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S.P. 491

In Senate, April 20, 2021

An Act To Support Maine's Tasting Rooms and Restaurants during the COVID-19 Pandemic

(EMERGENCY)

Received by the Secretary of the Senate on April 15, 2021. Referred to the Committee on Veterans and Legal Affairs pursuant to Joint Rule 308.2 and ordered printed.

DAREK M. GRANT Secretary of the Senate

Presented by President JACKSON of Aroostook. Cosponsored by Senators: HICKMAN of Kennebec, LUCHINI of Hancock, Representatives: CAIAZZO of Scarborough, MARTIN of Sinclair. **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 the public health emergency, the Governor has issued executive orders limiting the ability of restaurants and other businesses to sell food and liquor for on-premises consumption; and

Whereas, this legislation needs to take effect as soon as possible to help alleviate some of the financial stress on those restaurants; 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 §707, sub-§3-A,** as enacted by PL 2019, c. 665, §3, is amended to read:
- **3-A. Manufacturer or importer; prohibited financial interests.** Except as authorized in subsection 7 and sections 707-A and 1355-A, a licensed in-state manufacturer, an out-of-state spirits supplier, an out-of-state manufacturer of malt liquor or wine that has been issued a certificate of approval or an out-of-state wholesaler of malt liquor or wine that has been issued a certificate of approval may not have any financial interest, direct or indirect, in any:
 - A. Wholesale Any wholesale licensee; or

- B. Retail Any retail licensee-, except as provided in paragraph C; or
- C. If a licensed in-state manufacturer, more than one retail licensee.
- **Sec. 2. 28-A MRSA §707, sub-§5-A,** as enacted by PL 2019, c. 665, §7, is amended to read:
- **5-A. Retail licensee; prohibited financial interests.** Except as authorized in sections 707-A and 1355-A, a retail licensee may not have any financial interest, direct or indirect, in any:
 - A. <u>Licensed More than one licensed</u> in-state manufacturer, <u>or any</u> out-of-state spirits supplier, out-of-state manufacturer of malt liquor or wine that has been issued a certificate of approval or out-of-state wholesaler of malt liquor or wine that has been issued a certificate of approval; or
 - B. Wholesale Any licensee.
- **Sec. 3. 28-A MRSA §1062, sub-§3,** as amended by PL 1997, c. 373, §88, is further amended to read:
 - **3. Income from sale of food requirement.** Except as provided in paragraph B <u>and except until January 1, 2022</u>, at least 10% of the gross annual income must be from the sale of food for both year-round and part-time restaurants.

1 2 3	A. The bureau may not renew any license for the sale of wine or malt liquor unless the licensee furnishes proof to the bureau that the previous year's business conformed to the income requirement of this subsection.
4 5	B. Income from the bowling business in bowling alleys <u>must may</u> not be included in the income requirement of this section.
6 7	Sec. 4. 28-A MRSA §1063, sub-§2, as amended by PL 1993, c. 730, §42, is further amended to read:
8 9 10 11 12	2. Income from sale of food requirement. At Except until January 1, 2022, at least a minimum amount of the gross annual income must be from the sale of food for each Class A restaurant or Class A restaurant/lounge. The income from sale of food requirement is based on the population of the municipality in which the Class A restaurant or Class A restaurant/lounge is located.
13	A. In municipalities having a population of more than 50,000 persons:
14 15 16	(1) Year-round Class A restaurants or Class A restaurant/lounges must have a minimum gross annual income of \$50,000 per year from the sale of food to the public on their premises.
17 18	B. In municipalities having a population of more than 30,000 but not more than 50,000 persons:
19 20 21	(1) Year-round Class A restaurants or Class A restaurant/lounges must have a minimum gross annual income of \$40,000 per year from the sale of food to the public on their premises.
22 23	C. In municipalities having a population of more than 20,000 but not more than 30,000 persons:
24 25 26	(1) Year-round Class A restaurants or Class A restaurant/lounges must have a minimum gross annual income of \$30,000 per year from the sale of food to the public on their premises.
27	D. In municipalities having a population of not more than 20,000 persons:
28 29 30	(1) Year-round Class A restaurants or Class A restaurant/lounges must have a minimum gross annual income of \$20,000 per year in sale of food to the public on their premises.
31 32	Emergency clause. In view of the emergency cited in the preamble, this legislation takes effect when approved.
33	SUMMARY
34 35	This bill suspends until January 1, 2022 certain minimum requirements for income to be derived from food sales for restaurants licensed to sell alcohol.
36 37 38	This bill also allows a licensed in-state manufacturer of liquor to have a financial interest in a single retail licensee and allows a retail licensee to have a financial interest in a single licensed in-state manufacturer.