

MAINE STATE LEGISLATURE

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Date: 2/26/20

MAJORITY

(Filing No. S-407)

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VETERANS AND LEGAL AFFAIRS

Reproduced and distributed under the direction of the Secretary of the Senate.

STATE OF MAINE

SENATE

129TH LEGISLATURE

SECOND REGULAR SESSION

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COMMITTEE AMENDMENT " A " to S.P. 738, L.D. 2089, Bill, "An Act To Clarify Certificate of Approval Requirements under the State's Liquor Laws"

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Amend the bill in section 1 in subsection 8 in paragraph B in the 2nd line (page 1, line 8 in L.D.) by striking out the following: "who" and inserting the following: 'that'

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Amend the bill in section 1 in subsection 8 in paragraph C in the first line (page 1, line 9 in L.D.) by striking out the following: "who" and inserting the following: 'that'

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Amend the bill by striking out all of section 2.

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Amend the bill in section 3 in §1351 by striking out all of subsection 2 and inserting the following:

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'2. Definition. For purposes of this section, "out-of-state spirits supplier" means an out-of-state spirits manufacturer or a person that engages in the out-of-state purchase of spirits for resale to the bureau.'

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Amend the bill in section 4 in subsection 5 in the next to the last line (page 1, line 30 in L.D.) by striking out the following: "who" and inserting the following: 'that'

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Amend the bill in section 5 in §1381 by striking out all of subsection 1 and inserting the following:

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'1. Definition. For purposes of this section, "out-of-state spirits supplier" means an out-of-state spirits manufacturer or a person that engages in the out-of-state purchase of spirits for resale to the bureau.'

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Amend the bill in section 5 in §1381 in subsection 3 in the 2nd line (page 2, line 10 in L.D.) by striking out the following: "who" and inserting the following: 'that'

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Amend the bill in section 5 in §1381 in subsection 3 in the 3rd line (page 2, line 11 in L.D.) by striking out the following: "120 gallons" and inserting the following: 'a total of 450 liters'

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Amend the bill in section 5 in §1381 in subsection 5 in the 2nd line (page 2, line 16 in L.D.) by striking out the following: "who" and inserting the following: 'that'

COMMITTEE AMENDMENT

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1 Amend the bill in section 5 in §1381 in subsection 5 in the last line (page 2, line 18 in
2 L.D.) by striking out the following: "wholesale liquor provider" and inserting the
3 following: 'warehouse designated by the commission under section 81'

4 Amend the bill in section 5 in §1381 by adding at the end a new subsection to read:

5 '6. Phased-in fee. Notwithstanding subsection 3, until September 1, 2021, the fee
6 for a certificate of approval under this section is \$500 per year, except that the fee for an
7 out-of-state spirits supplier that transports or causes to be transported a total of 450 liters
8 of spirits or less per year is \$100. Payment of the fee must accompany the application for
9 the certificate of approval.

10 This subsection is repealed September 1, 2021.'

11 Amend the bill in section 6 in §1401-A in the next to the last line (page 2, line 24 in
12 L.D.) by striking out the following: "who" and inserting the following: 'that'

13 Amend the bill in section 7 in subsection 1-A in the next to the last line (page 2, line
14 30 in L.D.) by striking out the following: "who" and inserting the following: 'that'

15 Amend the bill by adding after section 7 the following:

16 **'Sec. 8. Effective date.** This Act takes effect September 1, 2020.'

17 Amend the bill by relettering or renumbering any nonconsecutive Part letter or
18 section number to read consecutively.

19 **SUMMARY**

20 The bill resolves an inconsistency in the State's liquor laws by clarifying that an out-
21 of-state spirits supplier must obtain a certificate of approval from the Department of
22 Administrative and Financial Services, Bureau of Alcoholic Beverages and Lottery
23 Operations before it may transport spirits into the State for sale to the bureau or cause
24 spirits to be transported into the State for sale to the bureau.

25 This amendment, which is the majority report of the committee, clarifies that only
26 out-of-state spirits manufacturers and persons that engage in the out-of-state purchase of
27 spirits for resale to the bureau are required to obtain a certificate of approval under the
28 process established in the bill. The amendment further clarifies that, when out-of-state
29 spirits suppliers ship spirits to Maine, the spirits must be delivered to a warehouse
30 designated by the State Liquor and Lottery Commission.

31 Under the bill, an out-of-state spirits supplier is required to pay a \$1,000 annual fee to
32 obtain a certificate of approval, except that an out-of-state spirits supplier that ships 120
33 gallons of spirits or less to Maine per year is only required to pay a \$100 annual fee. The
34 amendment converts the total volume amount used to determine whether an out-of-state
35 spirits supplier is eligible to pay the \$100 reduced fee from gallons to liters, which is the
36 unit of measurement typically used in the spirits industry. The amendment delays the
37 effective date of the bill until September 1, 2020 and provides that an out-of-state spirits
38 supplier that is not eligible to pay the \$100 reduced fee is only required to pay \$500 for a
39 certificate of approval for the first year that the provision is in effect. Beginning
40 September 1, 2021, the annual fee for an out-of-state spirits supplier that is not eligible to

COMMITTEE AMENDMENT "A" to S.P. 738, L.D. 2089 (S-457)

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pay the \$100 reduced fee returns to the \$1,000 level established by the bill. Finally, the amendment makes technical changes to the bill.

FISCAL NOTE REQUIRED

(See attached)



129th MAINE LEGISLATURE

LD 2089

LR 3173(02)

An Act To Clarify Certificate of Approval Requirements under the State's Liquor Laws

Fiscal Note for Bill as Amended by Committee Amendment "A" (S-457)
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 as a result of changes to laws regarding approval of out-of-state spirits suppliers are anticipated to be minor and can be absorbed within existing budgeted resources.