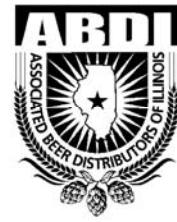


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## **New Winery Shipping Law Provides Consumers with Increased Access, Safer Delivery of Products**

*HB 429 increases number of shipments from out-of-state wineries to consumers*

SPRINGFIELD - (June 2, 2008) - Illinois wine lovers can now purchase more of their favorite wines directly from wineries in Illinois, California, or any other winery in the country after House Bill 429, comprehensive legislation upholding Illinois' ability to regulate shipments of wine for both in-state and out-of-state wineries, became law on June 1.

Under the new law, Illinois consumers can purchase up to 12-cases of wine per person annually from out-of-state wineries, which is the same number of cases allowed from in-state wineries to Illinois residents. Before stakeholders agreed to the terms of HB 429 Illinois wineries were allowed to ship an unlimited amount of wine and wineries located in eight reciprocal states were limited to two cases per person each year. Now, Illinois consumers will have thousands more selections to choose from.

Additionally, this brings Illinois in compliance with a 2005 Supreme Court decision that banned states from discriminating against out-of-state wineries. The *Granholm v. Heald* decision makes it illegal for states to limit the amount of wine an out-of-state winery can directly ship to a customer, while allowing in-state producers to ship unlimited amounts.

"We look forward to the future in Illinois when consumers find the wines they enjoy on local store shelves or order their favorites directly from the wineries of their choice," said Paul Hahn, president of the Illinois Grape Growers and Vintners Association. "The compromise which goes into effect June 1 preserves the ability of Illinois wineries to direct-ship to consumers and self-distribute to retailers. We think that's good for all of us."

“This is a legislative achievement for the General Assembly and a real victory for consumers throughout the state,” said Senator Ira Silverstein (D-Chicago), the law’s chief sponsor in the Senate. “Members of the Senate and House worked together to find common ground on a tough issue and I’m proud of the outcome.”

HB 429 was the result of nearly two years of collective negotiations between the Illinois Grape Growers and Vintners Association (IGGVA), Beverage Retailers Alliance of Illinois (BRAI), Wine Institute, Associated Beer Distributors of Illinois (ABDI) and the Wine and Spirit Distributors of Illinois (WSDI) to achieve an agreement. Last year, both the Illinois House and Senate overwhelmingly approved HB 429 effectively preserving the state's regulation of the alcohol distribution system.

"We are successful in going beyond preserving consumer choice, we have expanded it, said Bill Olson, president of the Associated Beer Distributors of Illinois. “In the process we maintained the security of a regulatory system that has a proven track record of ensuring that only safe and authentic products get to market.”

“This law is needed not only to maintain the state’s regulatory rights, but to prevent an onslaught of tainted alcoholic beverages as is being experienced in other nations,” said Jerry Rosen of the Beverage Retailers Alliance of Illinois.

All wineries will be required to apply for a winery shipper’s license which will aid the State Liquor Control Commission in ensuring that only safe, legal and regulated products are shipped to consumers. Other provisions require winery shippers to agree to Illinois regulatory jurisdiction and pay Illinois' excise and sales taxes. It will also include safeguards to prevent shipments to underage individuals by requiring a delivery person to verify the recipient's age and identity before releasing the wine and gives the Liquor Control Commission the power to conduct Internet stings and revoke the license of violators.

Also, small wineries, both in-state and out-of-state that produce less than 25,000 gallons of wine annually can sell up to 5,000 gallons of their wines per year directly to retailers in order to boost their market presence.

The **Illinois Grape Growers and Vintners Association** is a non-profit organization dedicated to developing the viticulture and enology interests of Illinois through information exchange and cooperation among Illinois grape producers and vintners. The **Beverage Retailers Alliance of Illinois** represents liquor retail package stores in Illinois. The **Wine Institute** is the voice for California wine. The **Associated Beer Distributors of Illinois** is a not for profit business trade association that represents Illinois licensed beer distributors who sell, deliver and provide customized inventory management of national and local beer brands to all Illinois licensed retailers. The **Wine & Spirits Distributors of Illinois** represents its member wholesalers who buy from producers and sell to retailers.

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