

# Legislators Discuss Relaxing Wine-Shipping Laws

KEVIN BURBACH, Associated Press

PIERRE, S.D. (AP) — South Dakotans could be getting their favorite rare vintages shipped to their doorsteps in a few years, but only if a state lawmakers can come to a consensus on some key details.

Legislators on the Alcohol Distribution and Shipping committee met Tuesday in Pierre to discuss a proposed bill that would allow residents to buy up to 12 cases of wine per year directly from wineries, which is currently illegal in South Dakota and eight other states.

The committee had planned to finalize the proposed bill on Tuesday, but will now work out the kinks in October.

Chair Rep. Roger Solum said the committee needs more time to iron out the details after it heard a flood of conflicting input from legislators and lobbyists on how to best regulate out-of-state wineries that would ship to South Dakota.

Lawmakers wrapped up their meeting Tuesday still debating several issues, including how much wineries should pay in shipping taxes and whether delivery companies need to buy a license and report to the state.

Diana Miller, a lobbyist for South Dakota for Better Wine Laws, said her clients and their opponents — primarily wine wholesalers and retailers in the state — have been fighting for a long time over allowing consumer-direct wine shipping.

Miller said she believes there'll be a bill this year but would like it see it come out of this summer's committee, if possible.

"I'm confident there's going to be a bill, because if it doesn't come out of this committee, we're going to go to war again," she said.

The proposed that lawmakers looked over Tuesday would allow for a South Dakota resident to order up to 12 nine-bottle cases of a wine per year directly from wineries throughout the country.

Under the draft of the bill, wineries would have to get a license with the state, pay a license fee of \$100 and pay all applicable local and state taxes, including a 1 percent shipment tax, which wholesalers say should be 2 percent to level the playing field.

Opponents have suggested \$250 license fee, but bill advocates say that would give smaller wineries little incentive to deliver to the state.

Lobbyists for the alcohol wholesalers and retailers in the state have pushed higher

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taxes and fees and more reporting from out-of-state wineries, saying their in-state clients would be at a disadvantage.

Jeremiah Murphy, a lobbyist for the Republic National Distributing Company in South Dakota, also pushed for carrier reporting Tuesday, meaning companies that would ship the wines would have to register with the state and pay a license fee.

"Some kind of carrier reporting is critical to ensure a level playing field," Murphy said.

Miller said she's comfortable with some higher fees, but would like to see some compromise from the distributors and retailers. She said she was pleased with the bill that was presented Tuesday morning, but lawmakers said it could very different come October.

Any bill that comes out of the committee's next meeting would still have to be passed by the full Legislature this winter. Solum, the committee chair, said they're close but there's more to be done.

"We've certainly made a lot of progress on this legislation, but I don't think we're there yet," he said.

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