



## **WHY YOUR STATE SHOULD ADOPT THE UNIFORM ALCOHOL DIRECT-SHIPPING COMPLIANCE ACT (2022)**

The Uniform Alcohol Direct-Shipping Compliance Act gives states better tools to detect and stop direct-to-consumer (“DTC”) shipments of alcohol that violate existing state law. Unauthorized DTC shipments are frequently interstate shipments, and this Act promotes uniformity and cooperation among the states. Below are a few benefits of the Act.

- ***Integrates with existing state law.*** The purpose of the Act is to provide enforcement “teeth” to states’ existing alcoholic beverage laws. To that end, the Act includes clear definitions of key terms, such as “covered alcoholic beverages” and “direct-shipper license” to ensure that the Act defers to the state’s policy choices regarding the types of alcoholic beverages that may be directly shipped to a consumer, whether the state issues a license or permit authorizing DTC shipments of alcohol, etc.
- ***Requires registration of fulfillment providers.*** Section 3 of the Act requires a fulfillment provider to register with the state regulator of the enacting state before shipping covered alcoholic beverages into, or within, the state. The registered fulfillment provider must also identify for the state regulator each licensed direct shipper on whose behalf it ships. This registration step allows the state regulator to obtain information about what alcoholic beverages are shipped into the state and by whom. As part of the registration process, the fulfillment provider must agree to the state’s jurisdiction to enforce its alcohol shipping laws.
- ***Promotes proper tax collection from DTC alcohol sales.*** States lose tax revenue when unlawful shipping occurs. To combat this issue, the Act requires reporting of shipment information from registered fulfillment providers and a means of harmonizing this information with licensed direct shipper and carrier reports to provide a complete picture of the DTC alcohol sales happening in the state. This cross-reporting can help the state verify that required taxes are being reported and collected.
- ***Facilitates information sharing among the states.*** Given the frequency of interstate DTC alcohol shipments, it is key that states collaborate to enforce their laws. The Act’s Section 7 authorizes the enacting states to share information with other states and federal authorities to facilitate investigation and enforcement and to prosecute alcohol shipping violations.
- ***Addresses unlicensed shippers.*** The Act provides tools to address the enforcement challenges presented by unlicensed DTC shippers. The act creates administrative processes, with due process safeguards, to stop carriers from accepting alcoholic beverage packages from violators and allows a violator’s licensing home state to take action against the violator for unlawful DTC shipping into another state.

For more information about the Uniform Alcohol Direct-Shipping Compliance Act, please contact Legislative Program Director Kaitlin Wolff at (312) 450-6615 or [kwolff@uniformlaws.org](mailto:kwolff@uniformlaws.org).