

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33

Date: (Filing No. H-)

VETERANS AND LEGAL AFFAIRS

Reproduced and distributed under the direction of the Clerk of the House.

**STATE OF MAINE
HOUSE OF REPRESENTATIVES
132ND LEGISLATURE
FIRST SPECIAL SESSION**

COMMITTEE AMENDMENT “ ” to H.P. 1172, L.D. 1754, “An Act to Provide for the Direct Shipment of Spirits to Consumers”

Amend the bill by inserting before section 1 the following:

'Sec. 1. 28-A MRSA §83-C, sub-§1-A is enacted to read:

1-A. Manage direct shipments. Manage the direct shipment of spirits pursuant to section 1358;

Amend the bill in section 1 in §1358 in subsection 1 by striking out all of paragraph A (page 1, lines 6 and 7 in L.D.) and inserting the following:

'A. "Case equivalent" means the equivalent volume of 12 750-milliliter units.'

Amend the bill in section 1 in §1358 in subsection 1 by striking out all of paragraph D (page 1, lines 12 to 14 in L.D.).

Amend the bill in section 1 in §1358 in subsection 1 in paragraph E in the last line (page 1, line 19 in L.D.) by striking out the following: "9" and inserting the following: '11'

Amend the bill in section 1 in §1358 in subsection 1 by relettering the paragraphs to read alphabetically.

Amend the bill in section 1 in §1358 in subsection 2 in the 6th line (page 1, line 25 in L.D.) by inserting after the following: "200," the following: 'and'

Amend the bill in section 1 in §1358 in subsection 2 in the last 2 lines (page 1, lines 26 and 27 in L.D.) by striking out the following: "and a list of spirits labels to be shipped in accordance with this section"

Amend the bill in section 1 in §1358 in subsection 2 in the last line (page 1, line 27 in L.D.) by inserting after the following: "section." the following: 'Spirits sold under this section are not part of an administration or trade marketing contract established pursuant to section 90.'

Amend the bill in section 1 in §1358 by inserting after subsection 3 the following:

COMMITTEE AMENDMENT

1 **4. Spirits product registration.** A direct shipper shall register all spirits to be shipped
2 into the State with the bureau in a manner determined by the bureau. Only registered spirits
3 may be sold in the State at the retail price established under subsection 5. Once a spirits
4 product is registered and approved by the bureau, the direct shipper may sell the product
5 beginning on the first day of the following month.

6 **5. Direct shipper spirits pricing.** Notwithstanding section 1651, subsection 1, the
7 bureau shall determine and set the retail price at which spirits are sold under this section.
8 The bureau shall set the price in a manner similar to how the commission determines and
9 sets retail prices under section 1651, subsection 1. The direct shipper shall submit a
10 supplier price in a manner determined by the bureau. The supplier price must be used to
11 calculate the retail price of spirits sold under this section. A direct shipper shall submit a
12 potential price change to the bureau and the price change must be approved by the bureau
13 prior to sales at the new price.'

14 Amend the bill in section 1 in §1358 in subsection 6 in paragraph C in the 6th and 7th
15 lines (page 2, lines 24 and 25 in L.D.) by inserting after the following: "single spirits
16 product" the following: 'in a calendar year'

17 Amend the bill in section 1 in §1358 in subsection 6 in paragraph C in the 7th line
18 (page 2, line 25 in L.D.) by striking out the following: "must" and inserting the following:
19 'may not ship an additional amount of that single spirits product and may'

20 Amend the bill in section 1 in §1358 in subsection 6 in paragraph D in the first line
21 (page 2, line 27 in L.D.) by inserting after the following: "country." the following: 'An out-
22 of-state distiller, rectifier, importer for a distillery or importer of a foreign brand of distilled
23 spirits, who is the primary source of supply, may obtain a direct shipper license for
24 importing spirits under this section.'

25 Amend the bill in section 1 in §1358 by striking out all of subsection 10 (page 3, lines
26 18 to 24 in L.D.).

27 Amend the bill in section 1 in §1358 in subsection 11 in the first line (page 3, line 25
28 in L.D.) by inserting after the following: "shall" the following: 'register under Title 36,
29 section 1754-B and'

30 Amend the bill in section 1 in §1358 in subsection 11 in the 2nd line (page 3, line 26
31 in L.D.) by striking out the following: "the" and inserting the following: 'any other'

32 Amend the bill in section 1 in §1358 by striking out all of subsection 12 (page 3, lines
33 31 to 41 in L.D.) and inserting the following:

34 **12. Payment to the bureau.** A direct shipper shall pay quarterly to the bureau the
35 difference between the retail price approved by the bureau and the supplier price submitted
36 to the bureau by the direct shipper.'

37 Amend the bill in section 1 in §1358 in subsection 13 in paragraph A in subparagraph
38 (5) in the first line (page 4, line 11 in L.D.) by striking out the following: "and"

39 Amend the bill in section 1 in §1358 in subsection 13 in paragraph A in subparagraph
40 (6) in the first line (page 4, line 12 in L.D.) by striking out the following: "shipment." and
41 inserting the following: 'shipment.'

42 Amend the bill in section 1 in §1358 in subsection 13 in paragraph A by inserting after
43 subparagraph (6) the following:

1 '(7) The unique tracking number for each shipment; and

2 '(8) The total amount of tax owed to the State pursuant to section 1651.'

3 Amend the bill in section 1 in §1358 in subsection 13 in paragraph B in subparagraph
4 (4) in the first line (page 4, line 21 in L.D.) by striking out the following: "and"

5 Amend the bill in section 1 in §1358 in subsection 13 in paragraph B by inserting after
6 subparagraph (4) the following:

7 '(5) The unique tracking number for each shipment; and'

8 Amend the bill in section 1 in §1358 in subsection 13 in paragraph B by renumbering
9 the subparagraphs to read consecutively.

10 Amend the bill in section 1 in §1358 in subsection 14 in paragraph A in the 2nd line
11 (page 5, line 8 in L.D.) by striking out the following: "13" and inserting the following: '14'

12 Amend the bill in section 1 in §1358 in subsection 14 in paragraph B in the 2nd line
13 (page 5, line 11 in L.D.) by striking out the following: "13" and inserting the following:
14 '14'

15 Amend the bill in section 1 in §1358 in subsection 14 in paragraph C in the 2nd line
16 (page 5, line 14 in L.D.) by striking out the following: "13" and inserting the following:
17 '14'

18 Amend the bill in section 1 in §1358 by renumbering the subsections to read
19 consecutively.

20 Amend the bill by inserting after section 1 the following:

21 '**Sec. 2. 28-A MRSA §2073-A, sub-§2, ¶D** is enacted to read:

22 D. A person that has obtained a spirits direct shipper license pursuant to section 1358
23 may import spirits subject to the requirements of that section.

24 '**Sec. 3. 28-A MRSA §2073-B, sub-§2, ¶F** is enacted to read:

25 F. A person that has obtained a spirits direct shipper license pursuant to section 1358
26 may import spirits subject to the requirements of that section.

27 '**Sec. 4. 28-A MRSA §2076, sub-§1**, as amended by PL 2021, c. 658, §275, is
28 further amended to read:

29 **1. Illegal delivery of spirits prohibited.** Except with the bureau's written permission
30 or except as provided in section 503, subsection 1 for the wholesale spirits provider or, in
31 section 459 for reselling agents or in section 1358 for a person that has obtained a spirits
32 direct shipper license, a person may not knowingly transport or cause to be delivered to any
33 person other than the bureau any spirits not purchased from an agency liquor store.

34 '**Sec. 5. 36 MRSA §1754-B, sub-§1-B, ¶J**, as repealed and replaced by PL 2021,
35 c. 181, Pt. B, §5, is amended to read:

36 J. Every person that holds a wine direct shipper license under Title 28-A, section
37 1403-A; ~~and~~

38 '**Sec. 6. 36 MRSA §1754-B, sub-§1-B, ¶K**, as enacted by PL 2021, c. 181, Pt. B,
39 §5, is amended to read:

1 K. A marketplace facilitator if the marketplace facilitator's gross sales of tangible
2 personal property or taxable services in this State in the previous calendar year or
3 current calendar year exceeds \$100,000.

4 For the purposes of this paragraph, the marketplace facilitator's gross sales include
5 sales facilitated on behalf of marketplace sellers and any sales of tangible personal
6 property or taxable services made directly by the marketplace facilitator; and

7 **Sec. 7. 36 MRSA §1754-B, sub-§1-B, ¶L** is enacted to read:

8 L. Every person that holds a spirits direct shipper license under Title 28-A, section
9 1358.

10 **Sec. 8. Department of Administrative and Financial Services, Bureau of**
11 **Alcoholic Beverages and Lottery Operations report.** No later than January 1, 2028,
12 the Department of Administrative and Financial Services, Bureau of Alcoholic Beverages
13 and Lottery Operations shall submit a report relating to the implementation of the law
14 authorizing the direct shipment of spirits to consumers to the joint standing committee of
15 the Legislature having jurisdiction over liquor matters. The joint standing committee may
16 submit legislation relating to the subject matter of the report to the Second Regular Session
17 of the 133rd Legislature.'

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

20 SUMMARY

21 This amendment, which is the majority report of the committee, does the following.

22 1. It amends the definition of "case equivalent" to mean the equivalent volume of 12
23 750-milliliter units.

24 2. It explicitly states that direct shipments of spirits are exempt from the Department
25 of Administrative and Financial Services, Bureau of Alcoholic Beverages and Lottery
26 Operations' state liquor contract.

27 3. It requires a direct shipper of spirits to register all spirits to be shipped into the State
28 with the bureau in a manner determined by the bureau.

29 4. It requires the bureau to determine and set the retail price at which spirits are sold
30 for direct shipment to consumers.

31 5. It provides that an out-of-state distiller, rectifier, importer for a distillery or importer
32 of a foreign brand of distilled spirits, who is the primary source of supply, may obtain a
33 direct shipper license for importing spirits.

34 6. It requires a direct shipper of spirits to register with the Department of
35 Administrative and Financial Services, Maine Revenue Services.

36 7. It requires a direct shipper to pay to the bureau the difference between the retail
37 price approved by the bureau and the supplier price submitted to the bureau by the direct
38 shipper.

39 8. It adds to direct shipper reporting requirements the unique tracking number for each
40 shipment and the total amount of tax owed to the State.

