

## HJM 8 STAFF MEASURE SUMMARY

### House Committee On Economic Development

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**Prepared By:** Melissa Leoni, LPRO Analyst

**Meeting Dates:** 2/20

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#### **WHAT THE MEASURE DOES:**

Urges Congress and the federal Alcohol and Tobacco Tax and Trade Bureau to adopt and enforce stringent regulations related to accuracy in wine labeling, packaging, and advertising regarding geographic designations, appellations of origin, and varietal content. Urges states to enter into mutual agreements for the reciprocal enforcement of wine labeling, packaging, and advertising laws.

*FISCAL: No fiscal impact*

*REVENUE: No revenue impact*

#### **ISSUES DISCUSSED:**

#### **EFFECT OF AMENDMENT:**

No amendment.

#### **BACKGROUND:**

The Alcohol and Tobacco Tax and Trade Bureau (TTB) is a bureau under the U.S. Department of the Treasury. Its mission is to collect federal excise taxes and assure compliance with federal tobacco and alcohol permitting, labeling, and marketing requirements to protect consumers. The TTB enforces the provisions of the Federal Alcohol Administration Act (FAA Act) to ensure that only qualified persons engage in the alcoholic beverage industry. The FAA Act provisions ensure that labeling and advertising of alcoholic beverages provide adequate information to the consumer concerning the identity and quality of the product; require that alcoholic beverage bottlers and importers must have an approved certificate of label approval or an exemption certificate before the product may be sold in the United States; and prevent misleading labeling or advertising that may result in potential consumer deception regarding the product.

The TTB published Notice No. 176, entitled "Modernization of the Labeling and Advertising Regulations for Wine, Distilled Spirits, and Malt Beverages," on November 26, 2018. Comments are due by March 26, 2019. The TTB is proposing to comprehensively amend its regulations governing the labeling and advertising of alcoholic beverages in order to improve understanding of the regulatory requirements and to make compliance easier and less burdensome for industry members. Proposed revisions to the labeling regulations for wine, distilled spirits, and malt beverages are intended to simplify and clarify TTB's alcoholic beverage labeling and advertising regulatory standards, and incorporate statutory changes, international agreements, recent case law, and current TTB guidance documents and policy into the regulations.

House Joint Memorial 8 urges Congress and the Alcohol and Tobacco Tax and Trade Bureau to adopt and enforce stringent regulations related to accuracy in wine labeling, packaging, and advertising regarding geographic designations, appellations of origin, and varietal content. The measure also urges states to enter into mutual agreements for the reciprocal enforcement of wine labeling, packaging, and advertising laws.