumers to scan wine labels and purchase them for local delivery or in-store pickup. Drync will continue that service, but will now also offer apps with individualized retailer branding and user interaction. Drync CEO Brad Rosen explains that as Drync's original app developed, retailers

began approaching the company to request greater customization.

Will Anheuser-Busch InBev Now Dominate Craft-Beer Brewpubs?
Anheuser-Busch InBev has tried everything to assert itself in the craft-beer industry. First it launched its Shock Top brand of craft-y beer, then it started buying up craft brewers, followed by acquiring distributors and demanding others carry only its brands of beer. It even bought the two biggest suppliers to the homebrew market, the seeding ground for future craft brewers. Its latest venture is just another step in its efforts to dominate craft beer as it does mass-brewed suds: It's now opening craft-beer brewpubs.

Boston Beer Company Introduces Two New Seasonal Beers
Samuel Adams was one of the first craft brewers to offer rotating beers that capture the essence of each season, and now, from January through April, the brewers are introducing drinkers to two new seasonal beers: Samuel Adams Hopscape and Fresh as Helles. It may be unconventional to have two seasonals at one time of year, but Sam Adams has never been known to follow the rules.

The Key to Hiring Talented Employees
Years of planning goes into the opening of a bar or restaurant - from raising capital to the physical build-out, to tiny details like tableware and what type of hand towels to put in the bathrooms. But perhaps the most important thing for any owner or operator to nail is hiring staff. These valiant men and women will be the ones to greet your guests and embody the vision and culture you wish to create with each moment of service.

Parenting May Be Factor in Decline of Alcohol and Drug Abuse in American Teens
America's teens are smoking and drinking less as well as consuming few drugs, according to an annual survey measuring teen substance abuse in the U.S., and some experts credit effective parenting for the decline. The latest Monitoring the Future survey - published in December by the University of Michigan's Institute for Social Research - is a compilation of measurements of drug use and attitudes among 8th, 10th and 12th graders that reflect changing behaviors and choices, compared to the generations of teens before them.

DISTRIBUTION News

Colorado:
Wicked Weed Brewing Expands Distribution with Re-Launch in Colorado

Florida:
J. Wakefield Brewing Expands Distribution to Tampa and Orlando
North Coast Brewing Announces Florida Distribution Expansion

Indiana:
Door County Brewing Co. Expands Distribution to Indiana
Yuengling Expands Distribution to Indiana

Ohio:
Mad Anthony Brewing Company Expands Distribution to Ohio

Oregon:
Ghostfish Brewing Expands Distribution to Oregon