



Direct to Consumer Wine Symposium

January 23, 2020

***State of the States
Legislative Update***

Steve Gross, VP State Relations

What's on our To Do List?

Expanding Shipping:

- Opening New States
- Improving Existing Statutes

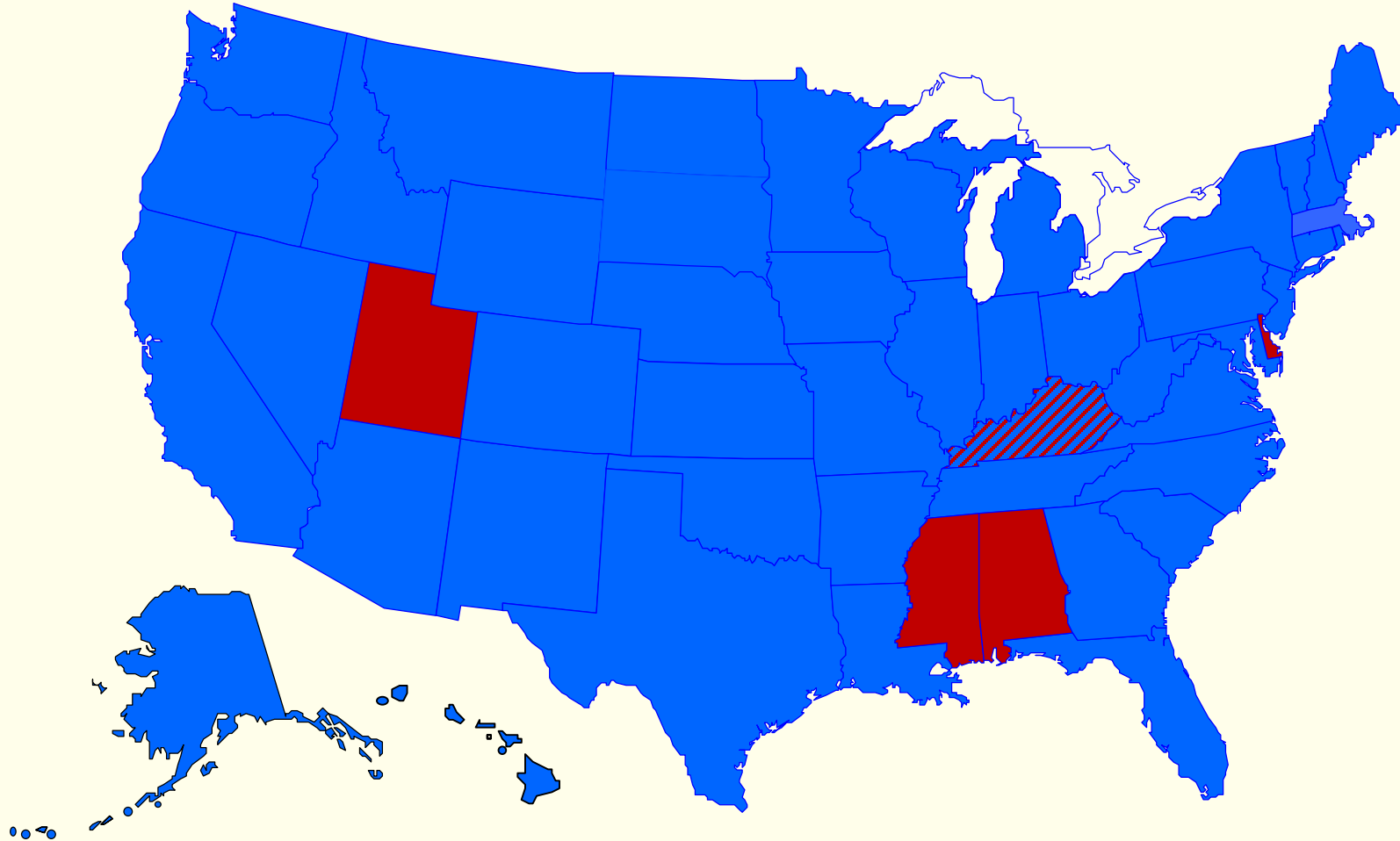
Protecting Existing Shipping Privileges:

- Common Carrier Issues
- Fulfilment House Issues
- Reporting Requirements



Direct-to-Consumer Shipping

(as of 1/23/2020)



DTC allowed

DTC prohibited

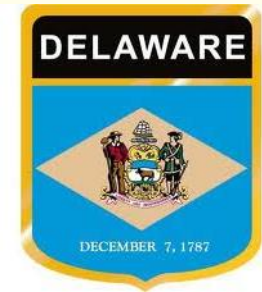
What we worked on in 2019, and how is it impacting our work in 2020?



Working to Open New States



We ran bills to open up 4 of the 5 closed states in 2019, and we will be doing so again in 2020.



Working to Remove Capacity Caps



We are in the midst of a multi-year effort to remove the 250,000-gallon capacity caps in New Jersey and Ohio

Our partnership with FreeTheGrapes is absolutely crucial to our success in these states.



Working to Remove Wholesaler Exclusions



Working to remove the exclusion for those wineries who have a wholesaler in Indiana



Working to Remove On-Site Restrictions



**Working to remove
the on-site sales
requirement in both
Arkansas and
Rhode Island**



Working to Preserve Shipping Rights through Permit Systems



Working to pass effective DTC permit laws with tax payment and reasonable reporting provisions in Alaska and Minnesota



Addressing Concerns about Common Carriers & Other “Delivery” Platforms



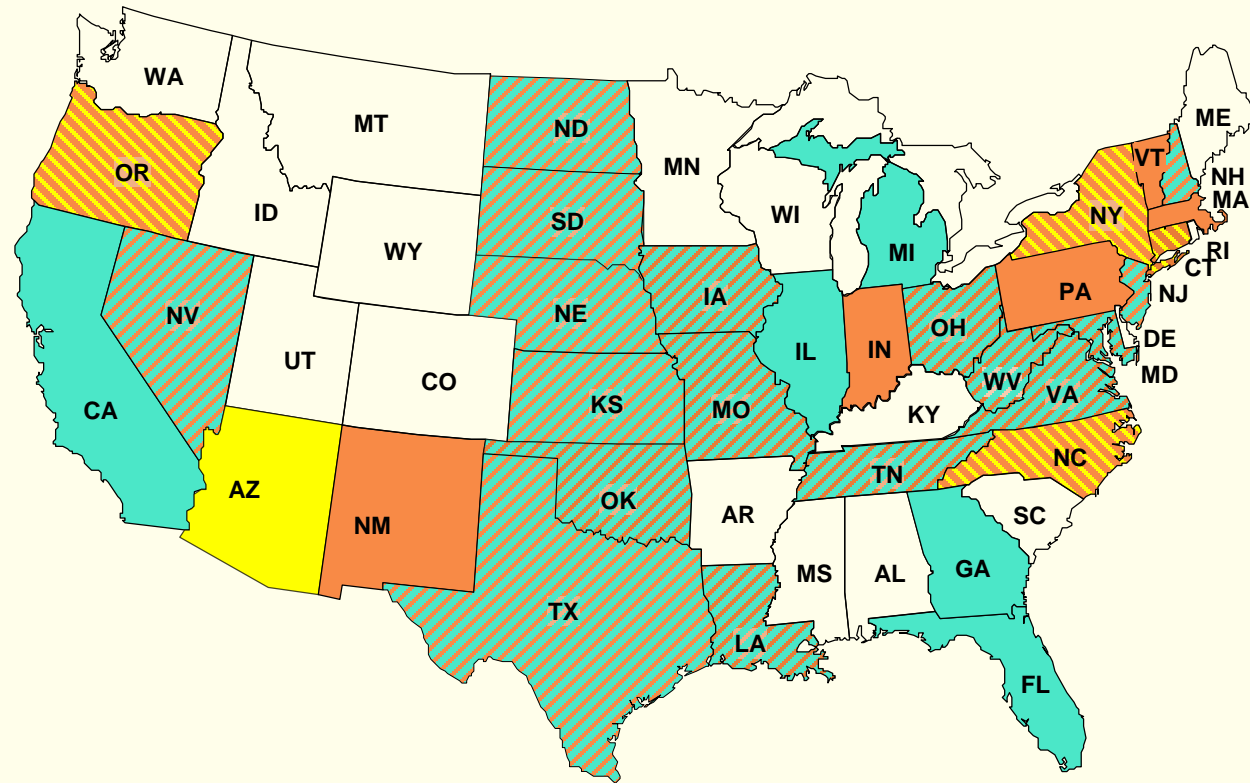
**Working to address
Wholesaler, Local Retailer and
Regulator concerns about DTC
delivery practices.**



**Working to prevent anti-carrier
language from being adopted.**



Common Carrier Licensure & Reporting Requirements for DTC Wine Shipments



**Requires
Licensure**

**Requires
Reporting**

**Requires records to be
retained & submitted upon
request**

Addressing Concerns about “Delivery” vs. “Shipping”



As states work to license and/or regulate “delivery” apps, we are working to ensure that they don’t inadvertently have a negative impact on “shipping” via common carrier



Working to Address State Enforcement Concerns



Working with wineries, common carriers and fulfilment houses as state regulators ramp up their enforcement activities related to DTC.



Watching Pending Retailer DTC Litigation in the Wake of *Tennessee Wine*...



Previously Filed:

- MI - *Lebamoff v. Snyder*
- IL - *Lebamoff v. Rauner*
- MO - *Sarasota Wine v. Nixon*

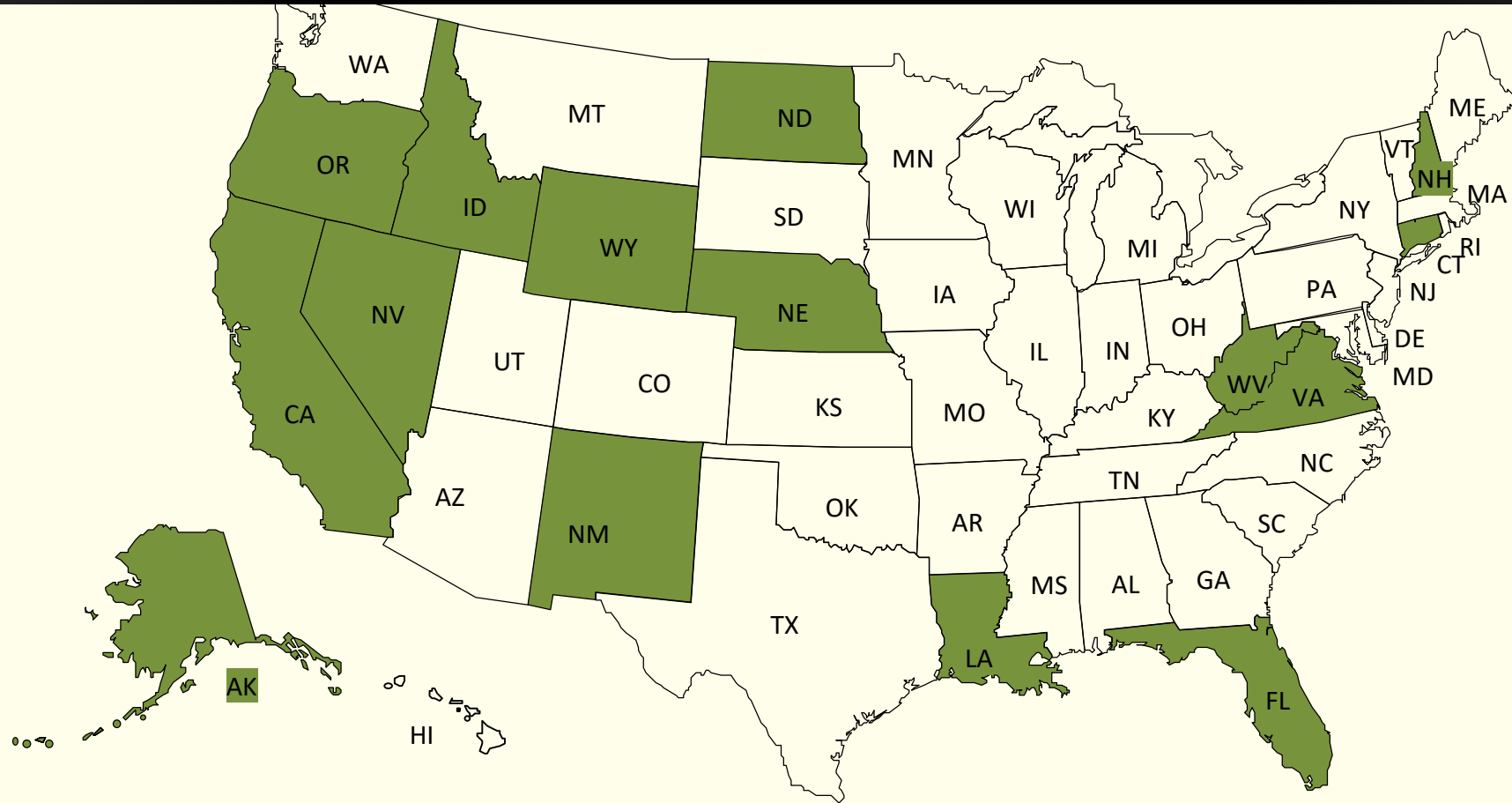
New Since TN wine case:

- IN – *Springer (Chicago Wine) v. Holcomb*
- NJ – *Freeman (The Wine Cellarage) v. Murphy*
- KY – *Tannins v. Bevin*
- ~~TX – *Brockie (House of Glunz) v. Abbott*~~

Separate Issue:

- MS – *MS v. Wine Express, et al* (1/15/20 MS Supreme Court Argument)

Working to Address DTC Shipping by Out-of-State Wine Retailers



Out-of-State Wine Retailer Shipments Allowed in 15 States and DC: AK, CA, **CT**, DC, **FL**, ID, LA, NE, NV, NH, NM, ND, OR, VA, WV, WY