

Cut, Color and Chardonnay?

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—SENATOR DIANE SAVINO, NEW YORK

"These businesses—many of whom are small, mom-and-pop shops—want to make sure their customers thoroughly enjoy their visit."

—SENATOR SCOTT WILK, CALIFORNIA

Some believe a merlot and a massage go as well together as a beer and a football game.

BY HEATHER
MORTON

On any Sunday afternoon during football season, it's a sure bet that a fair number of adults attending professional games will buy and consume a beer or two or three while at the stadium. Every National Football League stadium is licensed to sell alcohol. Millions more fans watch the games at home or at one of the thousands of bars, restaurants or brewpubs licensed to sell alcohol as well.

In fact, going to restaurants and bars to watch football is about as popular as attending the games in person, according to BeerBoard, a company that monitors more than 50,000 draft beer lines at licensed locations. During the first Sunday of the 2017 NFL season, BeerBoard reported that total beer consumption nationwide rose 36.6 percent from the week before.

The alcoholic beverage industry is on a winning streak. Where and when you can sip a shiraz or down a pale ale is expanding way beyond the local pub. An economic impact study for the American Beverage Licensees, a trade association representing U.S. beer, wine and spirits retailers, found that the industry generated \$295.4 billion in total economic activity in 2016, paid \$25.3 billion in federal taxes, supported 1.94 million jobs directly and contributed to another 4.27 million jobs indirectly.

Widening the Watering Hole

While drinking alcohol at a football game may not be unusual, drinking in some other places is, or at least was, until recently. States have begun licensing businesses outside the tra-

ditional food-and-beverage and sports industries to sell or serve alcohol—places like movie theaters, hair salons, spa resorts and art galleries.

For movie theaters, the hope is that alcohol will turn the tide of flat or declining attendance. Along with alcohol sales, theater owners have turned to reserved stadium seating with reclining seats to entice people to leave the comfort of homes equipped with on-demand Netflix and cozy couches for a few hours at the movies.

AMC Theatres, the largest U.S. movie chain, has even partnered with Hollywood film studios to create themed drinks, which recently included a Fifty Shades cocktail during the showing of "Fifty Shades Darker," and a concoction called the Pennywise, inspired by this fall's thriller "It."

More than 30 states and local governments now allow movie theaters to sell alcohol through stand-alone bars or full-service restaurants.

Delaware, for example, licenses theater operators to serve drinks within the theater or where movies are being shown. But, to obtain a license, an operator must:

- Sell the alcoholic drinks at a bar or location separated from other food and drinks.
- Limit sales to only one alcoholic beverage at a time per age-verified customer, up to two total per patron per movie.
- Install video cameras in every auditorium to supervise patrons from a central location during movie showings.
- Require employees to attend an alcohol service training program.
- Have a trained employee walk through

Heather Morton tracks alcohol issues for NCSL.



the theater auditorium during each movie showing.

In New York, all Broadway theaters may sell alcoholic beverages, but when it comes to movie theaters, only dine-in ones qualify, if they have a kitchen and a chef serving meals. During the 2017 legislative session, lawmakers debated bills to help the craft beverage industry and small independent movie theaters by allowing the State Liquor Authority to issue beer and wine licenses to all movie theaters.

“There are no more stupid laws than the ones that date back to prohibition,” Senate bill sponsor Diane Savino (D) told the Legislative Gazette. “You can go into a live theater and buy a drink, but you can’t buy a drink in a movie theater. This has to change.”



Senator
Diane Savino
New York

Critics expressed concern that allowing alcohol into movie theaters could result in drunken movie patrons and make it easier for adults to buy alcohol on behalf of minors. New York Assembly Speaker Carl Heastie (D) announced in June that the Assembly would not support the bills because of his concerns about children sitting next to people consuming alcohol.

Movie theater owners in Oklahoma fared better. They have more than a year to prepare before a law goes into effect allowing them to sell cocktails, wine and beer.

Licenses will be awarded beginning Oct. 1, 2018; until then, movie theaters can sell only low-alcohol beer. Getting licensed will require theater operators to check patrons’ ages and identify those who may consume alcohol with a wristband or hand stamp. This requirement applies only to theaters where children under the legal drinking age are allowed in.

A Snip and a Sip

Movie theaters are not the only businesses looking to expand into alcohol service. Many beauty salons and spas like to serve their clients a glass of wine or a mug of beer during a haircut or other beauty treatment. Legislatures in seven states—California, Maryland, Mississippi, Utah, Virginia, Washington and West Virginia—have passed bills authorizing salons, barbershops and spas to serve alcohol.

California’s law, passed in 2016, stipulates that beauty salons or barbershops (and limousine and hot air balloon operators) may serve alcohol without obtaining a license or permit if:

- The salon or shop serves no more than 12 ounces of beer or six ounces of wine to each customer.
- The drink is free and served during business hours and no later than 10 p.m.
- The salon or shop is in good standing with the state Board of Barbering and Cosmetology.

“Going to the barber or the beauty salon

is an experience. It is not uncommon for a customer to be offered a glass of wine or a beer,” says Senator Scott Wilk (R), who was an assemblyman at the time he co-sponsored the bill. “These businesses—many of whom are small, mom-and-pop shops—want to make sure their customers thoroughly enjoy their visit. AB 1322 limits the offering to one beverage to ensure the safety of both the patron and other customers.”



Senator
Scott Wilk
California

Many of these businesses already had been serving complimentary alcohol believing that, since it was free, they didn’t need a license. But, technically, it was illegal. “The regulations say unless you charge for the beverage and you are fully licensed, you may not serve,” Assemblyman Tom Daly (D), Wilk’s co-sponsor, told ABC News. “So, there’s a gray area in the law, and the law needs to be modernized.”



Assemblyman
Tom Daly
California

Critics worry that not requiring all businesses to get a license will lead to more alcohol-related problems. “We are outraged that the Legislature and governor ... have failed to regulate alcohol consumption at 42,000 beauty salons and barbershops,” says Richard Zaldivar, co-chair of the California Alcohol Policy Alliance. The orga-

nization estimates that the new law will increase the number of venues allowed to serve alcohol by 41 percent.

In addition, opponents point out that the legislation makes no provision for age requirements or responsible beverage service training for the staff pouring the alcohol.

In Virginia, lawmakers authorized alcohol licenses for commercial day spas that offer licensed massage therapy, barbering or cosmetology services, allowing them to serve no more than two five-ounce glasses of wine or one 12-ounce glass of beer on a complimentary basis.

And in Utah, legislators approved sub-licenses only for spas that are connected to a resort that already has a license to serve alcohol.

Not all states have expanded access to alcohol, however. Arkansas specifically prohibits massage therapists from serving alcoholic beverages at clinics or schools in rooms where massage therapy is being performed, or in a massage therapy school. And, when its licensing statute was enacted in 1999, Nebraska prohibited nail technology salons from knowingly permitting their employees or clients to use, consume, serve or in any manner possess or distribute intoxicating beverages or controlled substances on their premises.

New Kids on the Block

Art galleries and studios in seven states—Colorado, Maryland, Mississippi, Tennessee, Vermont, Virginia and Washington—and the District of Columbia, are the newest businesses to receive legislative permission to serve alcohol.

In Maryland, legislators authorized art gallery beer and wine licenses in Frederick and Montgomery counties. In St. Mary's County, the legislation authorizes an "art establishment" license, which it defines as a for-profit retail business that either displays, sells or demonstrates original art by an individual or a group, or instructs participating clients in creating art.

In Colorado, art galleries may obtain permits to serve complimentary alcoholic beverages, if no more than 250 people are in the gallery at one time. The galleries may not charge an entrance fee or a cover charge in connection with serving the alcohol.

Mississippi offers merchant permits to

Other Alcohol-Related Bills

Besides adding to the list of places where you can drink, some state legislators are also changing the days and times when you can buy alcohol. This year, Delaware allowed retailers who sell alcohol for off-premise consumption to begin sales at 10 a.m. on Sundays, instead of noon. Minnesota authorized off-premise consumption sales on Sundays from 11 a.m. to 6 p.m. Before this year, the state prohibited Sunday sales altogether. The effort to authorize Sunday sales was several years in the making: "I am excited that after four years of championing Sunday sales legislation, we are finally changing an outdated law which has been in place since statehood," Representative Jenifer Loon (R), the chief author of the bill, said.

The North Carolina General Assembly enacted the so-called "Brunch Bill." Among other things, the bill allows local governments to adopt an ordinance allowing for the sale of malt beverages, unfortified wine, fortified wine and mixed beverages beginning at 10 a.m. on Sundays, instead of noon. When the bill passed the Senate, Senator Bill Cook (R) questioned its potential public health impacts. "Will there be a downside?" he asked. "Will there be more drunks? Will there be families ruined?"

Not every bill related to sales times in the 2017 session was successful. In California, Senator Scott Wiener (D) introduced a bill to allow local communities to extend alcohol service in bars, restaurants and clubs to 4 a.m. "Nightlife is crucial to the economy and culture of many of our cities, and we should be doing more to empower our communities to support nightlife," he said. "The LOCAL Act recognizes that cities like Los Angeles could benefit—if it chooses to do so—from developing a plan to expand nightlife in neighborhoods like downtown L.A. By taking this nuanced approach to empower—but not require—local communities to extend alcohol sales hours, we can support nightlife in California while also recognizing that there is not a one-size-fits-all solution for each and every city in our great state." Opposed by some public safety advocates, who argued the bill could lead to more drunken driving and other alcohol-related problems, the bill was ultimately rejected.



Representative
Jenifer Loon
Minnesota



Senator
Bill Cook
North Carolina



Senator
Scott Wiener
California

—Heather Morton

the owners of spas, art studios or galleries, and cooking schools, allowing them to serve complimentary wine by the glass only.

Tennessee's statute allows art galleries to serve complimentary wine if they receive at least 90 percent of their revenue from the sale of artwork, and as long as they do not also sell food or beverages.

Vermont lawmakers took a slightly different approach and authorized the state Department of Liquor Control to grant permits for special events held in art galleries, bookstores, public libraries or museums.

Serious About Oversight

Americans may enjoy these additional opportunities to imbibe, yet most believe drunken driving and underage drinking are still extremely or very serious problems, according to a recent national survey by the Center for Alcohol Policy. Drinking and driving still kills thousands of people each year,

accounting for about a third of all motor vehicle fatalities, according to the National Highway Traffic Safety Administration.

"Americans recognize and agree that when it comes to a unique product such as alcohol, regulation is vital, and they support the states' ability to set their own laws and regulations around alcohol," Mike Lashbrook, executive director of the Center for Alcohol Policy, says. "Policymakers need to stay focused on the public's concerns over alcohol misuse and demand for responsible regulation."

Legislators will continue to study whether to increase the types of venues where alcohol can be served. They are looking at how to regulate businesses while protecting people's right to choose where and when they drink, debating whether the benefits to small businesses and tax revenue streams outweigh possible public health ramifications.