

# MAINE STATE LEGISLATURE

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# 117th MAINE LEGISLATURE

## SECOND REGULAR SESSION-1995

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Legislative Document

No. 1611

S.P. 607

In Senate, December 8, 1995

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**An Act to Allow Limited Partnerships between Brewers and Wholesalers.**

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Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 26.  
Received by the Secretary of the Senate on December 6, 1995. Referred to the Committee  
on Legal and Veterans Affairs and ordered printed pursuant to Joint Rule 14.

A handwritten signature in cursive script that reads "May M. Ross".

MAY M. ROSS  
Secretary of the Senate

Presented by Senator FERGUSON of Oxford.

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

2

**Sec. 1. 28-A MRSA §707, sub-§4,** as repealed and replaced by PL  
4 1987, c. 342, §42, is amended to read:

6

**4. Certificate of approval holder or Maine manufacturer;  
interest in wholesaler or retail license.** No Except as provided  
8 in section 1363, subsection 3, a certificate of approval holder  
or in-state manufacturer may not have any financial interest,  
10 direct or indirect, in any:

12

A. Maine wholesale license; or

14

B. Maine retail license.

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**Sec. 2. 28-A MRSA §1363,** as enacted by PL 1987, c. 45, Pt. A,  
§4, is amended to read:

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**§1363. Manufacture of malt liquor or table wine; credit;  
20 furnishing materials and equipment; limited partnership**

22

**1. Certificate of approval holder not interested in  
wholesale license.** No Except as provided in subsection 3, an  
24 officer, director or stockholder of a corporation which that is  
the holder of a manufacturer's certificate of approval may not be  
26 interested, either directly or indirectly, as a director, officer  
or stockholder in any other corporation which that holds a  
28 wholesale license.

30

**2. Loans by certificate of approval holder.** Except as  
provided in paragraphs A and B and subsection 3, no a  
32 manufacturer or certificate of approval holder may not, either  
directly or indirectly, loan any money, credit or their  
34 equivalent to any wholesale licensee for equipping, fitting out,  
maintaining or conducting, either in whole or in part, a business  
36 establishment where malt liquor or wine is sold.

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A. A certificate of approval holder may extend the usual  
and customary commercial credit for malt liquor or table  
40 wine sold and delivered.

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B. A manufacturer or holder of a certificate of approval  
may furnish a wholesale licensee materials and equipment for  
44 the use of the wholesale licensee or his wholesale  
licensee's employees, such as:

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(1) Painting the wholesale licensee's vehicles;

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(2) Supplying legal advertising signs used by the  
wholesale licensee in the course of his wholesale  
50 licensee's business; and

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2 (3) Supplying uniforms for the employees of the  
wholesale licensee.

4 3. Limited partnership between certificate of approval  
6 holder and wholesale licensee. Notwithstanding any provision of  
8 this Title, a certificate of approval holder may participate in a  
10 limited partnership as defined in Title 31, section 402 with a  
12 wholesale licensee if the certificate of approval holder is a  
14 limited partner and the wholesale licensee is the general partner.

## 12 STATEMENT OF FACT

14 Currently, because brewers are not permitted by law to have  
16 a financial interest in a wholesaler, brewers cannot provide  
18 financing to prospective wholesalers who may have the necessary  
business expertise but who lack sufficient capital with which to  
buy a malt liquor distributorship.

20 This bill allows brewers and wholesalers to form limited  
22 partnerships in order that the brewer may provide financing to  
the wholesaler. Under this bill, the brewer would be the limited  
24 partner while the wholesaler would be the general partner.  
Consistent with the Maine Revised Uniform Limited Partnership  
26 Act, only the general partner would be involved in day-to-day  
management.