

Opinion: Better late than never to end NJ restriction of shipping wine to consumers

Last year, a landmark U.S. Supreme Court ruling outlawed discrimination in wine shipping. States had used such laws to protect their businesses from out-of-state competition, at the expense of residents.

New Jersey is one of those states. It used to ban direct shipments outright, until a federal lawsuit prodded a slight opening. As part of the settlement, the Legislature and Gov. Chris Christie in 2012 allowed shipments of wine to consumers — but only from wineries producing less than 250,000 gallons a year.

Well, that meant that residents still couldn't buy 90% of U.S.-made wines. And there wasn't much choice for wine drinkers. The wineries that qualified to sell and ship to them accounted for less than 5% of wine consumed. Only one other state, Ohio, has such a capacity cap.

The Supreme Court ruling showed such restrictions wouldn't hold up in court. Afterward, four lawsuits were filed against discriminatory wine shipment regulations, including one by New Jersey residents and a New York liquor store. We urged state leaders to “give consumers access to the full wine market (and take credit for it) instead of wasting taxpayers' money trying to fight and delay court-ordered access.”

Now, a year later, the Legislature has taken a baby step toward that. Last week, an Assembly committee held an informal informational hearing on a bill that would create a license allowing wineries that produce more than 250,000 gallons a year to ship up to 12 cases a year to customers in New Jersey.

Too bad lawmakers have dragged their feet on this obviously needed and unavoidable reform. The pandemic and state business restrictions prompted a surge in consumer spending from home. Nationwide, direct wine shipments to consumers in the first half of this year increased 29%. But in restricted New Jersey, the gain was just 9%.

While Gov. Phil Murphy closed restaurants, the casinos, service providers and small retailers, he left open liquor stores, so consumers could still buy wine by joining the throngs at those stores.

But it would have been nice if New Jersey already had joined the majority of states and removed its unfair limit on wine shipments to customers. Let's hope the delay isn't while officials figure out how to protect their alcoholic beverage industry with layers of other annoying and costly regulations.