

Administrative Release

Comptroller of Maryland • Alcohol and Tobacco Tax Bureau • Goldstein Treasury Building
P.O. Box 2999 • Annapolis, Maryland 21404-2999 • Telephone: 410-260-7314 • Fax: 410-974-3201
Web Site: <http://compnet.comp.state.md.us/red/>

AB-32

May 27, 2005

To: All Maryland Licensed Manufacturers, Wholesalers and Retail Dealers

Subject: U.S. Supreme Court Decision on Direct Shipping of Wine

The U.S. Supreme Court ruling issued last week on direct wine shipments will have no effect on Maryland consumers. Maryland law continues to prohibit both out of state suppliers and in state suppliers from shipping alcoholic beverages to consumers in Maryland.

Quoting the Court's majority opinion, "State policies are protected under the Twenty-first Amendment when they treat liquor produced out of state the same as its domestic equivalent." As Maryland law on direct shipment of alcoholic beverages does treat alcoholic beverages produced out of state the same as alcoholic beverages produced in state, the decision should not have any effect in Maryland.

By way of clarification, Maryland law does authorize individuals holding most manufacturers' and wholesalers' licenses issued under Article 2B, to sell and deliver alcoholic beverages to "person(s)" outside Maryland who are authorized to acquire them. This language found in Article 2B, Sections 2-202, 2-203, 2-204, 2-205, 2-206, 2-208 and 2-301, has been interpreted to include individuals/consumers located in states where direct sales to consumers are authorized. All licenses except the class 6 pub-brewery license carry this authority. Recipients must of course be of legal age to consume alcoholic beverages.

Any licensee intending to ship to individuals in another state should contact the regulators in that state to be certain they are in compliance with that state's requirements before making any shipments. Under Maryland Regulation 03.02.01.09, a licensee may not sell outside the State to any person unless that person is authorized to receive the alcoholic beverages under the laws of the ultimate destination.

Thank you for your cooperation in this matter. Should you have any questions or comments concerning this Administrative Release, please contact Christie Mattox at 410-260-7312.

Larry W. Tolliver
Director