

MAINE STATE LEGISLATURE

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132nd MAINE LEGISLATURE

FIRST SPECIAL SESSION-2025

Legislative Document

No. 1754

H.P. 1172

House of Representatives, April 22, 2025

An Act to Provide for the Direct Shipment of Spirits to Consumers

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

A handwritten signature in cursive script, reading "R B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative CLOUTIER of Lewiston.
Cosponsored by Senator STEWART of Aroostook and
Representatives: BOYER of Poland, DILL of Old Town, GRAMLICH of Old Orchard Beach,
MURPHY of Scarborough, TERRY of Gorham, Senators: BEEBE-CENTER of Knox,
HICKMAN of Kennebec, PIERCE of Cumberland.

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

2 **Sec. 1. 28-A MRSA §1358** is enacted to read:

3 **§1358. Direct shipment of spirits**

4 **1. Definitions.** As used in this section, unless the context otherwise indicates, the
5 following terms have the following meanings.

6 A. "Case equivalent" has the same meaning as in section 1457, subsection 1-A,
7 paragraph B.

8 B. "Common carrier" means a company that transports goods upon reasonable request,
9 on regular routes and at set rates.

10 C. "Direct shipper" means a distillery, small distillery, rectifier or out-of-state spirits
11 manufacturer that has obtained a spirits direct shipper license under subsection 2.

12 D. "Direct shipper discount rate" means a percentage that is equal to the percentage
13 discount rate for small distilleries that sell their products directly to consumers under
14 section 606, subsection 4-B.

15 E. "Fulfillment provider" means a bonded logistics agent of a direct shipper that
16 provides fulfillment services, including warehousing, packaging, distribution and order
17 processing for the shipment of spirits to a consumer and arranges for transport of spirits
18 to a consumer by a common carrier and that has obtained a fulfillment provider
19 registration under subsection 9.

20 **2. Direct shipment of spirits; license required.** A distillery, small distillery, rectifier
21 or out-of-state spirits manufacturer holding a federal basic distilled spirits plant permit that
22 has been issued a certificate of label approval by the United States Department of the
23 Treasury, Alcohol and Tobacco Tax and Trade Bureau for a product to be shipped may
24 obtain a spirits direct shipper license by filing with the bureau an application in a form
25 determined by the bureau accompanied by an application fee of not more than \$200, a copy
26 of the applicant's current federal basic distilled spirits plant permit and a list of spirits labels
27 to be shipped in accordance with this section.

28 **3. Direct shipper application.** Before sending a shipment to a resident of this State,
29 a direct shipper shall file an application for a spirits direct shipper license under subsection
30 2 with the bureau on a form issued by the bureau along with a true copy of its current
31 distillery, small distillery, rectifier or out-of-state spirits manufacturer license issued in this
32 State or another state and a \$100 registration fee.

33 **4. Direct shipment requirements.** A direct shipper or the direct shipper's fulfillment
34 provider may only ship spirits that were produced by or for the direct shipper, owned by
35 the direct shipper or sold under the distillery name of the direct shipper in accordance with
36 the direct shipper's federal basic distilled spirits plant permit to a recipient who is at least
37 21 years of age and that are intended for personal use and not for resale. A direct shipper
38 or the direct shipper's fulfillment provider shall label each package to be shipped in
39 accordance with this section so that it conspicuously reads: "CONTAINS ALCOHOL:
40 SIGNATURE OF A PERSON 21 YEARS OF AGE OR OLDER IS REQUIRED FOR
41 DELIVERY."

1 **5. Common carrier.** Shipments made in accordance with this section must be made
2 by a common carrier and must be accompanied by a shipping label that clearly indicates
3 the name of the direct shipper and the name and residence address of the recipient. The
4 common carrier shall obtain the signature of a person 21 years of age or older at the address
5 listed on the shipping label prior to delivery of the shipment. The common carrier shall
6 request photographic identification from the person signing for the shipment and verify that
7 the person is 21 years of age or older.

8 **6. Shipment restrictions and limitations.** The following shipment restrictions and
9 limitations apply to a direct shipper under this section.

10 A. A direct shipper may ship no more than one case equivalent of spirits per recipient
11 address in a 3-month period and may not exceed 4 case equivalents of spirits per
12 recipient address in a calendar year.

13 B. A direct shipper that is a holder of a small distillery license under section 1355-A
14 to distill, rectify, blend and bottle more than 50,000 gallons of spirits per year may ship
15 to recipients in this State only spirits that the direct shipper is licensed to ship under
16 subsection 2 and that are listed for sale in the State by the commission under section
17 81, subsection 3. A direct shipper under this paragraph may ship within the State no
18 more than 60 case equivalents of spirits in a calendar year.

19 C. A direct shipper other than a direct shipper in paragraph B may ship to a recipient
20 in this State only spirits that the direct shipper is licensed to ship under subsection 2
21 and that are not listed for sale in the State by the commission under section 81,
22 subsection 3. A direct shipper under this paragraph may ship within the State no more
23 than 60 case equivalents of spirits in a calendar year. If, within a 12-month period, a
24 direct shipper under this paragraph ships more than 10 case equivalents of a single
25 spirits product within the State, the direct shipper must request that that spirits product
26 be listed by the commission under section 81, subsection 3.

27 D. A direct shipper may not be located in a foreign country.

28 **7. Prohibited shipping areas.** A direct shipper may not ship to any address in an area
29 identified by the bureau as a prohibited shipping area or a local option area under chapter
30 5.

31 **8. License renewal.** A direct shipper may annually renew its spirits direct shipper
32 license with the bureau by paying a \$50 renewal fee and providing the bureau with a true
33 copy of its current distillery, small distillery, rectifier or out-of-state spirits manufacturer
34 license issued in this State or another state.

35 **9. Fulfillment provider; registration.** A direct shipper may use a fulfillment provider
36 that is registered under this subsection.

37 A. A fulfillment provider that is not a common carrier and that does not hold a direct
38 shipper, manufacturer or retail license issued by the bureau and that is not owned or
39 controlled by a common carrier, direct shipper, manufacturer or retail licensee may
40 register with the bureau in a manner prescribed by the bureau. A registration must
41 include the information required in paragraph B and a registration fee of not more than
42 \$50 per physical premises. A fulfillment provider registering pursuant to this
43 subsection shall register with the bureau for each physical premises from which the
44 fulfillment provider will ship spirits under this section. A fulfillment provider may only

1 ship spirits to a recipient in the State if the fulfillment provider maintains a current
2 registration, as applicable, under this subsection and only if the spirits shipped are
3 provided by a direct shipper licensed under this section.

4 B. A fulfillment provider registration must include the following:

5 (1) The address of each premises from which the fulfillment provider will ship
6 spirits to recipients in the State;

7 (2) The name, address and license number of each direct shipper on whose behalf
8 the fulfillment provider will ship spirits to recipients in the State; and

9 (3) Any other information as determined by the bureau.

10 C. A fulfillment provider registration must be renewed every 2 years. If there is a
11 material change in the information provided to the bureau related to the initial
12 registration or renewal, the fulfillment provider shall provide updated information to
13 the bureau not later than 14 days after the change.

14 D. A fulfillment provider shall make all commercially reasonable efforts to verify the
15 validity of each direct shipper license prior to making any shipments under this section.
16 Continuous failure to verify the validity of licenses may result in the suspension of the
17 fulfillment provider's registration and imposition of a fine.

18 **10. Direct shipper spirits pricing.** Spirits shipped under this section must be sold at
19 the retail price determined by the commission pursuant to section 1651, subsection 1.
20 Spirits shipped under this section by a direct shipper under subsection 6, paragraph C must
21 be sold at a price equivalent to the retail price for spirits sold to the State with a supplier
22 price as reported by the direct shipper to the bureau under subsection 13. If the direct
23 shipper modifies the supplier price from the price reported to the bureau under subsection
24 13, the direct shipper shall notify the bureau prior to implementing the modified price.

25 **11. Sales tax registration and payment required.** A direct shipper shall comply
26 with the provisions of Title 36, Part 3, including all requirements relating to registration as
27 a seller and the collection, reporting and remittance of the sales and use taxes of the State,
28 and a direct shipper located outside the State shall agree to be subject to the jurisdiction of
29 the State for purposes of the enforcement of those obligations. The requirements of this
30 subsection apply notwithstanding any provision of law of the State to the contrary.

31 **12. Payment to bureau.** A direct shipper shall pay quarterly to the bureau amounts
32 as follows.

33 A. A direct shipper under subsection 6, paragraph B shall pay to the bureau the
34 difference between the direct shipper's price charged to the bureau for that spirits
35 product and the amount equal to the retail price for that spirits product multiplied by
36 the direct shipper discount rate.

37 B. A direct shipper under subsection 6, paragraph C shall pay to the bureau the
38 difference between the direct shipper's supplier price for that spirits product as reported
39 to the bureau under subsection 13 and the amount equal to the retail price as determined
40 under subsection 10 for that spirits product multiplied by the direct shipper discount
41 rate.

42 **13. Reporting.** Reports to the bureau regarding direct shipments of spirits are
43 governed by this subsection.

1 A. A direct shipper shall submit a report to the bureau quarterly in a manner and form
2 prescribed by the bureau that includes the following:

3 (1) The total number of case equivalents per spirits product shipped to recipients
4 in the State and, for a direct shipper located in the State, shipments made outside
5 the State;

6 (2) For a direct shipper located outside the State, the supplier price and the
7 calculated retail price under subsection 10 for each spirits product shipped to
8 recipients in the State;

9 (3) The name and residence address of shipment recipients in the State;

10 (4) The name and registration of the designated fulfillment providers, if applicable;

11 (5) The common carrier used to deliver each shipment; and

12 (6) The date, quantity and purchase price of each shipment.

13 B. A fulfillment provider shall submit a report to the bureau quarterly in a manner and
14 form prescribed by the bureau that includes the following:

15 (1) The name as it appears on the direct shipper license, physical address and
16 license number of the direct shipper on whose behalf the fulfillment provider
17 shipped spirits under this section;

18 (2) The date of each shipment;

19 (3) The name and business address of the common carrier that transported the
20 shipment and the unique tracking number for each shipment;

21 (4) The weight of each package shipped; and

22 (5) The name and residence address of each recipient.

23 C. A common carrier shall submit a report to the bureau quarterly in a manner and
24 form prescribed by the bureau that includes the following:

25 (1) The name of the common carrier;

26 (2) The name and address of the direct shipper and, if applicable, the fulfillment
27 provider that used the common carrier for a shipment of spirits;

28 (3) The name and address of each recipient;

29 (4) The weight of each package delivered to each recipient;

30 (5) The unique tracking number for each shipment; and

31 (6) The date of delivery.

32 A failure by a common carrier to comply with the reporting requirements of this
33 paragraph that continues for more than 30 days after receiving from the bureau a notice
34 of that failure may result in the suspension of the common carrier's license to operate
35 in the State or the imposition of any other penalty the relevant licensing authority in
36 the State is authorized to impose.

37 D. If no spirits were shipped to a recipient in this State and, for a direct shipper that is
38 a holder of a small distillery license under section 1355-A, no spirits were shipped to a

recipient outside the State during the reporting period, a report indicating such must be submitted to the bureau.

14. Audit and records retention. The bureau may perform an audit of a direct shipper's, fulfillment provider's or common carrier's records relevant to compliance with this section. A direct shipper, fulfillment provider or common carrier shall provide copies of any records requested by the bureau within 20 business days of that request.

A. A direct shipper shall maintain the books, records and documents supporting a report submitted under subsection 13, paragraph A or D for 2 years after the reporting date, unless otherwise directed by the bureau.

B. A fulfillment provider shall maintain the books, records and documents supporting a report submitted under subsection 13, paragraph B or D for 2 years after the reporting date, unless otherwise directed by the bureau.

C. A common carrier shall maintain the books, records and documents supporting a report submitted under subsection 13, paragraph C or D, including an electronic or paper copy of each recipient's signature, for 2 years after the reporting date, unless otherwise directed by the bureau.

15. Violation. A person, including a common carrier or fulfillment provider, that knowingly causes a direct shipment in violation of this section is subject to a fine of up to \$500 for a first offense and up to \$1,000 for any subsequent violation of this section. A direct shipper, fulfillment provider or common carrier who knowingly delivers spirits to a person who has not attained 21 years of age is subject to a fine of up to \$5,000. The bureau may suspend or revoke a spirits direct shipper license under subsection 2 for failure to comply with the shipping limits and reporting requirements required by this section. The bureau may accept payment of an offer in compromise in lieu of suspension; such payments must be determined by rules adopted by the bureau.

16. Jurisdiction. A direct shipper, as a condition of licensure, is subject to the jurisdiction and enforcement authority of the State for the purposes of enforcement of this section.

17. Beverage container law. Spirits shipped pursuant to this section are subject to the provisions of Title 38, chapter 33.

18. Rules. The bureau shall adopt rules to carry out the purposes of this section. Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

Sec. 2. Effective date. This Act takes effect July 1, 2026.

SUMMARY

This bill allows distilleries, small distilleries, rectifiers and out-of-state spirits manufacturers to ship their spirits to recipients in the State in a manner similar to that presently allowed for wineries to ship their wine products. The bill authorizes a direct shipper of spirits to use a fulfillment provider for the direct shipment of spirits. The bill provides that fulfillment providers must be registered with the Department of Administrative and Financial Services, Bureau of Alcoholic Beverages and Lottery Operations in order to ship spirits on behalf of a direct shipper to recipients in this State.

1 The bill establishes reporting and record retention requirements for direct shippers,
2 fulfillment providers and common carriers. The bill establishes shipment restrictions and
3 limitations for direct shippers of spirits and procedures for establishing spirits pricing and
4 for payments to the bureau for spirits shipped directly to recipients in the State, rather than
5 going through the State's warehouse. The bill also establishes an effective date of July 1,
6 2026.