



# Member Issues: Alcohol Laws

## In the Beginning ...

Several Economic Affairs Interim Committee members agreed with Rep. Mark Noland that the EAIC should encourage a coalition of alcohol industry representatives to find agreement for ways to improve laws affecting that industry, rather than bringing competing bills each legislative session. The coalition developed prior to the 2017 session as a way of avoiding the gored-ox syndrome of either the manufacturers, the distributors, or the retailers being hurt by a legislative reform that helped one group but damaged the welfare of another.

In June 2019 Rep. Noland had suggested studying alcoholism and the problems of drunk driving. At the September 2019 meeting the committee decided to first give stakeholders in the alcohol industry time to come up with an agreed-upon approach to addressing alcohol laws that have come before the Senate and House business and labor committees in various forms over the past 10 years or so.

## In the Interim ...

Covid-19 interrupted Coalition meetings as well as the livelihoods of most of those in the alcohol industry through at least the March-June period of 2020. Although liquor gross sales fell slightly below those from the previous April, gross liquor sales, as well as taxes collected on beer, wine, and hard cider generally in the first half of 2020 surpassed or came in slightly under January-May 2019 levels, according to Department of Revenue [data](#).

At the February 2020 meeting the coalition of alcohol industry representatives presented a [report](#) and basically said the members had not yet reached consensus. At the July 1 Economic Affairs Interim Committee meeting the committee suggested that a placeholder bill be drafted to

Economic Affairs Committee's Focus on Alcohol Issues			
June 2019	September 2019	February 2020	June-July 2020
Recommended as a member issue	Formally voted on as a member issue, with a directive to the alcohol coalition of stakeholders to work toward agreements by February 2020 with a comment that the committee might take its own approach if no agreement is reached.	<ul style="list-style-type: none"> <li>*Received a <a href="#">report</a> from the stakeholder coalition with no agreement cited.</li> <li>*Heard a <a href="#">presentation</a> along with a <a href="#">report</a> on how different states regulate alcohol and <a href="#">options</a> for legislative changes, many of which had been proposed in prior legislatures.</li> <li>*Heard two proposals considered by the coalition, a "light reform" <a href="#">proposal</a> that would let one spouse hold a manufacturer license and the other spouse a retail license. The other was a <a href="#">brewpub</a> variation proposal.</li> </ul>	*Agreed to have a placeholder bill allowing spouses to separately hold a manufacturer and a retail license, a situation that occurs in about 32 businesses. See <a href="#">list</a> submitted by John Iverson at the February meeting.

accept what one lobbyist called "light reform," basically allowing a combination of a retail and a manufacturing license in one facility. While this occurs without legislation if the two license holders are not closely related (for example a mother-in-law holds one license, the son-in-law the other), current law does not allow a spouse to hold one license if the other spouse held the other. If they divorced, however, they could unite their brewpub.

While not requested by the committee, the coalition reportedly planned to submit a separate proposal at the September 2020 Economic Affairs Interim Committee meeting. This change sought to revise the language about separation in a microbrewery between the manufacturing and the retail side, the so-called hockey wall revision. As explained by a lobbyist for breweries in an e-mail, "The change would loosen requirements for breweries to have a permanent floor to ceiling wall separating the brewery from an on-premises retailer. That requirement is spelled out in rule rather than law." The goal would be to allow "adequate physical separation," which might include a door or a gate that could be left open during business hours.

In the End ...

The committee agreed to look at a bill that made one change, considered by some--but not all--a small concession to how things were working in an industry where an extended family could obtain both an on-premise alcohol retail license and a manufacturing license, as long as the license-holders were not married to one another. The bill proposed that one spouse could hold an on-premise alcohol retail license and the other a manufacturing license. The coalition also proposed what it called a hockey wall (half a wall) separation between a brewery's manufacturing and retail operation. The committee considered this bill in a [combo](#) with the first.