

# Distillery modern Age



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## No Impact on Spirits Sales from Legalized Recreational Marijuana

Distilled spirits sales have not been negatively impacted in the three states that have had legalized recreational marijuana retail sales the longest, according to a study by the Distilled Spirits Council.



This new in-depth analysis, utilizing state-level alcohol tax receipts and actual alcohol shipment data, examined per capita alcohol sales in Colorado, Washington State and Oregon for the two years prior to recreational marijuana legalization and up to three to four years post-legalization.

"Simply put, the data show there has been no impact on spirits sales from recreational marijuana legalization," said Distilled Spirits Council Chief Economist David Ozgo, noting that examining tax data and actual shipments provides the most accurate insight into what is happening in the marketplace.

"We now have four years of retail recreational marijuana sales history in Colorado and Washington State and three years in Oregon, and each of these markets remain robust for spirits sales," Ozgo added.

He also noted that overall alcohol sales mirror national trends, and there is no pattern of declining spirits sales in any of the markets analyzed.

"We did this study because there is a lot of misinformation circulating about the impact of recreational marijuana legalization on distilled spirits and the wider alcohol market," Ozgo said.

The analysis shows that in the three states, per capita spirits sales increased between 3.6%-7.6% since recreational marijuana legalization went into effect: Colorado up 7.6%; Washington state up 5.4% and Oregon up 3.6 %.

Additionally, there was no evidence that legal recreational marijuana has impacted total per capita alcohol sales.

According to the data:

In the three states, per capita beer sales declined between -2.3% to -3.6%, but Ozgo noted this is consistent with the national trend in beer sales and is not isolated to just those states that have legalized marijuana sales: Colorado down -3.6%, Washington State down -2.3% and Oregon down -3.6 %.

In the three states, per capita wine sales were mixed: Colorado up 3.2%, Washington State down -3.1 % and Oregon up 0.7 %.

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## DISCUS Calls on Texas Legislature to Bring State Distilled Spirits Laws into the 21<sup>st</sup> Century

The Distilled Spirits Council called on the Texas Legislature to modernize state laws governing distilled spirits to promote competition and economic growth.

The Texas Sunset Advisory Commission has approved recommendations to the 86<sup>th</sup> Texas Legislature on changes to the Texas Alcoholic Beverage Commission and the Texas Alcoholic Beverage Code.

"Even though more than 80 years have passed since the end of Prohibition, Texas in many ways still regulates the beverage alcohol industry as if we are still living in the 1930s," said Dale Szyndrowski, Vice President of the Distilled Spirits Council. "While the Sunset Commission took some steps to bring Texas into the 21<sup>st</sup> century, we still have far to go."

The Sunset Commission was created by the Legislature in 1977 under the Texas Sunset Act to make state government more efficient, effective and accountable. The Sunset Commission, composed of legislators and public members, periodically evaluates a state agency's mission and performance to determine if the agency is still needed and to explore ways to ensure the state funds are well spent.

"The Texas Alcoholic Beverage Code is filled with outdated and often-contradictory provisions that serve no purpose than to restrict competition and protect entrenched special interests," Szyndrowski said. "From protectionist and unconstitutional ownership restrictions for package stores and murky trade regulations to antiquated 'Blue Laws' banning the retail sale of spirits on Sundays, Texas laws remain severely outdated and need reform."

"Texas lawmakers have an opportunity to modernize Texas spirits laws this year. By establishing a modern framework to promote a free and fair market, state lawmakers will encourage competition, innovation and economic growth to the benefit of all Texans."

The Distilled Spirits Council is recommending key changes in state law including removing unconstitutional ownership restrictions for package stores, repealing antiquated "Blue Laws" that ban the retail sale of distilled spirits on Sundays and updating trade practices for distilled spirits to treat all industry players fairly.

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