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WSWA OPPOSES ENACTMENT OF KENTUCKY HOUSE BILL 415

Wine & Spirits Wholesalers of America Voices Concern Over Passage of Kentucky House Bill 415 Without Key Safety Measures

WASHINGTON, D.C., 04/09/2020 – The recent enactment of Kentucky House Bill 415 that allows expanded direct shipment of beer, wine, and spirits to Kentucky consumers threatens the integrity of a smartly regulated marketplace for alcohol that has protected consumers for generations. Receiving neither signature nor veto from Governor Andy Beshear, it became law Tuesday, April 7 and will take effect in mid-July.

During the legislative session, wholesalers raised issues over the wide-reaching expansion of a marketplace that will be difficult to regulate and increases opportunities for fraud, and illicit products getting into the hands of unsuspecting consumers.

"It hard to believe, in the midst of a pandemic, the Kentucky legislature rushed to push dramatic changes to the manner in which people buy and sell alcohol while people's attention was understandably focused elsewhere," said WSWA President & CEO Michelle Korsmo. "We are disappointed that with this dramatic change, they failed to include the regulatory safeguards necessary to identify and crack down on illegal shipments."

States across the nation already grapple with problems in the alcohol shipping market. While many in the industry respect state laws, there are bad actors that that don't fully comply with the law, harming the public, law-abiding businesses, and the state. Kentucky has not only allowed direct shipments of spirits into the state but has undermined regulators' ability to ensure that parties shipping into the state obtain licenses and remit the appropriate taxes.

"WSWA and its nearly 400 wholesaler members across the country are dedicated to providing consumers with the widest array of authentic wine and spirits, great value, and the best experience possible. We urge lawmakers to recognize the valid public safety rationale upon which beverage alcohol laws are based, and the long-term unintended impacts of sweeping policy changes made in the name of consumer convenience. Should states consider changes, we encourage them to always balance convenience and valid public health and safety policies." concluded Korsmo.

About Wine & Spirits Wholesalers of America

WSWA is the national trade association representing the distribution tier of the wine and spirits industry, dedicated to advancing the interests and independence of distributors and brokers of wine and spirits. Founded in 1943, WSWA has more than 380 member companies in 50 states and the District of Columbia, and its members distribute more than 80 percent of all wine and spirits sold at wholesale in the United States.

To learn more, please visit <u>www.wswa.org</u> or connect with us on <u>Facebook</u> or <u>Twitter</u>.

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