

MAINE STATE LEGISLATURE

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Report A

L.D. 1358

Date: 3/16/22

(Filing No. S-44/)

REPORT A

VETERANS AND LEGAL AFFAIRS

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

STATE OF MAINE

SENATE

130TH LEGISLATURE

SECOND REGULAR SESSION

COMMITTEE AMENDMENT "A" to S.P. 444, L.D. 1358, "An Act To Provide for the Direct Shipment of Spirits to Consumers"

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

'Resolve, Directing the Bureau of Alcoholic Beverages and Lottery Operations To Evaluate Direct-to-consumer Wine and Spirits Sales'

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

'Sec. 1. Bureau of Alcoholic Beverages and Lottery Operations review.

Resolved: That the Department of Administrative and Financial Services, Bureau of Alcoholic Beverages and Lottery Operations shall review and evaluate the direct shipment of wine to consumers in the State under current law, identifying potential areas of concern including, but not limited to, evaluating the impact to the State of exempting direct-shipped wine from the State's beverage container law. The bureau shall further review the relevant laws and procedures in each state that authorizes spirits manufacturers to sell and ship spirits directly to consumers in that state. In conducting these reviews, the bureau shall consult with stakeholders affected by the direct shipment of wine and spirits to consumers in the State including, but not limited to, licensed wineries and small wineries; licensed distilleries and small distilleries; retailers licensed to sell wine and spirits for off-premises consumption; wholesale licensees licensed to sell wine; and bottle redemption centers.

Sec. 2. Report. Resolved: That the Department of Administrative and Financial Services, Bureau of Alcoholic Beverages and Lottery Operations shall, by February 15, 2023, submit a report to the joint standing committee of the Legislature having jurisdiction over alcoholic beverages matters summarizing its findings under section 1 and recommendations related to the direct shipment of wine to consumers in the State, the feasibility of allowing in-state and out-of-state spirits manufacturers to sell and ship spirits directly to consumers in the State and the impact that direct-to-consumer spirits sales may have on consumer spirits choice and state revenues. The joint standing committee of the Legislature having jurisdiction over alcoholic beverages matters may report out legislation based upon the report to the 131st Legislature in 2023.

COMMITTEE AMENDMENT

ROFS

COMMITTEE AMENDMENT "A" to S.P. 444, L.D. 1358 (S-441)

Sec. 3. Appropriations and allocations. Resolved: That the following appropriations and allocations are made.

**ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF
Alcoholic Beverages - General Operation 0015**

Initiative: Provides one-time funding for contracted services to complete a study regarding the direct shipment of wine and spirits to customers.

GENERAL FUND	2021-22	2022-23
All Other	\$0	\$100,000
GENERAL FUND TOTAL	\$0	\$100,000

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

SUMMARY

This amendment, which is the majority report of the committee, replaces the bill with a resolve and changes the title. The amendment requires the Department of Administrative and Financial Services, Bureau of Alcoholic Beverages and Lottery Operations to, in consultation with relevant stakeholders, review the direct shipment of wine to consumers in the State under current law, identifying potential areas of concern, and to review the laws in each other state that allows the direct shipment of spirits to consumers located in that state. In conducting these reviews, the bureau must consult with stakeholders affected by the direct shipment of wine and spirits to consumers in the State including, but not limited to, licensed in-state wineries and small wineries; licensed in-state distilleries and small distilleries; wine and spirits retailers; wine wholesalers; and bottle redemption centers. The bureau must submit a report summarizing its findings and recommendations to the joint standing committee of the Legislature having jurisdiction over alcoholic beverages matters by February 15, 2023. The committee may report out legislation based upon the report to the 131st Legislature in 2023.

FISCAL NOTE REQUIRED

(See attached)

**130th MAINE LEGISLATURE****LD 1358****LR 1546(02)****An Act To Provide for the Direct Shipment of Spirits to Consumers****Fiscal Note for Bill as Amended by Committee Amendment "A" (S-441)****Committee: Veterans and Legal Affairs****Fiscal Note Required: Yes**

Fiscal Note

	FY 2021-22	FY 2022-23	Projections FY 2023-24	Projections FY 2024-25
Net Cost (Savings)				
General Fund	\$0	\$100,000	\$0	\$0
Appropriations/Allocations				
General Fund	\$0	\$100,000	\$0	\$0

Fiscal Detail and Notes

This bill directs the Bureau of Alcoholic Beverages and Lottery Operations (BABLO) within the Department of Administrative and Financial Services to conduct a review of the direct shipment of wine to consumers in the State, the feasibility of allowing in-state and out-of-state spirits manufacturers to sell and ship spirits directly to Maine consumers and the impact that direct-to-consumer spirits sales may have on consumer spirits choice and state revenues. BABLO is required to report its findings by February 15, 2023. Due to the scope of this review and the timeline for reporting, BABLO anticipates the need to utilize contracted services. The bill includes a one-time appropriation of \$100,000 to BABLO for the cost of the contracted services.