



Direct Shipment of Powdered Alcohol

Purpose:

To provide permitted retail direct shippers guidance on powdered alcohol products.

Background:

On April 8, 2014 the United States Alcohol and Tobacco Tax and Trade Bureau (TTB) approved seven labels for a product called Palcohol, a combination of the words powdered and alcohol. Less than two weeks later, TTB stated that the label approvals were issued in error. Lipsmark, the Palcohol manufacturer surrendered the labels in response.

The 2014 temporary Palcohol approval started a wave of concern among lawmakers at every level of government. Public health and safety experts and government officials have expressed concern over what they see as the potential risks of the use and/or misuse of powdered alcohol.

On March 11, 2015, TTB approved four Palcohol labels, which allows the product to be available for sale within months. The manufacturer has indicated their intent to enter Palcohol into the market by the end of the summer of 2015.

To date 20 states have enacted legislation banning powdered alcohol either temporarily or permanently.

Discussion:

During the 2015 legislative session the New Hampshire House of Representatives amended SB99 to include two things:

1. Changed the definition of "Alcohol" under RSA 175:1 to include "solids, powders, crystals";
2. Established a committee to study powdered or crystalline alcohol

The amended bill was signed into law by Governor Maggie Hassan on July 20, 2015 with the same effective date.

The current formulation of Palcohol would require the product to be sold in state only through New Hampshire Liquor Commission stores. The Liquor Commission has ruled that powdered alcohol products, such as Palcohol, will not be made available through the state liquor and wine outlets. Additionally, the Liquor Commission has ordered that these products may not be direct shipped consumers in the state.

Division Statement:

The Division's Direct Shipping Unit will monitor shipments into the state and take criminal and or administrative action against businesses that ship powdered alcohol into the state in violation of law and/or Liquor Commission order.

James M. Wilson
Director
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