

Bay State Legislators Fumble Wine Shipping Bill

Written by Australian Business

NAPA, Calif.--([BUSINESS WIRE](#))--After a several long months of inaction, Massachusetts legislators still have not scheduled a hearing on House Bill 294, which promises to replace an unconstitutional law with a proven wine direct shipping solution, according to Free the Grapes!, a national coalition of consumers, wineries and retailers seeking legal, regulated wine direct shipping.

“Permitted shippers added 13 domestic wines to the total of the ‘Top 100’ wines available to Maryland consumers.”

Authored by Representative Theodore (Ted) C. Speliotis, H. 294 includes language similar to wine direct shipping laws now in place in the majority of U.S. states. The bill requires the state to issue wineries a permit to ship wine directly to consumers. The wineries are required to pay excise taxes, report shipments and limit the amount of wine shipped to consumers, among other provisions.

Bledsoe’s Blitz

The bill received widespread support earlier this year. Free the Grapes! met with thousands of wine lovers attending two popular wine events in Boston, the Boston Wine Expo in February and the Second Glass “Wine Riot” in April.

In March, former New England Patriots quarterback Drew Bledsoe blitzed Boston in support of wine direct shipping. (The former NFL star is now proprietor of Doubleback Winery in Washington state.)

“Everyone wins with HB 294 – wine lovers get access to the wines they want, wineries have a proven set of regulations, and the state collects additional tax revenues,” said Drew Bledsoe.

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Free the Grapes! is calling on all Massachusetts wine lovers to support H. 294, to let their voices be heard by writing a letter to their state representatives using the group's website, www.freethegrapes.org.

The Massachusetts Package Store Association appears to be the only group who opposes HB 294, even though the group is promoting its own direct shipping legislation. Ninety-eight percent of all wine sales are made through traditional channels including wholesalers, retailers and restaurants. Only two percent of U.S. wine is sold by wineries directly to consumers. (Source: ShipCompliant / Wines & Vines, 2013 Direct Wine Shipping Report.)

Additionally, several states have demonstrated the winery direct shipping does not hurt local wine wholesalers or retailers. For example, last December's report by the Comptroller of Maryland compared annual figures before and after its direct shipment program began July 1, 2011. To paraphrase its findings:

- The new law did not hurt sales from wine wholesaler middlemen to wine retailers. Wholesaler sales to state retailers rose by 3.6% in the year following implementation of the shipment law.
- The new law raised approximately \$7 in tax revenue for every \$1 the state incurred in costs for both recurring and one-time, non-recurring implementation costs. (Maryland collected \$693,624 from winery license fees, carrier permits, excise taxes, special alcohol and sales taxes, and projected total costs at \$100,000.)
- Consumer choice in wine expanded. The report measured consumer access to the 45 domestic wines included in Wine Spectator magazine's 2011 "Top 100" list (55 wines were foreign). "Permitted shippers added 13 domestic wines to the total of the 'Top 100' wines available to Maryland consumers."

Background

A Massachusetts law barring winery-to-consumer shipments from wineries producing more than 30,000 gallons per year and who retain Massachusetts wholesalers was ruled unconstitutional by District Court Judge Rya Zobel, and then affirmed by the U.S. 1st Circuit Court of Appeals in January 2010. The legislature was expected to conform to the ruling by passing a bill similar to the model bill.

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In 2011, House Bill 1029 was introduced to conform to Judge Zobel's ruling, but it languished in committee throughout 2012. HB 294 was introduced January 18, 2013 and is currently in the committee on Consumer Protection and Professional Licensure.

Massachusetts is the second largest of nine states that currently prohibit winery-to-consumer wine shipments. The other states include: Utah, Oklahoma, Mississippi, Alabama, South Dakota, Kentucky, Pennsylvania and Delaware.