

# MAINE STATE LEGISLATURE

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DATE: 4/7/06

L.D. 1900  
(Filing No. H-976)

LEGAL AND VETERANS AFFAIRS

*Minority*

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STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
122ND LEGISLATURE  
SECOND REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 1341, L.D. 1900, Bill, "An Act To Allow the Importation of Wine"

Amend the bill by striking out everything after the enacting clause and before the summary and inserting in its place the following:

Sec. 1. 28-A MRSA §1357 is enacted to read:

§1357. Direct shipper license

1. License. The bureau may issue a direct shipper license to a winery with a valid federal basic wine manufacturing permit that applies using forms provided by the bureau. Notwithstanding sections 2077 and 2077-B, a direct shipper licensee may ship up to 24 9-liter cases of wine per year to a resident of this State for that resident's personal use and not for resale. A licensed winery located in this State that holds a direct shipper license may ship to residents of this State and to residents of other states where direct shipment of wine is authorized by law.

2. Requirements. Prior to making any shipments of wine, the holder of a direct shipper license issued pursuant to subsection 1 shall:

A. Register as a retailer with the State Tax Assessor in accordance with Title 36, section 1756;

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COMMITTEE AMENDMENT "A" to H.P. 1341, L.D. 1900

2 B. Ensure that wine shipments are conspicuously labeled to  
3 read: "CONTAINS ALCOHOL: SIGNATURE OF PERSON 21 YEARS OF AGE  
4 OR OLDER IS REQUIRED FOR DELIVERY"; and

5 C. Arrange to deliver the shipment only by a common carrier  
6 that agrees to deliver only to a person who is 21 years of  
7 age or older and to request proof of identification from any  
8 recipient who appears to be 27 years of age or younger.

9 3. Records and payment of taxes. The holder of a direct  
10 shipper license issued pursuant to subsection 1 shall:

11 A. Maintain for a minimum of 2 years a record of each  
12 shipment made that includes the name of the recipient and  
13 the shipping address, the product and quantity shipped, the  
14 date of shipment and the common carrier used to deliver the  
15 shipment;

16 B. For each shipment, collect state sales taxes to be paid  
17 to the State Tax Assessor and deposited into the General  
18 Fund in accordance with Title 36, chapter 219 and every 3  
19 months submit a return as defined by Title 36, section 111,  
20 subsection 4 to facilitate payment of those sales taxes;

21 C. Every 3 months submit taxes due for each shipment in  
22 accordance with chapter 65 to the bureau using forms  
23 provided by the bureau;

24 D. Every 3 months submit a report to the bureau on forms  
25 provided by the bureau indicating the total amount of wine  
26 shipped, names and addresses of recipients, dates of  
27 purchase and the common carrier used for shipments made  
28 during the previous 3 months; and

29 E. Upon request, provide records within 48 hours to the  
30 bureau regarding shipments made in accordance with the  
31 direct shipper license.

32 4. Compliance with beverage container law. The holder of a  
33 direct shipper license issued pursuant to subsection 1 shall  
34 comply with the beverage container law as prescribed by Title 32,  
35 chapter 28 as an initiator of deposit and may enter into a  
36 commingling agreement with another initiator of deposit. The  
37 holder of a direct shipper license may enter into an agreement  
38 with a 3rd-party collection agent who will act as the initiator  
39 of deposit on the direct shipper licensee's behalf.

40 5. License fee. The fee for a direct shipper license  
41 issued pursuant to subsection 1 is \$100. The annual renewal fee  
42 is \$50.

2008

2 6. Violations and penalties. A person who ships wine as  
4 prohibited by sections 2077 and 2077-B without a direct shipper  
6 license issued pursuant to subsection 1 commits a civil violation  
8 for which a fine of not more than \$500 may be adjudged. The  
10 direct shipper license of a license holder who ships wine in  
12 violation of this section must be revoked, and the holder commits  
14 a civil violation for which a fine of not more than \$500 may be  
16 adjudged.

18 **Sec. 2. Appropriations and allocations.** The following  
20 appropriations and allocations are made.

22 **PUBLIC SAFETY, DEPARTMENT OF**

24 **Liquor Enforcement 0293**

26 Initiative: Appropriates funds for an additional Clerk Typist  
28 III position and associated operating costs necessary to process  
30 direct shipper licenses.

32	<b>GENERAL FUND</b>	<b>2005-06</b>	<b>2006-07</b>
34	POSITIONS - LEGISLATIVE COUNT	0.000	1.000
36	Personal Services	\$0	\$28,262
38	All Other	\$0	\$1,009
40	<b>GENERAL FUND TOTAL</b>	<b>\$0</b>	<b>\$29,271'</b>

42 **SUMMARY**

44 This amendment replaces the bill and is the minority report  
46 of the committee. The amendment creates a direct shipper license  
48 that authorizes an in-state or out-of-state winery to ship wine  
directly to a person who is 21 years of age or older. It  
requires that shipments be conspicuously labeled as alcohol and  
be delivered by common carrier who must verify that the recipient  
is 21 years of age or older. That direct shipper is required to  
pay all applicable sales and alcohol taxes and shall submit  
quarterly reports to the State Tax Assessor and the Department of  
Public Safety's division administering liquor licensing and  
taxation. The amendment provides that the holder of a direct  
shipper license must comply with the beverage container laws.  
The license fee for a direct shipper license is \$100 with a \$50  
annual renewal fee.

48 **FISCAL NOTE REQUIRED**  
(See attached)



# 122nd MAINE LEGISLATURE

LD 1900

LR 2685(02)

## An Act to Allow the Importation of Wine

Fiscal Note for Bill as Amended by Committee Amendment "A"

Committee: Legal and Veterans Affairs

Fiscal Note Required: Yes

Minority Report

### Fiscal Note

	2005-06	2006-07	Projections 2007-08	Projections 2008-09
<b>Net Cost (Savings)</b>				
General Fund	\$0	(\$19,729)	\$8,960	\$10,580
<b>Appropriations/Allocations</b>				
General Fund	\$0	\$29,271	\$33,460	\$35,080
<b>Revenue</b>				
General Fund	\$0	\$49,000	\$24,500	\$24,500

#### Fiscal Detail and Notes

Authorizing a registration fee to be paid by certain out-of-state wine shippers will increase annual General Fund revenues collected by the Department of Public Safety by an estimated \$49,000 in fiscal year 2006-07 and by \$24,500 for each fiscal year thereafter. In addition, the Department of Public Safety will require an additional General Fund appropriation of \$29,271 in fiscal year 2006-07 for an additional Clerk Typist III position necessary to process the additional registrations.