STATE OF MAINE

IN THE YEAR OF OUR LORD

TWO THOUSAND TWENTY-ONE

H.P. 524 - L.D. 714

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

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,

Be it enacted by the People of the State of Maine as follows:

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This paragraph is repealed September 10, 2022.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.

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