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Michigan Wine Lovers Lose Access To 1000s of Wines Today

—State Abandon’s Opportunity To Raise Millions in Tax Revenue—

(Sacramento, CALIF)—Michigan wine consumers today lost access to thousands of wines at the same time the state will forgo millions of dollars in tax revenue at a time when it is desperately needed. Today is the first day Michigan will begin enforcing a law that prevents Michigan residents from having wine shipped to them from most in-state wine stores and out-of-state wine stores.

Passed late last year at the behest of the Michigan Liquor Control Commission and Michigan wine and beer distributors, HB 6644 provides that any shipments of wine direct to Michigan residents from wine stores can only occur with vehicles owned by the store and not by common carriers such as Fed-Ex or UPS. The new law makes it practically impossible for wine to be directly delivered to Michigan consumers from most wine stores located in-state or out-of-state.

LIQUOR DISTRIBUTORS INTERESTS PROTECTED INSTEAD OF STATE’S AND CONSUMERS’

Though presented with a well-tested system for issuing permits to and collecting taxes from out-of-state wine stores, the Michigan Liquor Control Commission and Michigan legislators sided with Michigan liquor wholesalers who opposed competition from out-of-state sources.

“It’s not only unfortunate for Michigan wine lovers that they have lost access to thousands of wines, but it’s also unfortunate that the state of Michigan won’t take in millions of dollars in sales tax revenue that would have resulted from issuing permits to out-of-state wine stores that want to serve the Michigan market,” said Tom Wark, executive director of the Specialty Wine Retailers Association. “Instead, the Michigan Liquor Control Commission and lawmakers chose to protect a small clique of powerful liquor distributors.”

LEGISLATORS FOLLOW LEAD OF CAMPAIGN CONTRIBUTORS, NOT COURT
HB 6644 was a response to a September 30, 2008 ruling by a Michigan Federal Court that the state’s prohibition on out-of-state wine retailers shipping directly to Michigan residents was unconstitutional. Judge Denise Page Hood ruled that as long as Michigan wine stores could ship wine to Michigan residents, out-of-state wine stores must be given the same privilege. Michigan chose instead to largely take that shipping privilege away from its own wine stores, leaving consumers with less selection and abandoning a chance to raise millions of dollars in tax revenue.

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Michigan liquor distributors that led the push to reduce competitors' access to Michigan consumers contributed over \$522,000 to political campaigns in the last election cycle according to FollowTheMoney.org. The Michigan Beer & Wine Wholesalers Association alone contributed over \$500,000 during the last election cycle leading up to the passage of the anti-shipping bill.

Specialty Wine Retailers Association is a national organization of wine retailers and consumers that advocates fair wine shipping laws nationwide. For more information see www.specialtywineretailers.org .

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