



STATE OF MAINE
DEPARTMENT OF ADMINISTRATIVE AND FINANCIAL SERVICES
BUREAU OF ALCOHOLIC BEVERAGES AND LOTTERY OPERATIONS

8 STATE HOUSE STATION
AUGUSTA, MAINE 04333-0008

KIRSTEN LC FIGUEROA
COMMISSIONER

JANET T. MILLS
GOVERNOR

LOUIS J. LUCHINI
DIRECTOR

March 26, 2025

Testimony of the Bureau of Alcoholic Beverages and Lottery Operations
Joint Standing Committee on Veterans and Legal Affairs

Neither For Nor Against LD 1092

An Act to Ensure That Dual Distribution Prohibitions Are Not Violated by Direct Shippers of Wine

Senator Hickman, Representative Supica, and members of the Joint Standing Committee on Veterans and Legal Affairs: I am Louis Luchini and I'm the Director of the Bureau of Alcoholic Beverages and Lottery Operations. We are here to testify neither for nor against LD 1092, *An Act to Ensure That Dual Distribution Prohibitions Are Not Violated by Direct Shippers of Wine*, but wish to provide additional information for the committee's consideration.

Background

Fifteen years ago, the 124th Legislature passed legislation authorizing the direct shipment of wine to consumers. Maine is now one of approximately 45 states that allow for direct shipping of wine, with varying levels of regulation. Under 28-A MRS 1403-A, a small winery or winery that holds a state license and federal basic wine manufacturing permit may apply for a direct shipper license with the Bureau. Shipments must be made by a common carrier.

During the 131st Legislature, the Bureau introduced LD 2148, which sought to improve direct shipper and common carrier reporting to ensure compliance with direct shipping laws.

Direct Shipping is not dual distribution

Related to the title of this bill – the direct shipment of wine does not violate Maine law prohibiting dual distribution. We believe the law is clear, as was the Legislature's intent in allowing direct shipping of wine in the manner that it has been conducted for the last 15 years.

Impacts of LD 1092

We encourage the committee to consider the impacts of this legislation, which are significant. This bill proposes to prohibit any winery or small winery from direct shipping if they have an agreement with a wholesale licensee in Maine (wineries also include hard cideries and meaderies). In real numbers, we estimate that there are approximately 190 wineries/small wineries that currently hold a direct shipper license that would no longer be eligible should this bill become law.

Thank you for your time. I will be available for the work session at the committee's request.