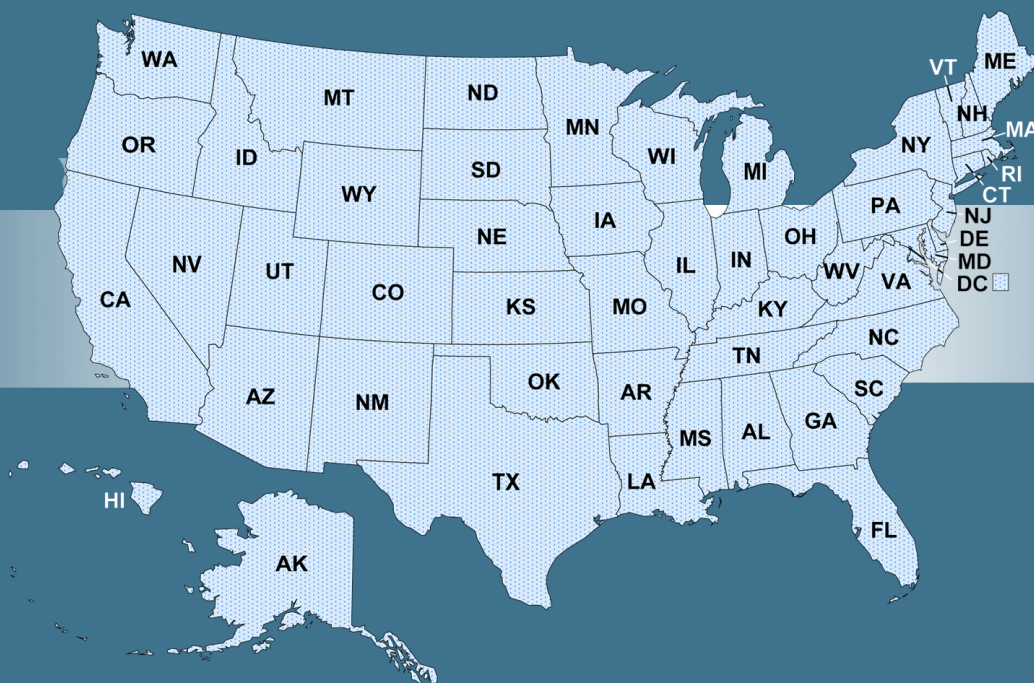


STATE PERFORMANCE & BEST PRACTICES

for the Prevention and Reduction of Underage Drinking

2018



POLICY SUMMARY:

Retailer Interstate Shipments of Alcohol



SAMHSA
Substance Abuse and Mental Health
Services Administration

The *State Performance and Best Practices* is required by the Sober Truth on Preventing (STOP) Underage Drinking Act (Pub. L. 109-422), which was enacted by Congress in 2006 and reauthorized in December 2016 as part of the 21st Century Cures Act (Pub. L. 114-255). The STOP Act directs the Secretary of the Department of Health and Human Services (HHS), working with the Interagency Coordinating Committee on the Prevention of Underage Drinking (ICCPUD), to develop a set of performance measures for evaluating the states' use of best practices in preventing underage drinking, and to consider a set of enumerated categories in doing so. The STOP Act also requires an annual report on each state's performance in enacting, enforcing, and creating laws, regulations, and programs to prevent or reduce underage drinking.

This *State Performance and Best Practices*, and the 51 individual State Reports, were prepared by the ICCPUD, which is chaired by the Assistant Secretary for Mental Health and Substance Use, U.S. Department of Health and Human Services.

Time period covered by the 2018 *State Performance and Best Practices*: The 2018 version primarily includes data from calendar year 2017. The data on state legal policies reflects the state of the law as of January 1, 2017. The state survey data was collected in 2017, and is drawn from the most recent 12-month period in which the states maintained the data.

Recommended Citation

U.S. Department of Health and Human Services (HHS), Substance Abuse and Mental Health Services Administration (SAMHSA), Interagency Coordinating Committee on the Prevention of Underage Drinking (ICCPUD). (2018). *State Performance and Best Practices for the Prevention and Reduction of Underage Drinking*.

Retailer Interstate Shipments of Alcohol

Policy Description

This policy addresses state laws that prohibit or permit retailers to ship alcohol directly to consumers located across state lines, usually by ordering alcohol over the Internet. It is related to, but distinct from, both the direct shipment policy, which addresses alcohol shipments to consumers by alcohol producers, and the home delivery policy, which involves retailer deliveries to consumers within the same state.

Retailer interstate shipments may be an important source of alcohol for underage drinkers. In a North Carolina study (Williams & Ribisl, 2012), a group of eight 18- to 20-year-old research assistants placed 100 orders for alcoholic beverages using Internet sites hosted by out-of-state retailers. Forty-five percent of the orders were successfully completed, while 39 percent were rejected as a result of age verification. The remaining 16 percent of orders failed for reasons believed to be unrelated to age verification (e.g., technical and communication problems with vendors). Most vendors (59 percent) used weak, if any, age verification at the point of order, and, of the 45 successful orders, 23 (51 percent) had no age verification at all. Age verification at delivery was also inconsistently applied.

The North Carolina study reported that there are more than 5,000 Internet alcohol retailers, and that the retailers make conflicting claims regarding the legality of shipping alcohol across state lines to consumers. There were also conflicting claims regarding the role of common carriers. The North Carolina study reported that all deliveries were made by such companies, and many Internet alcohol retailers list well-known common carriers on their websites. Yet carriers contacted by the study researchers stated they do not deliver packages of alcohol except with direct shipping permits. This suggests confusion regarding state laws addressing interstate retail shipments. North Carolina prohibits such shipments, which means that at least 43 percent of the retailers in the study appeared to have violated the state law.

The NRC/IOM report on reducing underage drinking recognized the potential for young people to obtain alcohol over the Internet. It recommended that states either ban such sales or require alcohol labeling on packages and signature verification at the point of delivery (NRC & IOM, 2004).

Several potential barriers to implementing and enforcing bans on retailer interstate alcohol sales include:

1. States will have difficulty securing jurisdiction over out-of-state alcohol retailers.
2. States may have little incentive to use limited enforcement resources to crack down on in-state alcohol retailers that are shipping out of state because they are not violating state law, taxes are being collected, and any problems occur out of state.
3. Enforcing bans on retailer interstate shipments may prompt online retailers to locate outside the country (many already are foreign based), creating additional jurisdictional and enforcement problems.

Types of Restrictions on Interstate Internet Sales

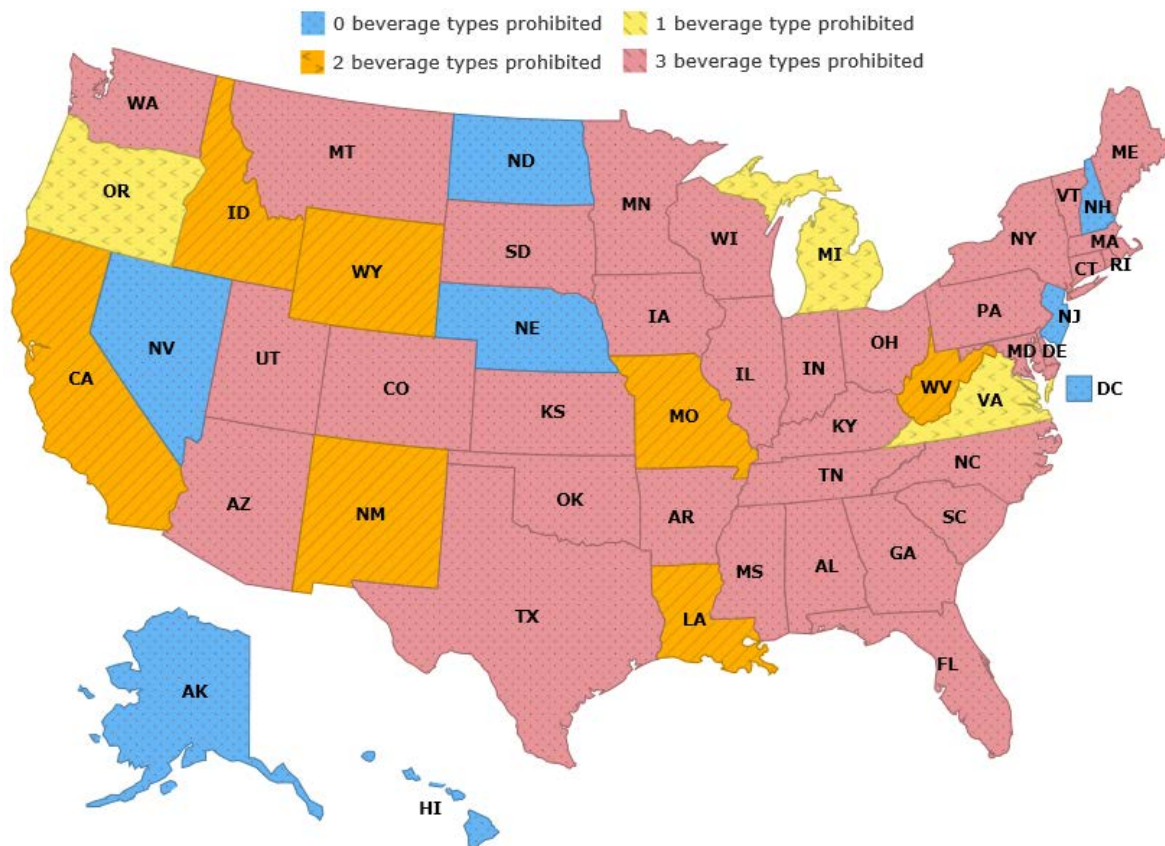
The restrictions addressed in this policy vary by beverage type (beer, wine, distilled spirits). Interstate shipments may be prohibited for one beverage type, more than one beverage type,

or all three beverage types. Some states place restrictions on interstate Internet sales, including requiring a direct shipping permit and limiting the amount of beverage that may be shipped.

Current Status of Interstate Internet Sales

Thirty-three states (see Exhibit I.34) prohibit retail interstate sales of all three beverage types, seven prohibit sales of two beverage types, and three prohibit sales of one beverage type. Spirits are the most commonly prohibited beverage (43 states), followed by beer (40 states) and wine (33 states). In eight states, retailer interstate sales laws were deemed uncodable for at least one beverage type (beer, wine, liquor). For purposes of this summary, these states are treated as *not* expressly prohibiting interstate Internet sales for the uncodable beverage types.

Exhibit I.34: Number of Beverage Types for which Interstate Internet Sales are Expressly Prohibited as of January 1, 2017



Data Sources and Citations

Legal research and data collection for this topic are planned and managed by SAMHSA and conducted under contract by The CDM Group, Inc. For more information, including definitions of the variables for this policy, contact underagedrinking@samhsa.gov.

National Research Council & Institute of Medicine. (2004). *Reducing Underage Drinking: A Collective Responsibility*. Washington, DC: National Academies Press.

N.C. Gen. Stat. § 18B-102.1; N.C. Gen. Stat. § 18B-109.

Williams, R. S., & Ribisl, K. M. (2012). Internet alcohol sales to minors. *Archives of Pediatrics & Adolescent Medicine*, 166(9), 808–813. doi:10.1001/archpediatrics.2012.265

Williams, R. S., & Schmidt, A. (2014). The sales and marketing practices of English-language Internet alcohol vendors. *Addiction*, 109(3): 432-439.