

Importation of Liquor for Personal Use

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State law regulates the importation of liquor

Whether an individual may import alcoholic beverages into the state for personal use is a question of state law, which is supported by well-established federal policy in this area. In Minnesota, the importation, distribution, and retail sale of liquor is tightly regulated, which prohibits most direct shipments of alcoholic beverages for personal use, although some exceptions exist.

States have broad constitutional authority to regulate liquor

Federal law grants states significant authority to regulate the importation of liquor. The 21st amendment both repealed prohibition and prohibited any person from shipping alcohol into a state in violation of that state's laws. Other federal laws such as the Wilson Act, Webb-Kenyon Act, and the Twenty-First Amendment Enforcement Act all reinforce state authority in this area.

State authority to regulate the importation of liquor under federal law is not, however, absolute; the U.S. Supreme Court has held that a state may not use this regulatory authority in a manner that discriminates against out-of-state liquor producers.

Importation is an exception to the three-tier system

Minnesota has a modified three-tier system of liquor regulation that requires separate licenses for the importation, manufacturing, wholesaling, and retailing of liquor, and, with some exceptions, prohibits manufacturers and wholesalers from having a business interest in a liquor retailer.

Importers are required to obtain a license to ship liquor into the state under this system, even if the importation is for personal use. Once imported, alcoholic beverages shipped into the state must be delivered to a licensed wholesaler. Wholesalers may then only sell alcoholic beverages to licensed retailers.

A person seeking to import liquor into the state must do so within the existing three-tier system or under one of the exceptions described below. This system of liquor regulation generally prohibits the direct importation of liquor into the state for personal use.

There are personal exceptions to Minnesota's importation regulations

Under <u>Minnesota Statutes</u>, <u>section 340A.417</u>, a winery may directly ship up to two cases of wine per winery, per year to a resident of the state for personal use.

In addition, persons entering the state from another state or foreign country may bring certain amounts of alcoholic beverages with them. For people entering Minnesota from another state, this limit is one liter of intoxicating liquor (spirits and wine) or 288 ounces of beer, in addition to up to 12 commemorative bottles, which are specifically defined in statute. For foreign travelers, the limit is up to four liters of intoxicating liquor or 320 ounces of beer. Generally, foreign travelers also have to pay federal excise taxes and duties on amounts over one liter.

Under these exceptions, a person importing liquor into the state is not required to obtain an importer permit, and the imported alcoholic beverages are not required to flow through the state's three-tier system.

People who want to bring in more than the limited quantities should contact the Minnesota Department of Revenue and the Alcohol and Gambling Enforcement Division to ensure that such importation is done lawfully.

Local delivery of liquor is allowed

State rules authorize licensed liquor stores to deliver alcoholic beverages to purchasers for personal use, except in municipalities where the delivery of liquor has been prohibited.

No state law prohibits online liquor sales

In recent years, some online marketplaces have partnered with local licensed liquor retailers to provide for the online sale and delivery of liquor. While there is no state law that expressly prohibits the sale of alcoholic beverages over the Internet, any retailer making such a sale must still comply with all applicable state and local laws related to importation, distribution, retail sale, and delivery.

State and federal law are silent on intrastate shipments

State and federal law do not address the intrastate shipment of liquor by individuals for personal use after it has been purchased from a licensed retailer. Shipments made from Minnesota to another state would be subject to the laws of the receiving state.

Federal law expressly prohibits the shipment of liquor through the U.S. mail, but common carriers, such as UPS or FedEx, set their own policies regarding the shipment of liquor.

The Department of Public Safety enforces state liquor laws

The federal government plays no role in enforcing state liquor importation laws for personal use; enforcement of state liquor laws therefore falls to the states. The Department of Public Safety is empowered to enforce all of the state's liquor laws through the Alcohol and Gambling Enforcement Division. The attorney general may also bring an action in federal court to enforce state liquor laws under the Twenty-First Amendment Enforcement Act.

For more information: See the Minnesota House Research publication <u>Minnesota's Three-Tier System of</u> <u>Liquor Regulation</u>, October 2023.



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