

MAINE STATE LEGISLATURE

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STATE OF MAINE
129TH LEGISLATURE
FIRST REGULAR SESSION



Summaries of bills, adopted amendments and laws enacted or finally passed

**JOINT STANDING COMMITTEE ON
VETERANS AND LEGAL AFFAIRS**

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STATE OF MAINE

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LEGISLATIVE DIGEST OF BILL SUMMARIES AND ENACTED LAWS

This *Legislative Digest of Bill Summaries and Enacted Laws* contains summaries of all LDs and adopted amendments and all laws enacted or finally passed during the First Regular Session of the 129th Maine Legislature.

The *Digest* is arranged alphabetically by committee and within each committee by Legislative Document (LD) number. The committee report(s), prime sponsor and lead co-sponsor(s), if designated, are listed below each LD title. All adopted amendments are summarized and listed by paper number. A subject index is included with each committee. An appendix provides a summary of relevant session statistics.

Final action on each LD is noted to the right of the LD title. The following describes the various final actions.

CARRIED OVER..... carried over to a subsequent session of the Legislature
CON RES XXX..... chapter # of constitutional resolution passed by both houses
CONF CMTE UNABLE TO AGREE..... Committee of Conference unable to agree; legislation died
DIED BETWEEN HOUSES..... House & Senate disagreed; legislation died
DIED IN CONCURRENCE..... defeated in each house, but on different motions; legislation died
DIED ON ADJOURNMENT..... action incomplete when session ended; legislation died
EMERGENCY..... enacted law takes effect sooner than 90 days after session adjournment
FAILED, EMERGENCY ENACTMENT or FINAL PASSAGE..... emergency failed to receive required 2/3 vote
FAILED, ENACTMENT or FINAL PASSAGE..... failed to receive final majority vote
FAILED, MANDATE ENACTMENT..... legislation proposing local mandate failed required 2/3 vote
HELD BY GOVERNOR..... Governor has not signed; final disposition to be determined at subsequent session
LEAVE TO WITHDRAW..... sponsor's request to withdraw legislation granted
NOT PROPERLY BEFORE THE BODY..... ruled out of order by the presiding officer; legislation died
INDEF PP..... indefinitely postponed; legislation died
ONTP, ACCEPTED, MAJORITY, MINORITY or REPORT X... ought-not-to-pass report accepted; legislation died
P&S XXX..... chapter # of enacted private & special law
PUBLIC XXX..... chapter # of enacted public law
RESOLVE XXX..... chapter # of finally passed resolve
VETO SUSTAINED..... Legislature failed to override Governor's veto

The effective date for non-emergency legislation enacted in the First Regular Session of the 129th Legislature is Thursday, September 19, 2019. The effective date for legislation enacted as an emergency measure may be found in the enacted law summary for that legislation.

Joint Standing Committee on Veterans and Legal Affairs

courses for a degree program in the hospitality industry, culinary arts or food sciences. The license authorizes a state-supported postsecondary educational institution to purchase and permit sampling of liquor in conjunction with the educational institution's curriculum.

Committee Amendment "A" (S-185)

This amendment changes the title of the bill and specifies that any accredited postsecondary educational institution in the State that offers a course or courses involving the hospitality industry, culinary arts or food sciences is eligible for a license to permit sampling of liquor by faculty and students who are at least 21 years of age and enrolled in the course or courses. All sampling of liquor must be conducted in accordance with the educational institution's alcohol safety procedures or guidelines.

Enacted Law Summary

Public Law 2019, chapter 282 provides that an accredited postsecondary educational institution in the State that offers a course or courses involving the hospitality industry, culinary arts or food sciences is eligible for a license to permit sampling of liquor by faculty and students who are at least 21 years of age and enrolled in the course or courses. All sampling of liquor must be conducted in accordance with the educational institution's alcohol safety procedures or guidelines.

LD 1761 An Act To Assist Small Beer Manufacturers and Small Hard Cider Manufacturers

PUBLIC 529

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
LUCHINI L GIDEON S	OTP-AM	S-281

This bill changes the definition of "small brewery" by increasing the amount of malt liquor a small brewery may brew from 50,000 gallons to 30,000 barrels per year.

The bill also defines a "small beer manufacturer" as a small brewery or out-of-state brewer that is brewing, lagering and kegging, bottling or packaging its own malt liquor, not to exceed 30,000 barrels per year. If a small beer manufacturer terminates its distribution relationship with a wholesale licensee, unless for good cause, causes a wholesale licensee to resign from an agreement, unless for good cause, or unreasonably withholds its consent to any assignment, transfer or sale of a wholesale licensee's business and that small beer manufacturer's brands make up no more than 3% of the wholesale licensee's business, the bill sets the maximum amount of the termination fee that the wholesale licensee is entitled to receive from that small beer manufacturer in connection with the termination.

The bill amends the laws governing certain notice requirements that the small beer manufacturer must satisfy in connection with the termination, provides expedited arbitration proceedings for a small beer manufacturer and a wholesale licensee in connection with a dispute regarding the amount of the termination fee and provides that, regardless of whether the terminated wholesale licensee has received payment of the termination fee from the small beer manufacturer, upon written notice of the termination to the wholesale licensee, the small beer manufacturer may appoint a new wholesale licensee to distribute the relevant products in the terminated wholesale licensee's territory or, if the small beer manufacturer is a small brewery, sell the terminated brand or brands of the small beer manufacturer directly to retail licensees in the terminated wholesale licensee's territory without selling the brand or brands to a wholesale licensee.

Lastly, this bill allows a wholesale licensee and a small beer manufacturer to agree upon or limit the amount of a termination fee pursuant to a distribution agreement as long as that termination fee does not exceed the maximum amount of the termination fee, as set forth in the bill.

Committee Amendment "A" (S-281)

Joint Standing Committee on Veterans and Legal Affairs

This amendment makes the following changes to the bill.

1. It clarifies that only in-state entities are eligible for manufacturing licenses issued by the Department of Administrative and Financial Services, Bureau of Alcoholic Beverages and Lottery Operations under the Maine Revised Statutes, Title 28-A, section 1355-A.
2. Similar to the bill's provision regarding small breweries, it changes the definition of "small winery" by increasing the amount of wine that a small winery may produce. Under current law, a small winery may produce up to 50,000 gallons per year of wine, including hard cider. Under the amendment, a small winery may produce up to 50,000 gallons per year of wine that is not hard cider and may produce up to 3,000 barrels per year of wine that is hard cider.
3. Similar to the definition of "small beer manufacturer" in the bill, it defines "small hard cider manufacturer" as a licensed Maine small winery or out-of-state winery that ferments, ages or bottles any amount of wine, as long as it ferments, ages or bottles no more than 3,000 barrels per year of wine that is hard cider.
4. It applies the provisions of the bill that affect the relationship between a wholesale licensee and a small beer manufacturer to the relationship between a wholesale licensee and a small hard cider manufacturer, including by establishing the amount of reasonable compensation that a small hard cider manufacturer must pay to a wholesale licensee when it terminates the authority of the wholesale licensee to distribute its hard cider products and by authorizing the small hard cider manufacturer to continue selling its products during the arbitration of any dispute between the parties regarding the amount of reasonable compensation.
5. Under current law, when any manufacturer and wholesale licensee disagree over the amount of reasonable compensation due after the manufacturer amends or terminates the contract between the parties in a way that removes the wholesaler's authority to distribute one or more of the manufacturer's brands of liquor, the parties must submit the reasonable compensation question to arbitration. Under the amendment, the arbitrator is directed to issue a written decision on the matter no later than 45 days after the date of the commencement of the arbitration proceeding.
6. The amendment also makes several technical changes and reorganizes the structure of the bill.

Enacted Law Summary

Public Law 2019, chapter 529 makes the following changes to the laws governing the manufacture and distribution of malt liquor and wine, including hard cider, in the State.

1. It clarifies that only in-state entities are eligible for manufacturing licenses issued by the Department of Administrative and Financial Services, Bureau of Alcoholic Beverages and Lottery Operations under the Maine Revised Statutes, Title 28-A, section 1355-A.
2. It increases the amount of malt liquor a "small brewery" may brew from 50,000 gallons to 30,000 barrels per year. Similarly, it increases the amount of wine, including hard cider, that a "small winery" may ferment, age or bottle to 50,000 gallons per year of wine that is not hard cider and 3,000 barrels per year of wine that is hard cider;
3. It defines a "small beer manufacturer" as a licensed Maine small brewery or out-of-state brewer that is brewing, lagering and kegging, bottling or packaging its own malt liquor, not to exceed 30,000 barrels per year. Similarly, it defines a "small hard cider manufacturer" as a licensed Maine small winery or out-of-state winery that ferments, ages or bottles any amount of wine, as long as it ferments, ages or bottles no more than 3,000 barrels per year of wine that is hard cider;
4. It amends the laws governing the notices that a small beer manufacturer or small hard cider manufacturer must provide a wholesale licensee prior to the termination of a distribution agreement. It also establishes the amount of

Joint Standing Committee on Veterans and Legal Affairs

reasonable compensation that a wholesale licensee is entitled to receive from a small beer manufacturer or small hard cider manufacturer if that manufacturer terminates its distribution agreement with the wholesale licensee without good cause, causes the wholesale licensee to resign from an agreement without good cause, or unreasonably withholds its consent to any assignment, transfer or sale of the wholesale licensee's business and if the affected brands of malt liquor or hard cider comprise no more than 3% of the wholesale licensee's business and no more than 10,000 case equivalents in the preceding year. The wholesaler and small beer manufacturer or small hard cider manufacturer may, in the distribution agreement, limit the amount of reasonable compensation due in these circumstances, as long as agreed amount does not exceed the statutory amount of reasonable compensation.

5. It provides that, when any manufacturer and wholesale licensee disagree over the amount of reasonable compensation due after the manufacturer amends or terminates the distribution agreement in a way that removes the wholesaler's authority to distribute one or more of the manufacturer's brands of liquor, the neutral arbitrator selected to resolve the question shall issue a written decision on the matter no later than 45 days after the date of the commencement of the arbitration proceeding.

6. It provides that, regardless of whether reasonable compensation for termination of a distribution agreement has yet been paid by a small beer manufacturer or small hard cider manufacturer, upon written notice of the termination to the wholesale licensee, the small beer manufacturer or small hard cider manufacturer may appoint a new wholesale licensee to distribute the relevant products in the terminated wholesale licensee's territory or, if the small beer manufacturer is a small brewery or the small hard cider manufacturer is a small winery, it may sell the terminated brand or brands of malt liquor or hard cider directly to retail licensees in the terminated wholesale licensee's territory without selling the brand or brands to a wholesale licensee.

LD 1797 An Act To Amend the Advance Deposit Wagering Laws

CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
DILLINGHAM K LUCHINI L	OTP-AM OTP-AM	H-635 S-361 LUCHINI L

This bill allows commercial tracks, off-track betting facilities and multijurisdictional account wagering providers to be licensed to participate in advance deposit wagering. It repeals the provision that directs the Department of Public Safety, Gambling Control Board, through a competitive bidding process, to award one bidder the privilege to be licensed to conduct advance deposit wagering. It requires the board to establish by rule the net commission that must be collected by a licensee for distribution by the board.

Committee Amendment "A" (H-635)

This amendment is the majority report of the committee. Like the bill, the amendment allows a commercial track, an off-track betting facility and a multijurisdictional account wagering provider to obtain a license to conduct advance deposit wagering. Unlike the bill, which requires the Department of Public Safety, Gambling Control Board to set the tax rate on advance deposit wagering by rule, the amendment requires advance deposit wagering licensees to remit 4% of the licensees' gross advance deposit wagering income to the Department of Public Safety, Gambling Control Board for distribution by the board.

The amendment also requires licensure of employees of advance deposit wagering licensees, makes several technical changes to add clarity to the bill and adds an appropriations and allocations section.

Committee Amendment "B" (H-636)

This amendment, which is the minority report of the committee, is identical to the majority report except that it requires advance deposit wagering licensees to remit 0.5% of the licensees' gross advance deposit wagering income to the Department of Public Safety, Gambling Control Board for distribution by the board and it prohibits an entity