

## Senate Committee on Community, Economic and Recreational Development \_\_\_\_\_

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## Senator Jane M. Earll Chairwoman

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## Co-sponsorship Memo

FEB 09 2011

DATE:

February 9, 2011

TO:

All Senators

FROM:

Senator Jane M.

SUBJECT:

Wine Shipments - Amending Section 488 of the April 12, 1951 (P.L.90, No.21) known

as the Liquor Code, amended June 29, 1987 (P.L.32, No.14) and added February 21, 2002

(P.L.103, No.10)

I am planning on introducing legislation that would amend the Liquor Code to permit Pennsylvania wine consumers to make purchases by internet, mail or telephonic communications directly from wineries who obtain a direct wine shipper license. Shipments will be limited to no more than eighteen (18) liters per month in orders from any person in the Commonwealth. The legislation will require proof of age of the recipient and ensure that all shipping containers of wine shipped directly to a resident be conspicuously labeled with the words "CONTAINS ALCOHOL: SIGNATURE OF PERSON 21 YEARS OF AGE OR OLDER REQUIRED FOR DELIVERY". Wineries with a direct wine shipper license must annually pay to the Department of Revenue all taxes due on sales to residents of the Commonwealth and shall be calculated as if the sale were in the Commonwealth at the location where delivery is made. Direct wine shipper licenses will be available only to wine producers and must be renewed annually with a renewal fee to be paid.

This proposal is almost identical to legislation I introduced last session (Senate Bill 787). The difference, however, is that the language in this current proposal is more narrow in that it applies to wine producers only.

A 2005 US Supreme Court ruling [See Granholom v. Herald (U.S. Sup Ct. – 2005)] has required the Liquor Control Board to make it illegal for Pennsylvania to continue the practice of only permitting Pennsylvania wineries to do direct mail sales under the Commerce Code. This ruling limits consumer choice and adversely affects limited wineries. Approval of this proposed legislation will bring all wineries into compliance and provide a permitting process through which this activity can be monitored.

If you would like to co-sponsor this legislation or have any questions, please contact Lauren Clark at <a href="lelark@pasen.gov">lelark@pasen.gov</a> by Monday, February 14.