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Date: (Filing No. H-)

VETERANS AND LEGAL AFFAIRS

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
130TH LEGISLATURE
FIRST SPECIAL SESSION**

COMMITTEE AMENDMENT “ ” to H.P. 524, L.D. 714, “An Act To Support the Recovery of Maine's Craft Spirits Industry”

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

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

Amend the bill by inserting before the enacting clause the following:

'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,'

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

COMMITTEE AMENDMENT

1 **'Sec. 1. 28-A MRSA §1355-A, sub-§5, ¶F-1** is enacted to read:

2 F-1. A distillery or small distillery may sell to the public for on-premises consumption
3 cocktails containing samples of spirits produced by the distillery or small distillery
4 under the conditions specified in this paragraph.

5 (1) A cocktail may be sold only at the manufacturing facility where the spirits are
6 produced or at an additional location licensed under paragraph B, subparagraph
7 (3).

8 (2) The distillery or small distillery may include wine or spirits not manufactured
9 by the distillery or small distillery as an ingredient in the cocktail only if the
10 distillery or small distillery purchased the wine or spirits from an agency liquor
11 store licensed as a reselling agent.

12 (3) A cocktail may not contain more than 4 1/2 ounces of spirits.

13 This paragraph is repealed September 10, 2022.

14 **Sec. 2. 28-A MRSA §1355-A, sub-§5, ¶H**, as amended by PL 2019, c. 404, §27,
15 is further amended to read:

16 H. Notwithstanding paragraph D, a holder of a small distillery license that sells its
17 products directly to consumers for on-premises consumption under paragraph E or F-1
18 or under subsection 2, paragraph B, E or F may pay the bureau the difference between
19 the distillery's price charged to the bureau and the discounted retail price charged by
20 the bureau under section 606, subsection 4-B. A small distillery is not required to
21 transport spirits that will be sold for on-premises consumption as described in this
22 paragraph to a warehouse operated by the bureau or by a wholesaler contracted by the
23 bureau under section 90. A holder of a small distillery license shall record the quantity
24 of spirits sold for on-premises consumption that were not transported to a warehouse
25 as described in this paragraph and submit monthly reports of this information, along
26 with the full amount of state liquor tax due as prescribed by chapter 65, to the bureau
27 in a manner prescribed by the bureau.'

28 Amend the bill by adding before the summary the following:

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

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

33 **SUMMARY**

34 This amendment replaces the bill, which is a concept draft, and adds an emergency
35 preamble and emergency clause. The amendment temporarily permits, until September 10,
36 2022, a licensed Maine distillery or small distillery to sell for on-premises consumption
37 cocktails containing samples of its spirits products. The cocktails may be sold only at the
38 facility where the spirits are produced or at a location where the distillery or small distillery
39 is licensed to sell its products for off-premises consumption. The cocktails may not contain
40 more than 4 1/2 ounces of spirits. The distillery or small distillery may include wine or
41 spirits not manufactured by the distillery or small distillery as an ingredient in the cocktails

1 only if the distillery or small distillery purchased the wine or spirits from an agency liquor
2 store licensed as a reselling agent.

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FISCAL NOTE REQUIRED

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(See attached)