THE U.S. ALCOHOL REGULATORY LANDSCAPE

NABCA presentation to the Maryland Task Force to Study State Alcohol Regulation, Enforcement, Safety & Public Health

Steven Schmidt, Sr. VP of Public Policy
Neal Insley, Sr. VP General Counsel

November 27, 2018
Established in 1938

- Represent "Control Systems" jurisdictions with direct role in sale cycle (wholesale and/or retail)
- Not an advocacy or lobbying organization
- Not a beverage alcohol industry organization
MEMBERSHIP

Government Officials
Enforcement
Public Health
All Sectors & Tiers of Alcohol Industry
International
COMMON THEMES IN ALCOHOL REGULATION

Alcohol is not an ordinary commodity

The important role of science in informing and enforcing alcohol regulations

Finding the balance between public safety & commercial interests
PILLARS OF ALCOHOL REGULATION

- Protect public health & safety
- Ensure efficient tax/revenue collections
- Eliminate unfair or illegal marketing practices
- Balance interests
MARYLANDERS WHO REPORT DRINKING ANY ALCOHOLIC BEVERAGE IN THE LAST 30 DAYS:

- Yes: 55%
- No: 45%

CDC, Behavioral Risk Factor Surveillance System (BRFSS) 2016 Data
WHAT ALCOHOL REGULATION IMPACTS

PROMOTION

PLACE

PRICE

PRODUCT
WHERE ARE REGULATORY RESPONSIBILITIES LOCATED UNDER THE EXECUTIVE BRANCH?

- **Finance/Commerce/Revenue (25)**
  - AK, AZ, AR, CA, CO, FL, GA, IL, IN, IA, KS, ME, MA, MD, MS, MT, NV, NY, OH, RI, SC, SD, WA, WI, WY

- **Stand Alone (15)**
  - AL, ID, LA, NE, NH, OK, OR, PA, TN, TX, UT, VA, VT, WV, **DC**

- **Public Safety/Consumer Protection (6)**
  - CT, DE, KY, MN, MO, NC

- **Licensing/Regulation/Attorney General (5)**
  - HI, MI, NM, ND, NJ
COMPONENTS OF ALCOHOL REGULATORY ENFORCEMENT

- Background Checks & Inspections
- Trade Practice Violations
- Zoning, Permitting & Planning Authority
- Criminal and Nuisance in and Around License Premise
- Compliance Checks, Source Investigation Overservice Operations
Efficient Enforcement & Compliance

Resources
Resources dedicated to enforcement of alcohol regulations

Coordination
Coordination between federal, state and local agencies

Data
Collecting and evaluating data to inform regulatory practices
TRENDS IMPACTING ALCOHOL REGULATION

- Small, local producers
- One-stop shopping
- Emerging Technologies
- E-Commerce
- Conveniences
- Budgets
FINAL THOUGHTS

Alcohol is a unique commodity.

As was envisioned by the 21st Amendment, states have the power to create innovative, individualized systems based on what will be most effective for their jurisdiction.

Data and science are essential in informing and enforcing alcohol regulations.

A successful system is one that equally balances public health concerns with commercial interests.

Adequate funding is necessary to provide state and local jurisdictions the resources they need to effectively enforce regulations.
THANK YOU

National Alcohol Beverage Control Association

Steve Schmidt, Sr. VP of Public Policy
steve.schmidt@nabca.org

Neal Insley, Sr. VP General Counsel
neal.insley@nabca.org