

MAINE STATE LEGISLATURE

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1 (After Deadline)

2 FIRST REGULAR SESSION
3

4 ONE HUNDRED AND ELEVENTH LEGISLATURE
5

6 Legislative Document

No. 1701

7
8 H.P. 1284

House of Representatives, May 26, 1983

9 Reference to the Committee on Taxation is suggested. Ordered printed
10 and sent up for concurrence.

11 Approved for introduction by a majority of the Legislative Council
pursuant to Joint Rule 27.

EDWIN H. PERT, Clerk

Presented by Representative Higgins of Portland.

Cosponsor: Senator Wood of York.
12

13 STATE OF MAINE
14

15 IN THE YEAR OF OUR LORD
16 NINETEEN HUNDRED AND EIGHTY-THREE
17

18 AN ACT to Increase the Excise Tax on
19 Dessert Wine and to Permit the Sale of
20 Dessert Wine at Retail Stores.
21

22 Be it enacted by the People of the State of Maine as
23 follows:

24 Sec. 1. 28 MRSA §2, sub-§5-A is enacted to read:

25 5-A. Dessert wine. "Dessert wine" means any
26 wine containing more than 14% alcohol by volume but
27 not exceeding 20% alcohol by volume.

28 Sec. 2. 28 MRSA §4, 6th ¶, as amended by 1975,
29 c. 770, §131, is further amended to read:

30 The hours of selling or delivering referred to
31 shall be the legal time prevailing in the State on
32 the day of the sale. ~~Except~~ ; except that whole-
33 salers of malt beverages and, table wine and dessert

1 wine may make deliveries to licensees on the day of
2 holding a general election or state-wide statewide
3 primary.

4 Sec. 3. 28 MRSA §53, sub-§3, as amended by PL
5 1981, c. 366, §1, is further amended to read:

6 3. Rules. To adopt rules, and requirements and
7 regulations not inconsistent with this Title or other
8 laws of the State, the observance of which shall be
9 conditions precedent to the granting of any license
10 to sell liquor, including malt liquor or, table wine
11 or dessert wine. In issuing or renewing licenses,
12 consideration shall be given to the character of any
13 applicant, the location of the place of business, the
14 manner in which it has been operated and to whether
15 the operation has endangered the safety of persons in
16 or on areas surrounding the place of business. The
17 commission, the municipal officers or county commis-
18 sioners, as the case may be, may refuse to issue
19 licenses to corporations when any of its officers,
20 directors or stockholders do not possess the qualifi-
21 cations required of unincorporated persons under this
22 section.

23 Sec. 4. 28 MRSA §53, sub-§5, as enacted by PL
24 1975, c. 741, §4, is amended to read:

25 5. Wine and spirits for sale. To buy and have in
26 their possession wine, except table wine and dessert
27 wine, and spirits for sale to the public. Such The
28 wine and spirits shall be purchased by the commission
29 directly and not through the State Purchasing Agent
30 and shall be free from adulteration and misbranding.
31 The commission shall in their purchases of liquors
32 give priority, wherever feasible, to those products
33 manufactured or bottled in this State.

34 Sec. 5. 28 MRSA §53, sub-§7, as enacted by PL
35 1975, c. 741, §4, is amended to read:

36 7. Sell at retail. To sell at retail in state
37 stores in original packages and for cash, either over
38 the counter or by shipment to points within the
39 State, wine, except table wine and dessert wine, and
40 spirits of all kinds for consumption off the premises
41 at state stores to be operated under the direction of
42 the commission.

1 Sec. 6. 28 MRSA §56, first ¶, as amended by PL
2 1981, c. 607, §1, is repealed and the following
3 enacted in its place:

4 The net profits of the commission shall be gen-
5 eral revenue of the State. The commission may keep
6 and have on hand a stock of spirits for sale, the
7 value of which, when priced for resale, shall be com-
8 puted on less carload price quotations F.O.B. ware-
9 house filed by liquor vendors. The inventory value
10 shall be based upon actual cost for which payment may
11 be due and shall not at any time exceed the amount of
12 working capital authorized. Spirits shall not be
13 considered in the inventory until payment has been
14 made therefor. The maximum permanent working capital
15 of the commission is established at \$5,000,000 and
16 permanent advances up to this amount may be author-
17 ized by the Governor upon recommendation of the com-
18 mission with the approval of the Commissioner of
19 Finance and Administration. The permanent working
20 capital of the commission may be supplemented by
21 temporary loans from other state funds upon recom-
22 mendation of the commission and by approval of the
23 Commissioner of Finance and Administration and the
24 Governor.

25 Sec. 7. 28 MRSA §101, sub-§§4 and 8, as repealed
26 and replaced by PL 1977, c. 630, §2, are amended to
27 read:

28 4. Shall licenses be granted in this city or
29 town for sale herein of malt liquor (beer, ale and
30 other malt liquor) and, table wine and dessert wine
31 not to be consumed on the premises of establishments
32 qualified to sell malt liquor and wine for consump-
33 tion off the premises?

34 8. Shall this municipality or unincorporated
35 place authorize the sale on Sunday of malt liquor
36 (beer, ale and other malt liquor) and, table wine and
37 dessert wine to be consumed off the premises of
38 establishments licensed to sell malt liquor and wine
39 for consumption off the premises?

40 Sec. 8. 28 MRSA §103, 4th ¶, as amended by PL
41 1975, c. 80, §5, is further amended to read:

1 If the total number of persons shown by returns
2 of the State Tax Assessor in such unincorporated
3 place is less than 20 or the number signing any peti-
4 tion for local option vote is less than 20, the
5 Secretary of State shall not hold any election in
6 such unincorporated place and in event no such vote
7 is taken, the county commissioners or the commission
8 may refuse approval of such application on the basis
9 that such license is not warranted for any substan-
10 tial public convenience, necessity or demand. The
11 county commissioners or the commission shall have the
12 authority in such unincorporated place to authorize
13 the sale of liquor on Sunday in those licensed
14 hotels, Class A restaurants and clubs where liquor is
15 permitted to be sold during the rest of the week.
16 The county commissioners or the commission shall also
17 have the authority in such unincorporated place to
18 authorize the sale on Sunday of malt liquor and,
19 table wine and dessert wine for consumption off the
20 premises by those licensees who are permitted to make
21 such sales during the rest of the week. The county
22 commissioners or the commission shall also have the
23 authority in such unincorporated place to authorize
24 the sale on Sunday of malt liquor and, table wine and
25 dessert wine for consumption on the premises by those
26 licensees who are permitted to make such sales during
27 the rest of the week.

28 Sec. 9. 28 MRSA §204, first ¶, as amended by PL
29 1981, c. 454, §7, is further amended to read:

30 All persons, except public service corporations
31 operating interstate, licensed to sell spirituous or
32 vinous liquor, except table wine and dessert wine,
33 shall purchase all such liquor from the commission.
34 The commission shall sell to such licensees spirituous
35 and vinous liquor, except table wine and dessert
36 wine, for a price of 10% less than the retail price
37 established for the state retail store where the pur-
38 chase is made provided that such discount shall not
39 apply to federal taxes levied on and after November
40 1, 1941. The commission may sell spirituous and
41 vinous liquor, except table wine and dessert wine, to
42 approved government instrumentalities within the
43 State at a price to be set by the commission which
44 shall be approved by the Governor. The commission
45 may sell spirituous and vinous liquor not for con-

1 sumption within the State to airlines and ferry ser-
2 vices or their agents as authorized by the State Liq-
3 uor Commission at a price to be set by the commission
4 which shall be approved by the Governor. Nothing ~~is~~
5 in this section may be construed to permit the com-
6 mission to sell spirituous and vinous liquor without
7 collecting the entire premium assessed under chapter
8 12.

9 Sec. 10. 28 MRSA §303, 2nd ¶, as amended by PL
10 1977, c. 23, §5, is further amended to read:

11 No licensee by himself, clerk, servant or agent
12 ~~shall~~ may sell, offer to sell or furnish any liquor
13 to any person on a passbook or store order, or
14 receive from any person any goods, wares, merchandise
15 or other articles in exchange for liquor, except only
16 such packages or original containers as were orig-
17 inally purchased from such licensee by the person
18 returning the same. No licensee, by himself, clerk,
19 servant or agent entitled to sell malt liquor ~~or,~~
20 table wine or dessert wine not to be consumed on the
21 premises, ~~shall~~ may sell, furnish, give or deliver
22 such malt liquor ~~or,~~ table wine or dessert wine to
23 any person visibly intoxicated, to any mentally ill
24 person, to a known habitual drunkard, ~~to any pauper,~~
25 to persons of known intemperate habits or to any
26 ~~minor~~ person under the age of 20 years. No licensee
27 by himself, clerk, servant or agent ~~shall~~ may sell,
28 furnish, give, serve or permit to be served any liq-
29 uor to be consumed on the premises to any person
30 visibly intoxicated, to any mentally ill person, to a
31 known habitual drunkard, ~~to any pauper,~~ to persons of
32 known intemperate habits or to any ~~minor~~ person under
33 the age of 20 years. Any licensee who accepts an
34 order or receives payment for liquor from a minor
35 shall be considered as in violation of this para-
36 graph.

37 Sec. 11. 28 MRSA §304, as amended by PL 1981, c.
38 698, §124, is further amended to read:

39 §304. Licensee not to be indebted, obligated or
40 involved

41 Except as provided by section 601, no person
42 ~~shall~~ may be issued a license or a renewal of a li-

1 cense if he shall be indebted in any manner, directly
2 or indirectly, to any other person for liquor or to
3 the State of Maine for any tax, other than property
4 tax, assessed and deemed final under Title 36 which
5 the State Tax Assessor certifies, in accordance with
6 Title 36, section 172, as remaining unpaid in an
7 amount exceeding \$1,000 for a period greater than 60
8 days after the applicant or licensee has received
9 notice of the finality of ~~such~~ the tax. It shall be
10 unlawful for any licensee or any applicant for li-
11 cense, directly or indirectly, to receive any money,
12 credit, thing of value, indorsement of commercial
13 paper, guarantee of credit or financial assistance of
14 any sort from any person, association or corporation
15 within or without the State, if ~~such~~ the person,
16 association or corporation shall be engaged, directly
17 or indirectly, in the manufacture, distribution,
18 sale, storage or transportation of liquor; or if ~~such~~
19 the person, association or corporation shall be
20 engaged in the manufacture, distribution, sale or
21 transportation of any commodity, equipment, material
22 or advertisement used in connection with the manufac-
23 ture, distribution, sale, storage or transportation
24 of liquor. No Maine retail liquor licensee ~~shall~~ may
25 have any interest, direct or indirect, in any Maine
26 manufacturer's or wholesaler's license or certificate
27 of approval issued to an out-of-state manufacturer or
28 foreign wholesaler of malt liquor or table wine; and
29 no out-of-state manufacturer or foreign wholesaler
30 having a state certificate of approval, nor any state
31 wholesaler or manufacturing licensee, ~~shall~~ may have
32 any interest, direct or indirect, in any state retail
33 liquor license. Minor investment in securities of a
34 corporation engaged in liquor business not amounting
35 to more than 1% shall not be held to be an interest
36 forbidden by the foregoing sentence. This section
37 shall not prohibit a wholesaler from receiving normal
38 credits for the purchase of malt liquor ~~or~~, table
39 wine or dessert wine from the manufacturer thereof
40 within or without the State.

41 Sec. 12. 28 MRSA §451, first ¶, as amended by PL
42 1979, c. 161, is further amended to read:

43 All spirits and wines, except table wines, shall
44 be sold by the commission at a price to be determined
45 by the commission which will produce a state liquor

1 tax of not less than 75% based on the less carload
2 cost f.o.b., State Liquor Commission warehouse, and
3 in addition thereto there shall be levied and imposed
4 an excise tax of 75¢ per gallon, or its metric
5 equivalent, on wines containing more than 14% alcohol
6 by volume, except that spirits and wines sold at
7 wholesale under section 204 may be sold at wholesale
8 prices established pursuant to the provisions
9 thereof. All spirits shall be sold by the commission
10 at a price to be determined by the commission which
11 will produce a state liquor tax of not more than 75%
12 based on the less carload cost F.O.B., State Liquor
13 Commission warehouse, except that spirits sold at
14 wholesale under section 204 may be sold at wholesale
15 prices established pursuant to the provisions of that
16 section. Prices for sale of spirits and wines bought
17 by the commission from Maine licensees to manufacture
18 liquor under section 501 shall be based on minimum
19 truck load delivery prices F.O.B. warehouse as the
20 same are filed with the Public Utilities Commission.
21 Special orders by the commission for unstocked mer-
22 chandise shall be priced at not less than 75% over
23 actual cost delivered F.O.B. warehouse. In all
24 cases, the commission is authorized to may round off
25 costs to the next highest 5 cents 5¢. Any increased
26 federal taxes levied on or after November 1, 1941,
27 shall be added to the established price without mark-
28 up. All net revenue derived from such the tax shall
29 be deposited to the credit of the General Fund of the
30 State. Notwithstanding the other provisions of this
31 section, the commission, with approval of the Commis-
32 sioner of Finance and Administration, may reduce the
33 price of discontinued items of liquor. The reduced
34 price shall not be less than the actual cost of the
35 discontinued liquor items and no item ~~shall~~ may be
36 discontinued by the commission for a period of at
37 least 6 months after such the item has been listed
38 and on sale in state stores. Notwithstanding the
39 other provisions of this section, the commission,
40 with the approval of the Commissioner of Finance and
41 Administration, may reduce the price of liquor in one
42 store, and licensees permitted to purchase liquor at
43 a discount under section 204 may purchase liquor for
44 resale from that store at the same price they are
45 permitted to purchase liquor for resale from any
46 state store which does not offer a retail discount.

1 Sec. 13. 28 MRSA §452, 2nd ¶, as amended by PL
2 1979, c. 130, §4, is further amended to read:

3 There shall be levied and imposed an excise tax
4 of 30¢ per gallon, or its metric equivalent, or frac-
5 tion or multiple thereof, on all table wine ~~contain-~~
6 ing 14% or less alcohol by volume and \$1 per gallon,
7 or metric equivalent, on all dessert wine imported
8 into this State; except that the excise tax shall be
9 20¢ per gallon, or its metric equivalent, or fraction
10 or multiple thereof on all still wine ~~containing 14%~~
11 or less alcohol by volume and \$1 per gallon, or met-
12 ric equivalent, on all dessert wine which is manufac-
13 tured or bottled in this State; and an excise tax of
14 \$1 per gallon, or its metric equivalent, or multiple
15 or fraction thereof on all sparkling wines manufac-
16 tured in or imported into this State. ~~Such~~ The taxes
17 shall be paid by the Maine manufacturer or the
18 importing wholesaler.

19 Sec. 14. 28 MRSA §452, 5th ¶, as amended by PL
20 1977, c. 696, §208, is further amended to read:

21 The commission ~~is authorized to~~ may give such
22 proper credits and ~~to~~ make such proper tax adjust-
23 ments as it may from time to time deem the wholesale
24 licensee to be entitled to upon the filing of affida-
25 vits in such form as it may prescribe and shall
26 refund all excise tax paid by the wholesale licensee
27 on all malt liquor ~~or~~ table wine or dessert wine
28 caused to be destroyed by a supplier as long as the
29 quantity and size are verified by the Bureau of Alco-
30 holic Beverages and the destruction is witnessed by
31 an inspector of the bureau.

32 Sec. 15. 28 MRSA §452, 6th ¶, as amended by PL
33 1979, c. 663, §164, is further amended to read:

34 The commissioner ~~is also authorized to~~ may refund
35 the excise tax on distributor's inventories in the
36 event ~~such~~ the inventories are destroyed by fire,
37 flood or other natural disaster. A credit shall be
38 granted for the excise tax imposed by this State on
39 malt beverages ~~or~~ table wines or dessert wines sold
40 to any ship chandlers, provided that the malt bever-
41 ages and table wines are resold to vessels of foreign
42 registry for consumption after that vessel has left

1 port. Any wholesaler selling to such an instrumental-
2 ity, training site or ship chandlers for resale to
3 vessels of foreign registry shall present proof of
4 that sale to the commission and shall thereupon
5 receive from the commission a credit of all state
6 excise taxes paid in connection with that sale.

7 Sec. 16. 28 MRSA §501, 2nd ¶, as amended by PL
8 1969, c. 360, §16, is further amended to read:

9 All licenses issued under this section shall
10 authorize the licensees to sell their finished
11 product to the commission, to other licensed Maine
12 manufacturers and to purchasers outside of the State.
13 In the case of breweries, and wineries producing
14 table wine or dessert wine, or both, the license
15 shall authorize sale to licensed Maine wholesalers.
16 All manufacturers' licenses shall authorize the
17 transportation within the State for the purposes pro-
18 vided and to the state border for delivery to ~~out of~~
19 state out-of-state purchasers. In the case of wine
20 bottlers and wineries, the license shall authorize
21 sale and delivery of wine to holders of sacramental
22 wine permits issued by the commission and persons
23 authorized to purchase wine under section 1052.

24 Sec. 17. 28 MRSA §501, last ¶, as amended by PL
25 1969, c. 360, §17, is further amended to read:

26 Licensed Maine wine bottlers and wineries ~~are~~
27 authorized to may sell to licensed Maine wholesalers,
28 to purchasers outside of the State, and to any
29 instrumentality of the United States, table wines,
30 containing no more than 14% alcohol by volume and
31 dessert wines, imported into the State in sealed bot-
32 tles upon the express condition that the importation
33 of ~~said~~ that wine in sealed bottles is authorized by
34 the commission.

35 Sec. 18. 28 MRSA §601, as amended by PL 1969, c.
36 360, §18, is further amended to read:

37 §601. Manufacture of malt liquor or table wine or
38 dessert wine; credit; furnishing materials and
39 equipment

1 No officer, director or stockholder of a corpora-
2 tion which is the holder of a manufacturer's certifi-
3 cate of approval ~~shall~~ may in any way be interested,
4 either directly or indirectly, as a director, officer
5 or stockholder in any other corporation which is the
6 holder of a wholesale license for the sale of malt
7 liquor ~~or~~, table wine or dessert wine granted by this
8 State; nor ~~shall~~ may a manufacturer or holder of a
9 certificate of approval, either directly or indi-
10 rectly, loan any money, credit or equivalent thereof
11 to any wholesaler for equipping, fitting out, main-
12 taining or conducting, either in whole or in part, a
13 business establishment where malt liquor ~~or~~, table
14 wine or dessert wine is sold, excepting only the
15 usual and customary commercial credit for malt liquor
16 ~~or~~, table wine or dessert wine sold; excepting that a
17 manufacturer or holder of a certificate of approval
18 may furnish a wholesale licensee materials and equip-
19 ment for the use of the wholesale licensee or his
20 employees such as painting the wholesale licensee's
21 vehicles, and furnishing legal advertising signs used
22 by the wholesale licensee in the course of his busi-
23 ness, and furnishing the wholesale licensee uniforms
24 for his employees, excepting only the usual and cus-
25 tomary commercial credit for malt liquor ~~or~~, table
26 wine or dessert wine sold and delivered.

27 Sec. 19. 28 MRSA §602, as amended by PL 1969, c.
28 360, §19, is further amended to read:

29 §602. Purpose of regulations

30 The purposes of sections 602 to 605 are to regu-
31 late the importation, transportation and sale of malt
32 liquor ~~and~~, table wine or dessert wine, and in addi-
33 tion thereto, to regulate and control the collection
34 of excise taxes.

35 Sec. 20. 28 MRSA §603, as amended by PL 1977, c.
36 211, §7, is further amended to read:

37 §603. Invoices and reports

38 All manufacturers or foreign wholesalers to whom
39 certificates of approval have been granted shall fur-
40 nish promptly the commission with a copy of every
41 invoice sent to Maine wholesale licensees, with the

1 licensee's name and purchase number thereon and the
2 original copy of the Maine purchase order. They
3 shall furnish a monthly report on or before the 10th
4 day of each calendar month in such form as may be
5 prescribed by the commission and shall not ship or
6 cause to be transported into this State any malt liq-
7 uor ~~or~~, table wine or dessert wine until the commis-
8 sion has certified that the excise tax has been paid
9 or that the Maine wholesale licensee, to whom ship-
10 ment is to be made, has filed a bond to guarantee
11 payment of the excise tax as provided in section 652.

12 Sec. 21. 28 MRSA §604, first ¶, as amended by PL
13 1975, c. 741, §19, is further amended to read:

14 No manufacturer or foreign wholesaler of malt
15 liquor ~~or~~, table wine or dessert wine ~~shall~~ may hold
16 for sale, sell or offer for sale, in intrastate com-
17 merce, any malt liquor ~~or~~, table wine or dessert wine
18 or transport or cause the same to be transported into
19 this State for resale unless such manufacturer or
20 foreign wholesaler has obtained from the commission a
21 certificate of approval. The fee therefor shall be
22 \$600 per year for malt liquor only and \$600 for table
23 wine ~~only~~ and dessert wine, which sum shall accompany
24 the application for such certificate.

25 Sec. 22. 28 MRSA §651, first ¶, as amended by PL
26 1975, c. 741, §20, is further amended to read:

27 Licenses for the sale and distribution of malt
28 liquor ~~or~~, table wine or dessert wine at wholesale
29 under such regulations as the commission may pre-
30 scribe may be issued by the commission upon an appli-
31 cation in such form as they may prescribe and upon
32 payment of an annual fee of \$600 for the principal
33 place of business, and \$600 for each additional ware-
34 house maintained by such wholesale licensee, except
35 that the commission may issue special permits, upon
36 application in writing, for the temporary storage of
37 malt liquors ~~or~~, table wine or dessert wine under
38 such terms and upon such conditions as the commission
39 may prescribe. Any wholesaler, if a person, shall
40 have been a resident of this State for 6 months or,
41 if a corporation, shall have conducted business in
42 this State for 6 months before a license may be
43 issued.

1 Sec. 23. 28 MRSA §652, as amended by PL 1977, c.
2 211, §§8, 9 and 10, is further amended to read:

3 §652. Interstate purchase or transportation; bond
4 for excise tax

5 No Maine wholesale licensee ~~shall~~ may purchase or
6 cause to be transported into this State any malt liq-
7 uor ~~or~~, table wine or dessert wine from any person to
8 whom a certificate of approval has not been granted
9 by the commission.

10 All purchase order forms are to be furnished by
11 the commission and all orders are to be executed in
12 quintuplet for unbonded wholesalers. First, the
13 unbonded wholesaler ordering malt liquor ~~or~~, table
14 wine or dessert wine shall mail 3 copies to the com-
15 mission with a check for the amount of excise taxes
16 required to cover the amount of the order. There-
17 after, the unbonded wholesaler may mail the original
18 copy of the order to the qualified brewery or winery
19 or wholesaler with whom he wishes to place his order.
20 On receipt of the 3 copies and check for excise
21 taxes, the commission, shall promptly receipt 2
22 copies and return one copy to the wholesaler and send
23 one to the brewery, winery or foreign wholesaler des-
24 ignated to receive the order and no brewery, winery
25 or foreign wholesaler shall ship or release malt liq-
26 uor ~~or~~, table wine or dessert wine for delivery in
27 Maine until notified by the commission that the
28 excise tax has been paid thereon in accordance with
29 this section and shall ship only to a licensed Maine
30 wholesaler.

31 Bonded Maine wholesale licensees shall use a form
32 supplied by the commission which form shall be in
33 triplicate. The wholesalers shall submit the original
34 copy to the qualified brewery, winery or foreign
35 wholesaler with whom he wishes to place his order.
36 The bonded wholesaler shall then mail to the commis-
37 sion one copy of the form and retain one copy for his
38 files.

39 No Maine wholesale licensee ~~shall~~ may sell any
40 malt liquor ~~or~~, table wine or dessert wine to another
41 Maine wholesaler licensee, which has not been pur-
42 chased from a brewery, winery or foreign wholesaler

1 holding a certificate of approval. The Administra-
2 tive Court Judge shall revoke the license of any
3 Maine wholesale licensee who shall make it a condi-
4 tion in selling malt liquor or wine to another Maine
5 wholesale licensee that such Maine wholesale licensee
6 shall not sell other brand names of malt liquor or
7 wine.

8 Maine wholesale licensees shall furnish to the
9 commission, in such form as may be prescribed, a
10 monthly report, on or before the 10th day of each
11 calendar month, of all malt liquor ~~or~~, table wine or
12 dessert wine purchased and sold during the preceding
13 month.

14 By filing the bond hereafter required, a Maine
15 wholesale licensee may pay monthly the excise tax
16 imposed by section 452 on all malt liquor ~~or~~, table
17 wine or dessert wine shipped into this State as shown
18 by invoice of the shipment by the out-of-state whole-
19 saler or holder of certificate of approval. The tax
20 shall be paid by the wholesale licensee on or before
21 the 10th day of the calendar month following that in
22 which shipment occurs. Each Maine wholesale licensee
23 shall, at the time of payment of the excise tax on or
24 before the 10th day of each month, furnish to the
25 commission in such form as may be prescribed a veri-
26 fied monthly report of all malt liquor ~~or~~, table wine
27 or dessert wine purchased or imported based on the
28 date of shipment invoice during the preceding calen-
29 dar month and all such additional information as may
30 be deemed necessary to compute and assure the accuracy
31 of the excise tax payment accompanying the report.

32 In order to secure payment of the excise tax,
33 each wholesale licensee shall file with the commis-
34 sion a corporate surety bond, in form and amount
35 approved and determined by the commission, guaran-
36 teeing payment of the proper excise tax due the State
37 from him. The commission shall fix the amount and
38 terms of the bond in such manner and subject to such
39 conditions as it deems most appropriate. Said The
40 bond shall be equal to the highest monthly excise tax
41 paid by the wholesale licensee during the period of
42 his prior calendar year license plus 10% of the high-
43 est month. All such bonds shall be provided and
44 effective only for each calendar licensed year. New

1 licensees desiring to furnish bond under this section
2 shall furnish corporate surety bond in an amount to
3 be determined by the commission. Failure to pay the
4 excise tax when due shall be grounds for the suspen-
5 sion of the license of the Maine wholesale licensee.

6 Sec. 24. 28 MRSA §701, sub-§§4, 5 and 6, as
7 enacted by PL 1975, c. 741, §21, are amended to read:

8 4. Fees for full-year licenses. Fees for
9 full-year licenses for the sale of malt liquor and,
10 table wine and dessert wine to be consumed off the
11 premises shall be as follows:

12 A. Class VI License, malt liquor only \$125

13 (1) Class VI-A License -- optional license
14 -- for retail stores and retail service
15 organizations without a stock of groceries
16 worth \$1,000 in wholesale value \$225

17 B. Class VII License, table wine only and des-
18 sert wine \$125

19 (1) Class VII-A License -- optional license
20 -- for retail stores or retail service orga-
21 nizations without a stock of groceries worth
22 \$1,000--wholesale value \$225

23 5. Fees for part-time licenses. Fees for part-
24 time licenses for the sale of malt liquor and, table
25 wine and dessert wine to be consumed off the premises
26 shall be 1/2 the full-time license fee.

27 6. Fees for license extensions. Fees for
28 bimonthly extension of part-time licenses for the
29 sale of malt liquor and, table wine and dessert wine
30 to be consumed off the premises shall be as follows:

31 A. Class VI License, malt liquor only \$30

32 (1) Class VI-A License -- optional license
33 -- for retail stores and retail service
34 organizations without a stock of groceries
35 worth \$1,000 in wholesale value \$45

1 B. Class VII License, table wine ~~only~~ and des-
2 sert wine \$30

3 (1) Class VII-A License -- table wine ~~only~~
4 and dessert wine -- for retail stores and
5 retail service organizations without a stock
6 of groceries worth \$1,000 in wholesale value
7 \$45

8 Sec. 25. 28 MRSA §701-A, sub-§7, as enacted by
9 PL 1975, c. 741, §22, is amended to read:

10 7. Class VII License. The following premises
11 shall be eligible for a Class VII License:

12 A. Retail stores and retail service organiza-
13 tions -- sale of table wine and dessert wine for
14 off-premise consumption only.

15 Sec. 26. 28 MRSA §751, as amended by PL 1977, c.
16 292, §4, is further amended to read:

17 §751. Issuance of licenses; stock of merchandise

18 Licenses for sale and distribution of malt liquor
19 ~~or~~, table wine; ~~or both~~ or dessert wine, or any com-
20 bination thereof, in retail stores may be issued by
21 the commission upon application and under such regu-
22 lations as the commission may prescribe. No such li-
23 cense or licenses ~~shall~~ may be issued to any person
24 who is not engaged in a bona fide retail business
25 other than the sale of malt liquors ~~or~~, table wine or
26 dessert wine, or any combination thereof, at retail
27 and no person licensed to sell malt liquor ~~or~~, table
28 wine or dessert wine, or any combination thereof,
29 under this section ~~shall~~ may sell malt liquor ~~or~~,
30 table wine or dessert wine, or any combination
31 thereof, for consumption on the premises where sold.

32 Licenses in an unincorporated place, where no
33 local option vote is taken under section 103, shall
34 require the approval of the county commissioners of
35 the county.

36 No licenses ~~shall~~ may be issued to any new retail
37 premise under this section unless it has been in
38 operation as such for a period of at least 3 months

1 next prior to the date of the application, or unless
2 such applicant proves to the satisfaction of the com-
3 mission that all proper standards and requirements of
4 laws and rules ~~and regulations~~ of the commission have
5 been met and ~~said that~~ applicant has been a resident
6 of the State for at least 6 months prior to filing
7 his application.

8 All retail store licensees ~~must~~ shall have and
9 maintain an adequate stock of groceries in no case
10 less than \$1,000 wholesale value or a stock of mer-
11 chandise reasonably compatible with a stock of malt
12 liquor ~~or~~, table wine or dessert wine in no case less
13 than \$1,000 wholesale value, or a combination of both
14 in no case less than \$1,000 wholesale value. No mer-
15 chandise ~~shall~~ may be considered to be reasonably
16 compatible with a stock of malt liquor ~~or~~, table wine
17 or dessert wine, or any combination thereof, for the
18 purpose of licensing a retail store, which consists
19 of gasoline and oil; used or new cars, parts or ac-
20 cessories; or such other items of stock that may be
21 equally incompatible in nature. Compatible merchan-
22 dise shall consist exclusively of tobacco products,
23 newspapers, greeting cards and paper products.

24 Sec. 27. 28 MRSA §751-A, as amended by PL 1971,
25 c. 598, §60, is further amended to read:

26 §751-A. Payment for sales in retail stores

27 For the purpose of receiving payment at the
28 check-out counters for the sale of malt liquor ~~or~~,
29 table wine or dessert wine in retail stores, the age
30 of such employee receiving the payment shall not be
31 under 17 years of age, provided that in any event an
32 employee who is 18 years of age or older is present
33 in the retail store in a supervisory capacity.

34 Sec. 28. 28 MRSA §755, first ¶, as amended by PL
35 1969, c. 360, §26, is further amended to read:

36 No licensee ~~shall~~ may advertise or holdout for
37 sale any malt liquor ~~or~~, table wine or dessert wine
38 by trade name or other designation which would indi-
39 cate the manufacturer or place of manufacture of malt
40 liquor ~~or~~, table wine or dessert wine unless he actu-
41 ally has on hand and for sale a sufficient quantity

1 of the particular malt liquor ~~or~~, table wine or des-
2 sert wine so advertised to meet requirements to be
3 normally expected as the result of such advertisement
4 or announcement.

5 Sec. 29. 28 MRSA §756, first ¶, as repealed and
6 replaced by PL 1969, c. 590, §53, is amended to read:

7 It shall be unlawful for any wholesale or retail
8 licensee of malt liquor ~~or~~, table wine or dessert
9 wine, either directly or indirectly, by any agent or
10 employee, to go from town to town, or from place to
11 place in the same town, selling, bartering or carry-
12 ing for sale or exposing for sale any malt liquor ~~or~~,
13 table wine or dessert wine from any vehicle, except
14 all sales of such malt liquor ~~or~~, ~~table~~ table wine or
15 dessert wine where transportation and delivery are
16 required shall be made only upon orders actually
17 received at the principal place of business or ware-
18 house or distributing center, if licensed, of the
19 seller prior to shipment thereof, and an invoice
20 stating the names of the purchaser and the seller and
21 the kind and quantity of malt liquor ~~or~~, table wine
22 or dessert wine ordered by the sale, together with
23 the date of the sale, shall be carried by the driver
24 or any other employee of the seller; and except that
25 a wholesale licensee, his agent or employee, may go
26 from town to town or from place to place in the same
27 town selling, or carrying for sale or exposing for
28 sale malt liquor ~~or~~, table wine or dessert wine from
29 its vehicle, provided the licensee, his agent or
30 employee has in his possession on ~~said~~ that vehicle a
31 manifest bearing a detailed description of the total
32 amount of malt liquor ~~or~~, table wine or dessert wine
33 on the vehicle, and invoices as required as well as
34 invoices drawn up at the time of delivery. Sales or
35 deliveries must only be made to licensees of the
36 ~~Maine~~ State Liquor Commission.

37 Sec. 30. 28 MRSA §1052, first ¶, as amended by
38 PL 1979, c. 130, §6, is further amended to read:

39 No person, other than the commission, ~~shall~~ may
40 import spirituous or vinous liquor into this State
41 except wholesalers of table wine or dessert wine may
42 import ~~table~~ that wine containing not more than 14%
43 ~~alcohol~~ by volume. Any person unlawfully importing,

1 or causing to be shipped into the State, or unlaw-
2 fully transporting spirituous or vinous liquor into
3 the State, shall be punished by a fine of not more
4 than \$500 or by imprisonment for not more than 11
5 months, or by both. It shall be lawful for an indi-
6 vidual to transport into this State and to transport
7 from place to place within the State such spirituous
8 or vinous liquor for his personal use in a quantity
9 not to exceed 4 quarts or its metric equivalent. The
10 commission, in its discretion and by its written
11 authorization, may permit and authorize the importa-
12 tion of spirituous or vinous liquors into this State
13 and the transportation of the same from place to
14 place within this State to the following:

15 Sec. 31. 28 MRSA §1053, sub-§1, as amended by PL
16 1979, c. 130, §7, is further amended to read:

17 1. Intoxicating liquor. No person ~~shall~~ may
18 knowingly transport from place to place in this State
19 any intoxicating liquor with intent to sell the same
20 in this State in violation of law, or with intent
21 that the same shall be so sold by any person, or to
22 aid any person in such sale, and no person ~~shall~~ may
23 transport or cause to be transported any spirituous
24 ~~or vinous~~ liquor, ~~containing more than 14% alcohol by~~
25 ~~volume,~~ in this State in a greater quantity than 4
26 quarts, or its metric equivalent, unless such liquor
27 was purchased from a state store or the commission.
28 The commission in its discretion may grant to an
29 individual, upon his application, a permit to trans-
30 port liquor purchased for his own personal use. It
31 shall be lawful for common carriers and contract car-
32 riers duly authorized as such by the Public Utilities
33 Commission to transport liquor to state stores, to
34 state warehouses, to licensees of the State Liquor
35 Commission, to purchasers of liquor at state stores
36 and from manufacturers to state warehouses, state
37 stores and to the state line for transportation out-
38 side the State; for licensees of the commission to
39 transport liquor from state stores to their places of
40 business; and for manufacturers to transport within
41 the State to state warehouses and state stores, to
42 persons authorized under section 1052 and to the
43 state line for transportation outside the State. Who-
44 ever knowingly violates any of the provisions of this
45 subsection shall be punished by a fine of not less

1 than \$100 nor more than \$1,000, and costs, and by
2 imprisonment for not less than 2 months nor more than
3 6 months, and in default of payment of fine and
4 costs, by imprisonment for not less than 2 months nor
5 more than 6 months, additional.

6 Sec. 32. 28 MRSA §1053, sub-§2, as amended by PL
7 1979, c. 130, §§8 and 9, is further amended to read:

8 2. Malt liquor, table wine and dessert wine. No
9 person, other than a wholesale licensee of the com-
10 mission under and subject to this Title, ~~shall~~ may
11 transport or cause to be transported malt liquor ~~or,~~
12 table wine or dessert wine into this State in a
13 greater quantity than one case for malt liquor and 4
14 quarts, or its metric equivalent, for table wine or
15 dessert wine, unless ~~said~~ the beverages were legally
16 purchased in the State. All shipments of malt liquor
17 ~~or,~~ table wine or dessert wine transported or caused
18 to be transported by wholesale licensees into this
19 State shall be accompanied by an invoice with the
20 wholesale licensee's name and purchase number
21 thereon. No person, other than a licensee of the com-
22 mission, ~~shall~~ may transport malt liquor in a quan-
23 tity greater than one case, and table wine or dessert
24 wine in quantities greater than 4 quarts, or its met-
25 ric equivalent, from place to place in this State
26 unless the same is purchased from a retail store
27 licensee of the commission. It shall be lawful for
28 common carriers and contract carriers, duly author-
29 ized as such by the Public Utilities Commission, to
30 transport malt liquor ~~or,~~ table wine or dessert wine
31 both into and within the State to licensees of the
32 State Liquor Commission and to purchasers of malt
33 liquor ~~or,~~ table wine or dessert wine from licensees
34 of the commission and to the state line for trans-
35 portation outside the State. Whoever is convicted of
36 illegal transportation of malt liquors ~~or,~~ table wine
37 or dessert wine into or illegal transportation from
38 place to place within the State shall be punished by
39 a fine of not more than \$500 or by imprisonment for
40 not more than 11 months, or by both.

41 Sec. 33. 28 MRSA §1054, as amended by PL 1969,
42 c. 360, §31, is further amended to read:

43 §1054. Delivery of liquor

1 No person ~~shall~~ may knowingly transport to or
2 cause to be delivered to any person, other than the
3 commission, unless upon written permission of the
4 commission, any spirituous ~~or~~ vineous liquor ~~contain-~~
5 ~~ing more than 14% alcohol by volume,~~ except liquors
6 purchased from a state store or the commission. Any
7 officer of any transportation company, express com-
8 pany, carrier for hire or other person who knowingly
9 transports or delivers liquor contrary to this
10 section shall be punished by a fine of not more than
11 \$500 or by imprisonment for not more than 11 months,
12 or by both.

13 FISCAL NOTE

14 In the first year after enactment of this bill,
15 it is expected that \$1,500,000 will be generated as a
16 result of wholesale distributors and retail licensees
17 filling their initial inventories under this Act. An
18 ongoing additional review is expected to generate 1/4
19 million dollars annually in sales tax, assuming no
20 increase in consumption.

21 STATEMENT OF FACT

22 The purposes of this bill are to:

23 1. Permit the sale of dessert wines at retail
24 stores rather than state liquor stores;

25 2. Standardize the tax on all spirits sold by
26 the commission to not less than 75% of the cost of
27 the State Liquor Commission;

28 3. Increase the excise tax to \$1 per gallon on
29 dessert wines. It reinstates the fee for liquor
30 licensees to sell or transport table wine to \$600;

31 4. Prevent potential conflicts between this bill
32 and enacted laws; and

33 5. Provide a limit of 20% on the alcohol content
34 of dessert wine sold at retail stores.

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