

# MAINE STATE LEGISLATURE

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# 127th MAINE LEGISLATURE

## SECOND REGULAR SESSION-2016

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Legislative Document

No. 1687

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H.P. 1152

House of Representatives, March 30, 2016

### An Act To Assist Small Distilleries

(AFTER DEADLINE)

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Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 205.

Reference to the Committee on Veterans and Legal Affairs suggested and ordered printed.

A handwritten signature in cursive script that reads "Robert B. Hunt".

ROBERT B. HUNT  
Clerk

Presented by Representative LUCHINI of Ellsworth.  
Cosponsored by Senator COLLINS of York and  
Representatives: GIDEON of Freeport, McCABE of Skowhegan, SAUCIER of Presque Isle,  
Senator: CYRWAY of Kennebec.

1 **Be it enacted by the People of the State of Maine as follows:**

2 **Sec. 1. 28-A MRSA §1355-A, sub-§5, ¶G**, as enacted by PL 2013, c. 359, §1, is  
3 amended to read:

4 G. Notwithstanding paragraph D, a holder of a small distillery license ~~that produces~~  
5 ~~less than 25,000 gallons of spirits annually and is~~ licensed under paragraph B,  
6 subparagraph (3) to operate a retail location for off-premises consumption may pay  
7 the ~~alcohol~~ bureau the difference between the distillery's price charged to the ~~alcohol~~  
8 bureau and the discounted list price charged by the bureau when a distillery purchases  
9 its own spirits to be sold at retail from its off-premises location. ~~The alcohol bureau~~  
10 ~~shall establish a procedure to allow a distillery to purchase spirits produced by the~~  
11 ~~distillery for sale at a retail location as described in this paragraph.~~ A small distillery  
12 is not required to transport spirits that will be sold for off-premises consumption  
13 under paragraph B, subparagraph (3) to a warehouse operated by the bureau or by a  
14 wholesaler contracted by the bureau under section 90 for distribution to the location  
15 where the small distillery is authorized to sell spirits produced by the small distillery  
16 for off-premises consumption. A holder of a small distillery license shall record the  
17 quantity of spirits sold for off-premises consumption that were not transported to a  
18 warehouse as described in this paragraph and submit monthly reports of this  
19 information, along with the full amount of state liquor tax due as prescribed by  
20 chapter 65, to the bureau in a manner prescribed by the bureau.

21 **Sec. 2. 28-A MRSA §1355-A, sub-§5, ¶H** is enacted to read:

22 H. Notwithstanding paragraph D, a holder of a small distillery license licensed under  
23 paragraph E to operate a location licensed under chapter 43 for on-premises  
24 consumption may pay the bureau the difference between the distillery's price charged  
25 to the bureau and the discounted list price charged by the bureau when a distillery  
26 purchases its own spirits to be sold at its on-premises location. A small distillery is  
27 not required to transport spirits that will be sold for on-premises consumption under  
28 paragraph E to a warehouse operated by the bureau or by a wholesaler contracted by  
29 the bureau under section 90 for distribution to the location where the small distillery  
30 is authorized to sell spirits produced by the small distillery for on-premises  
31 consumption. A holder of a small distillery license shall record the quantity of spirits  
32 sold for on-premises consumption that were not transported to a warehouse as  
33 described in this paragraph and submit monthly reports of this information, along  
34 with the full amount of state liquor tax due as prescribed by chapter 65, to the bureau  
35 in a manner prescribed by the bureau.

36 **SUMMARY**

37 Under current law small distillers licensed to manufacture spirits in the State are  
38 authorized to have up to 2 locations where they may sell their product for off-premises  
39 consumption and one license to serve alcoholic beverages for on-premises consumption.  
40 This bill provides that small distillers, distillers who produce up to 50,000 gallons  
41 annually, are not required to transport their spirits to a warehouse operated by the  
42 Department of Administrative and Financial Services, Bureau of Alcoholic Beverages

1 and Lottery Operations or the bureau's contracted wholesaler for distribution back to the  
2 distillers' facilities where they will be sold. The bill requires that small distillers submit  
3 monthly reports to the bureau on spirits not transported to a warehouse and pay the  
4 required state liquor tax.