



MARYLANDERS for BETTER BEER & WINE LAWS

Do you want to ship some wine home? Too bad it's illegal in Maryland!

The Problem

Maryland consumers can order virtually anything delivered directly to their doors, including products that are age-restricted such as fireworks, narcotics, and ammunition, yet they cannot order a simple bottle of wine in the same fashion. Thirty-three other states allow this, covering approximately 80% of the American population. Maryland wineries are being harmed because the US Supreme Court has ruled that states cannot allow in-state wineries to ship directly to consumers without also enabling out-of-state wineries.

The Solution

Marylanders for Better Beer & Wine Laws supports legislative bills that would allow both wineries and retailers to ship directly to Maryland consumers. Under this legislation, the Maryland Comptroller would issue a permit allowing wineries to ship up to 24 cases of wine per year to consumers after obtaining a Direct Wine Shipper's License, allowing both Maryland and out-of-state wineries to fulfill Maryland orders. Similarly, Maryland retailers could ship intra- or inter-state while out-of-state retailers would be able to ship into Maryland. The legislation requires common carriers (UPS, FedEx) to deliver only to recipients over the age of 21 and to check ID before releasing the shipment.

Who Wins

- **Maryland Consumers** currently have access through the Maryland three-tier system to ~10,000 of the ~90,000 wines produced in the US. Many Marylanders are not even aware they cannot receive wine directly until they travel, a frustration felt all the more so by the thousands of Maryland visitors to Maryland wineries whose products are not always widely distributed. Prices for wines available through the Maryland three-tier system are typically cheaper than ordering directly from a winery, so consumers benefit primarily from access to nine times more wines than under the current system.
- The **State of Maryland** should receive \$500,000 – \$1 million in additional revenue under direct shipment by additional permit fee income, excise taxes and sales taxes. These estimates are based upon comparable states such as Virginia (\$329,000 in 2008) and New Hampshire (\$520,000 in 2008). The Maryland Comptroller has estimated the cost of administering the program at \$22,000 per year. About 1% of total wine sold in Virginia flows through the direct shipper's program. Additionally, wineries are high-value agricultural operations that preserve green space without requiring public funds.
- **Maryland Wineries** would finally be able to ship directly to their most frequent visitors, Maryland residents. Most small wineries (<5,000 cases/year) rely upon direct sales either at the winery or via direct shipment for about 40% of their revenue, and Maryland wineries are hamstrung by not being allowed to use this channel. Maryland wineries can currently ship to consumers in those thirty-three states that allow direct shipment, just not to its own neighbors.
- **Maryland Retailers & Restaurants** should recognize most of the sales lift from increased wine consumption that accompanies the passage of direct ship legislation. In Virginia and California, retailer licensees increased in numbers post-direct ship becoming law while an overwhelming amount of that increase was delivered through wholesalers to retailers and restaurants. In Virginia, for example, 90% of 2008's increased consumption came through wholesalers to retailers and restaurants.

How Can I Help?

Sign up for alerts at <http://www.mbbwl.org>

Or contact Executive Director, Adam Borden, at aborden@mbbwl.org