

# MAINE STATE LEGISLATURE

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# 124th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2009

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Legislative Document

No. 694

S.P. 269

In Senate, February 24, 2009

### **An Act To Allow Limited Partnerships between Brewers and Wholesalers**

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

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN  
Secretary of the Senate

Presented by Senator SULLIVAN of York.

Cosponsored by Senator: PLOWMAN of Penobscot, Representatives: BEAULIEU of Auburn,  
TRINWARD of Waterville.

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

2 Sec. 1. 28-A MRSA §707, sub-§4, as amended by PL 2005, c. 390, §3, is further  
3 amended to read:

4 4. **Certificate of approval holder or Maine manufacturer; interest in wholesaler**  
5 **or retail license.** Except as ~~authorized~~ provided in section ~~1012~~ 1363, subsection ~~5~~ 3, a  
6 certificate of approval holder or in-state manufacturer may not have any financial interest,  
7 direct or indirect, in any:

- 8 A. Maine wholesale license; or
- 9 B. Maine retail license.

10 Sec. 2. 28-A MRSA §1363, as amended by PL 1997, c. 373, §118, is further  
11 amended to read:

12 **§1363. Manufacture of malt liquor or table wine; credit; furnishing materials and**  
13 **equipment; limited partnership**

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

19 2. **Loans by certificate of approval holder.** Except as provided in paragraphs A  
20 and B and subsection 3, a manufacturer or certificate of approval holder may not,  
21 either directly or indirectly, loan any money, credit or ~~their~~ the equivalent to any  
22 wholesale licensee for equipping, fitting out, maintaining or conducting, either in whole  
23 or in part, a business establishment where malt liquor or wine is sold.

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

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

- 29 (1) Painting the wholesale licensee's vehicles;
- 30 (2) Supplying legal advertising signs used by the wholesale licensee in the  
31 course of the wholesale licensee's business; and
- 32 (3) Supplying uniforms for the employees of the wholesale licensee.

33 3. **Limited partnership between certificate of approval holder and wholesale**  
34 **licensee.** Notwithstanding any provision of this Title, a certificate of approval holder or  
35 its affiliate or subsidiary may participate as a limited partner in a limited partnership as  
36 defined in Title 31, section 1302 in which the wholesale licensee is the general partner  
37 and a certificate of approval holder or its affiliate or subsidiary to the partnership and to  
38 the general partner.

1           A. Notwithstanding the provisions of Title 31, section 1354, subsection 1, a  
2           certificate of approval holder or its affiliate or subsidiary that participates in a limited  
3           partnership pursuant to this subsection may not require as a term or condition to any  
4           such partnership agreement that the certificate of approval holder or its affiliate or  
5           subsidiary be given any right to participate in the control of the partnership's  
6           business.

7           B. Notwithstanding the provisions of Title 31, chapter 19, a limited partnership  
8           established pursuant to this subsection must terminate within 10 years of the date of  
9           filing the certificate of limited partnership pursuant to Title 31, section 1321.

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### SUMMARY

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

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This bill allows brewers and wholesalers to form limited partnerships in which the brewer is the limited partner and the wholesaler is the general partner. Consistent with the Uniform Limited Partnership Act of 2007, only the general partner is involved in day-to-day management. The bill also provides a 10-year maximum term for any such limited partnership.