



## **Oklahoma Direct To Consumer Law**

In 2016, the citizens of Oklahoma passed a ballot measure removing alcohol regulation from the Oklahoma Constitution and establishing those laws be governed by a new article, the Alcoholic Beverage Control Act (“ABCA”). Included in the ballot measure was the allowance for the direct shipment of wine to Oklahoma consumers. The 2016 Oklahoma Legislature passed enacting language that included laws governing the direct shipment of wine. The Oklahoma Legislature made significant improvements to those laws in 2017 and 2018 and the new direct shipping laws take effect on Oct. 1, 2018.

### **The Initial DTC Law Passed in 2016**

1. Wineries licensed in any state can apply for a Direct Shipper’s Permit by proving their licensure, paying \$300 for the registration fee (\$150/renewal), and providing any further information required by the ABLE Commission.
2. Wineries could ship up to six nine-liter cases of wine annually to a consumer. The wine shipped cannot be wine otherwise available in Oklahoma. Packages must be properly labeled requiring the recipient showing a valid ID and obtaining a signature for the package.
3. Direct Shippers must annually pay all applicable taxes to the Tax Commission and report annually to the ABLE Commission the total amount of wine shipped into the state the preceding calendar year.
4. Oklahoma residents 21 years and over must obtain a Direct Shipper’s Consumer Permit. A resident cannot purchase more than 30 nine-liter cases of wine per year.
5. Common carriers would be subject to criminal penalties and fines for knowingly delivering wine to a person under the age of 21.

### **Changes to DTC Law Made in 2017**

1. The Direct Shipper’s Consumer Permit was abolished; residents will not need to apply for a permit to receive wine shipments.
2. Wineries need to verify by electronic means, or otherwise, that the consumer is at least 21 years of age.
3. The prohibition on shipping wine “otherwise available in Oklahoma” was removed.
4. The monetary penalties on common carriers were removed but the misdemeanor language remains as a penalty for delivering wine to a resident under 21 years of age.

### **Changes to DTC Law Made in 2018**

1. Removed the misdemeanor language for common carriers that deliver to a person under 21 years of age
2. Imposes new quarterly reporting requirements for common carriers

### **Final DTC Law effective October 1, 2018**

1. Winery must obtain a DTC Permit - \$300 initial license, subsequent renewals \$150
2. 6-case per person per winery per year volume limit
3. Annually pay sales and excise taxes to the Oklahoma Tax Commission
4. File an annual DTC shipment report with the ABLE Commission.
5. Require the consumer to verify, by electronic means or otherwise, that the consumer is at least twenty-one (21) years of age.
6. Common Carriers must file quarterly shipment reports
7. Allows wineries to sell any of their own wines, including wines in distribution in the State of Oklahoma
8. Does NOT require consumers to have a DTC permit