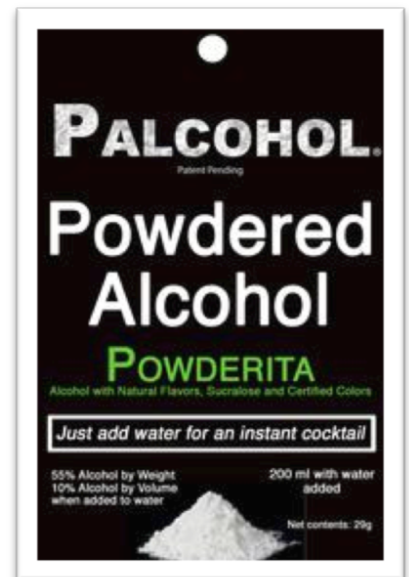
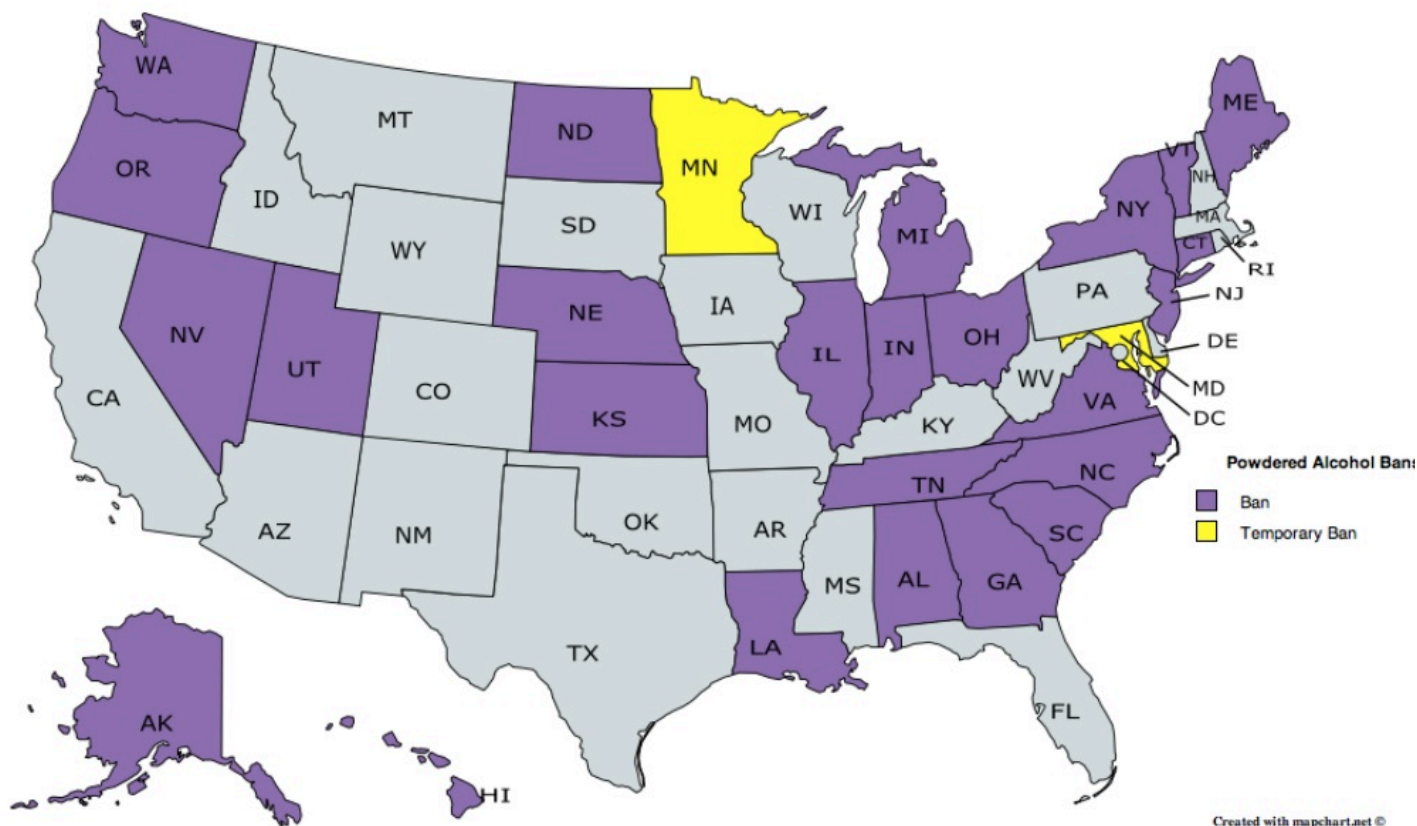


# Powdered Alcohol

- In general, “powdered alcohol” is alcohol that has been absorbed by a sugar derivative. Powdered alcohol products first began appearing in the 19<sup>th</sup> century, with many companies seeking patents for similar types of products since then. Although powdered alcohol has been sold internationally, no company has succeeded in successfully selling it in the U.S.<sup>1</sup>
- On April 8, 2014, the Alcohol Tobacco Tax and Trade Bureau (“TTB”) approved labels for a powdered alcohol product called “Palcohol.”<sup>2</sup> Developed by a private company in Arizona, Lipsmark, LLC, Palcohol was to be sold in one-ounce packages and was designed to be added to water to create a standard mixed drink.<sup>3</sup>
- When first approved, the Palcohol website stated alternative uses for the product. For example, “Yes, you can snort it. And you’ll get drunk almost instantly because the alcohol will be absorbed so quickly in your nose. Good idea? No. It will mess you up. Use Palcohol responsibly.” Or, “We found adding Palcohol to food is so much fun... Remember, you have to add Palcohol AFTER a dish is cooked as the alcohol will burn off if you cook with it... and that defeats the whole purpose.” And finally, “What’s worse than going to a concert, sporting event, etc. and having to pay \$10, \$15, \$20 for a mixed drink with tax and tip... Take Palcohol into the venue and enjoy a mixed drink for a fraction of the cost.”<sup>4</sup>
- On April 21, 2014, the TTB stated that it had issued the label approvals in error.<sup>5</sup>
- On March 10, 2015, the TTB re-issued approval for the labels of four types of Palcohol: Rum-flavored, Vodka-flavored, Cosmopolitan and Powderita.<sup>6</sup> The label states that the powder is 50 percent alcohol by weight and 10 percent alcohol by volume. The Palcohol website currently states that the company hopes to have the product available for sale soon.<sup>7</sup>
- Public health professionals and state government officials have raised concerns about powdered alcohol, stating that the convenience of the packets could intentionally or unintentionally result in stronger than standard drinks and harmful over-consumption. Moreover, the different flavors and the ease with which the powdered alcohol can be concealed and transported would have particular appeal to underage drinkers.<sup>8</sup>
- States first began enacting laws to regulate powdered alcohol in the late 1970s.<sup>9</sup> After the initial TTB approval of Palcohol in 2014, a wave of states began introducing and enacting legislation to regulate or ban the sale of powdered alcohol in their states<sup>10</sup>.





- As of November, 2015:
  - Twenty-five states had enacted a permanent ban on the sale of powdered alcohol: Alabama<sup>11</sup>, Alaska<sup>12</sup>, Connecticut<sup>13</sup>, Georgia<sup>14</sup>, Hawaii<sup>15</sup>, Illinois<sup>16</sup>, Indiana<sup>17</sup>, Kansas<sup>18</sup>, Louisiana<sup>19</sup>, Maine<sup>20</sup>, Michigan<sup>21</sup>, Nebraska<sup>22</sup>, Nevada<sup>23</sup>, New Jersey<sup>24</sup>, New York<sup>25</sup>, North Carolina<sup>26</sup>, North Dakota<sup>27</sup>, Ohio<sup>28</sup>, Oregon<sup>29</sup>, South Carolina<sup>30</sup>, Tennessee<sup>31</sup>, Utah<sup>32</sup>, Vermont<sup>33</sup>, Virginia<sup>34</sup>, and Washington<sup>35</sup> statutorily prohibited the sale of powdered alcohol. In addition, Maryland<sup>36</sup> and Minnesota<sup>37</sup> had enacted temporary 13-month statutory bans.
  - Four states<sup>38</sup> — Colorado, Delaware, New Hampshire and New Mexico—had expanded the statutory definition of alcohol so that powdered alcohol can be regulated under their existing alcohol statutes.
  - Twelve states<sup>39</sup> and the District of Columbia<sup>40</sup> had introduced bans on the sale of powdered alcohol in their states’ legislatures: Arizona, Florida, Iowa, New Mexico, Massachusetts, Missouri, Oklahoma, Pennsylvania, Rhode Island, Wisconsin and Wyoming. Kentucky<sup>41</sup> had introduced legislation to regulate powdered alcohol in the same manner as other alcoholic products.
  - The Massachusetts Alcoholic Beverage Control Commission issued an advisory stating that powdered alcohol is not considered an “alcoholic beverage” in Massachusetts, and thus it remains illegal there.<sup>42</sup>
  - The Pennsylvania Liquor Control Board has stated that the state store system will not list powdered alcohol products in its stores.<sup>43</sup>
  - Prior to a statute being enacted in Maryland, the Maryland State Licensed Beverage Association, Maryland Beer Wholesalers Association and the Licensed Beverage Distributors of Maryland had voluntarily agreed to ban the distribution and sale of powdered alcohol.<sup>44</sup>

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