MAINE STATE LEGISLATURE

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SAC ROS

L.D. 714

Date: 5/17/21 (Filing No. H-156)

VETERANS AND LEGAL AFFAIRS

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STATE OF MAINE

HOUSE OF REPRESENTATIVES

130TH LEGISLATURE

FIRST SPECIAL SESSION

COMMITTEE AMENDMENT "A" to H.P. 524, L.D. 714, "An Act To Support the Recovery of Maine's Craft Spirits Industry"

Amend the bill by striking out the title and substituting the following:

'An Act To Support the Recovery of Maine's Distilleries by Allowing the Sale of Cocktails for On-premises Consumption'

Amend the bill by inserting before the enacting clause the following:

'**Emergency preamble. Whereas,** acts and resolves of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, the spread of the novel coronavirus disease referred to as COVID-19 has created a public health emergency; and

Whereas, in response to this public health emergency, the Governor issued an executive order on March 18, 2020 requiring the closure of tasting rooms at Maine distilleries; and

Whereas, due to the ongoing nature of the public health emergency, Maine distilleries were not permitted to reopen their tasting rooms until March 26, 2021, at which time they were permitted to operate at only 50% capacity; and

Whereas, the combined effects of the public health emergency and subsequent public health measures have significantly affected the economic health of Maine distilleries, requiring immediate action to improve their economic viability; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,'

Amend the bill by striking out everything after the enacting clause and inserting the following:

'**Sec. 1. 28-A MRSA §1355-A, sub-§5, ¶F-1** is enacted to read:

F-1. A distillery or small distillery may sell to the public for on-premises consumption cocktails containing samples of spirits produced by the distillery or small distillery under the conditions specified in this paragraph.

(1) A cocktail may be sold only at the manufacturing facility where the spirits are produced or at an additional location licensed under paragraph B, subparagraph (3).

(2) The distillery or small distillery may include wine or spirits not manufactured by the distillery or small distillery as an ingredient in the cocktail only if the distillery or small distillery purchased the wine or spirits from an agency liquor store licensed as a reselling agent.

(3) A cocktail may not contain more than 4 1/2 ounces of spirits.

This paragraph is repealed September 10, 2022.

Sec. 2. 28-A MRSA §1355-A, sub-§5, ¶H, as amended by PL 2019, c. 404, §27, is further amended to read:

H. Notwithstanding paragraph D, a holder of a small distillery license that sells its products directly to consumers for on-premises consumption under paragraph E or F-1 or under subsection 2, paragraph B, E or F may pay the bureau the difference between the distillery's price charged to the bureau and the discounted retail price charged by the bureau under section 606, subsection 4-B. A small distillery is not required to transport spirits that will be sold for on-premises consumption as described in this paragraph to a warehouse operated by the bureau or by a wholesaler contracted by the bureau under section 90. A holder of a small distillery license shall record the quantity of spirits sold for on-premises consumption that were not transported to a warehouse as described in this paragraph and submit monthly reports of this information, along with the full amount of state liquor tax due as prescribed by chapter 65, to the bureau in a manner prescribed by the bureau.'

Amend the bill by adding before the summary the following:

'**Emergency clause.** In view of the emergency cited in the preamble, this legislation takes effect when approved.'

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

SUMMARY

This amendment replaces the bill, which is a concept draft, and adds an emergency preamble and emergency clause. The amendment temporarily permits, until September 10, 2022, a licensed Maine distillery or small distillery to sell for on-premises consumption cocktails containing samples of its spirits products. The cocktails may be sold only at the facility where the spirits are produced or at a location where the distillery or small distillery is licensed to sell its products for off-premises consumption. The cocktails may not contain more than 4 1/2 ounces of spirits. The distillery or small distillery may include wine or spirits not manufactured by the distillery or small distillery as an ingredient in the cocktails

only if the distillery or small distillery purchased the wine or spirits from an agency liquor store licensed as a reselling agent.

FISCAL NOTE REQUIRED

(See attached)

Approved: 04/28/21 mac

130th MAINE LEGISLATURE

LD 714 **LR 7(02)**

An Act To Support the Recovery of Maine's Craft Spirits Industry

Fiscal Note for Bill as Amended by Committee Amendment "A" (H-156)
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 temporarily allowing licensed Maine distilleries or small distilleries to sell cocktails containing samples of its own spirits products for on-premises consumption until September 10, 2022 are anticipated to be minor and can be absorbed within existing budgeted resources.