



Ohio Brewery Challenges Pennsylvania's Direct Shipping Requirements as Discriminatory

Aug 08, 2024

Categories:

[Publications](#)

Authors:

[Charles M. Johnson](#)

Urban Artifacts, a successful and growing micro-brewery in Cincinnati, OH, known for its innovative styles of fruited beers, recently filed suit against the Pennsylvania Liquor Control Board and the Pennsylvania State Police, [challenging Pennsylvania's rules](#) limiting the ability of out-of-state breweries to ship beer directly to consumers in Pennsylvania.

Urban Artifacts [currently ships](#) craft beers directly to residents of Ohio, Kentucky, Virginia, New Hampshire, Vermont, Nebraska, Oregon, Alaska and the District of Columbia.

Urban Artifacts claims that Pennsylvania, in contrast to other states, unfairly prohibits access by limiting the amount of beer that can be shipped directly to Pennsylvania residents and by requiring out-of-state breweries to obtain an additional license while not requiring local breweries to obtain the same license.

Pennsylvania has a robust craft beer market, with over [500 craft brewers](#). Breweries in Pennsylvania can directly ship to consumers. Urban Artifacts claims that the rights of out-of-state brewers to direct-ship beer into Pennsylvania are hamstrung by protectionist rules, which are relics from a bygone era. In Pennsylvania, out-of-state shippers can only ship 90 ounces per month to each consumer (or the equivalent of seven cans of 12-ounce beers), and are limited to 96 ounces per year of a particular beer brand shipped to each consumer (eight cans of your favorite 12-ounce beer brand), unless they go through a Pennsylvania distributor. By contrast, Pennsylvania breweries can ship directly to consumers in that state without these same restrictions and license requirements.

Urban Artifacts was able to secure a direct beer shipping license in Pennsylvania in 2021, but let it expire in 2021 when it became clear that the quantity restrictions would render direct-to-consumer shipping [cost prohibitive](#) in the state of Pennsylvania. Counsel for

Urban Artifacts describes the local [Pennsylvania restrictions](#) as a steel curtain that is knee-capping out-of-state breweries.

This case is easily distinguished from a recent settlement related to [a high-profile Tennessee challenge](#) to the direct shipping of liquor into the state, as Tennessee does not allow the direct shipping of distilled spirits. However, Urban Artifacts does rely upon the 2019 U.S. Supreme Court ruling in *Tennessee Wine & Spirits*, which determined that the licensing system in Tennessee unfairly restricted out-of-state liquor retailers by “stacking” the residency requirements for licensure in Tennessee.

In the Urban Artifact’s complaint, it appears difficult for Pennsylvania to assert legitimate purposes for restricting direct sales for out-of-state breweries to consumers in Pennsylvania since it allows local breweries to do so unfettered. Several other states have recently [expanded the opportunity for direct shipping](#), as well as self-distribution rights, to keep up with the demand from consumers and industry trends alike.

Industry observers are carefully monitoring direct shipment cases [accumulating across the United States](#) as it relates to wine, beer, and spirits for clear guidance amidst a background of increasing direct shipment of all types of alcoholic beverages in the post-COVID era. The Pennsylvania agencies have not yet responded to the complaint, and all eyes are upon Pennsylvania to see if state regulators can offer up a [solid defense of these restrictions](#) and whether this case will serve as a bellwether for the evolution of the direct shipment of alcohol across the country.

For more information about this case and how it may impact craft breweries looking to expand to other markets, contact the author or any member of the firm’s [Consumable Goods](#) team.

© 2026 FBT Gibbons LLP. May be considered attorney advertising in some jurisdictions.