# MAINE STATE LEGISLATURE

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1	L.D. 616
2	Date: 6/2/15 (Filing No. H-265)
3	VETERANS AND LEGAL AFFAIRS
4	Reproduced and distributed under the direction of the Clerk of the House.
5	STATE OF MAINE
6	HOUSE OF REPRESENTATIVES
7	127TH LEGISLATURE
8	FIRST REGULAR SESSION
9 10	COMMITTEE AMENDMENT " to H.P. 429, L.D. 616, Bill, "An Act Regarding the Sale of Hard Cider"
11	Amend the bill by striking out the title and substituting the following:
12	'An Act To Allow Certain Wine and Hard Cider Manufacturing Partnerships'
13 14	Amend the bill by striking out everything after the enacting clause and before the summary and inserting the following:
15	'Sec. 1. 28-A MRSA §2, sub-§32-B is enacted to read:
16 17 18 19 20 21	32-B. Tenant winery. "Tenant winery" means a person who has been issued an approved application for an alternating proprietorship from the United States Department of the Treasury, Alcohol and Tobacco Tax and Trade Bureau authorizing the winery to engage in an alternating proprietorship as defined by federal regulation and is licensed by the bureau to produce wine or hard cider at a manufacturing facility of another winery who is licensed by the bureau.
22 23	Sec. 2. 28-A MRSA §605, first ¶, as amended by PL 2013, c. 446, §1, is further amended to read:
24 25 26 27 28 29 30 31 32 33 34	Except as otherwise provided in this section and section 608, a license or any interest in a license may not be sold, transferred, assigned or otherwise subject to control by any person other than the licensee. If the business, or any interest in the business, in connection with which a licensed activity is conducted is sold, transferred or assigned, the license holder shall immediately send to the bureau the license and a sworn statement showing the name and address of the purchaser. The bureau is not required to refund any portion of the licensee license fee if the license is surrendered before it expires. For the purposes of this section, neither a tenant brewer who is licensed in accordance with section 1355-A, subsection 6 nor a tenant winery who is licensed in accordance with section 1355-A, subsection 7 is not considered to be subject to the control of the host brewer or host winery, as the case may be, as described in that subsection those
35	subsections, or considered to have been transferred or assigned the license or interest in
4 10	THE IMPORTE OF THE MOST RECIVER OF HOST WINDENS

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### COMMITTEE AMENDMENT " to H.P. 429, L.D. 616

Sec. :	3.	28-A	<b>MRSA</b>	§1355-A	sub-§7	is	enacted	to	read:

- 7. Tenant winery. Except as otherwise provided, the following provisions apply to a tenant winery license under which the holder of a tenant winery license may produce wine at the manufacturing facility of another winery, referred to in this subsection as "the host winery," licensed by the bureau under subsection 4. This subsection applies to hard cider produced by a manufacturer licensed as a winery or small winery under subsection 4.
  - A. To be eligible for a tenant winery license, a person must submit an application to the bureau in a manner prescribed by the bureau and hold an approved application for an alternating proprietorship issued by the United States Department of the Treasury, Alcohol and Tobacco Tax and Trade Bureau that authorizes a tenant winery to use the facilities and equipment of a host winery.
  - B. A tenant winery is subject to the same requirements regarding manufacture of its product as if the tenant winery conducted its manufacturing on its own premises independently.
  - C. A tenant winery is not eligible for privileges provided in subsection 2 except for sampling described by paragraph A, subparagraphs (1) and (2).
- D. A tenant winery may not produce wine or hard cider for another winery or certificate of approval holder.
  - E. A tenant winery shall ensure that the tenant winery maintains control of the raw ingredients used to manufacture the tenant winery's product.
  - F. A license issued under subsection 4 may allow for up to 9 tenant wineries at a time at the manufacturing facility of a host winery.
  - G. The bureau may require a tenant winery to maintain a record or log indicating which equipment is being used at any time by the tenant winery in the production of wine or hard cider and which employees are working on production of the tenant winery's product.
  - H. The bureau shall require that reports from a tenant winery be submitted in a manner similar to the manner in which a winery licensed under subsection 4 submits reports. The bureau shall also require a tenant winery to submit copies of reports required of holders of an approved application issued by the United States Department of the Treasury, Alcohol and Tobacco Tax and Trade Bureau authorizing the tenant winery to engage in an alternating proprietorship.'

### 34 SUMMARY

This amendment replaces the bill. The amendment establishes a tenant winery license similar to the tenant brewery license in current law. Under the amendment, a tenant winery must have approval from the United States Department of the Treasury, Alcohol and Tobacco Tax and Trade Bureau authorizing an alternating proprietorship with another winery. The amendment allows up to 9 tenant wineries per host winery. A tenant winery may share or rent the facilities and equipment of the host winery under certain conditions, including maintaining control of their own raw ingredients and

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## COMMITTEE AMENDMENT " to H.P. 429, L.D. 610

complying with reporting requirements of the Department of Administrative and
Financial Services, Bureau of Alcoholic Beverages and Lottery Operations. Since
manufacturers of hard eider are licensed as wineries under current law, this amendment
applies to the manufacture of hard cider as well as wine.

FISCAL NOTE REQUIRED (See Attached)

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### 127th MAINE LEGISLATURE

LD 616

LR 974(02)

An Act Regarding the Sale of Hard Cider

Fiscal Note for Bill as Amended by Committee Amendment 'A' (H-265)

Committee: Veterans and Legal Affairs

Fiscal Note Required: Yes

#### **Fiscal Note**

Minor cost increase - General Fund

#### Fiscal Detail and Notes

Any additional costs to the Bureau of Alcoholic Beverages and Lottery Operations within the Department of Administrative and Financial Services associated with licensing and inspection of tenant wineries are expected to be minor and can be absorbed within existing budgeted resources.