

## **Testimony in Support of LD 1754:**

"An Act to Provide for the Direct Shipment of Spirits to Consumers"

Senator Hickman, Representative Supica, and the distinguished members of the Committee on Veterans and Legal Affairs, my name is Harris Van Pate, and I serve as policy analyst for Maine Policy Institute. Maine Policy is a free-market think tank, a nonpartisan, non-profit organization that advocates for individual liberty and economic freedom in Maine. Thank you for the opportunity to submit testimony in support of LD 1754: "An Act to Provide for the Direct Shipment of Spirits to Consumers."

LD 1754 offers a common-sense reform that embraces consumer choice, promotes market competition, and aligns Maine with a growing number of states that recognize the benefits of modernizing antiquated alcohol distribution laws. The bill would allow licensed distilleries and manufacturers to ship spirits directly to consumers, creating a level playing field with wine and beer, which are already permitted in many states under direct-to-consumer shipping frameworks.

Maine's existing liquor distribution system is overly restrictive and favors entrenched interests. These regulations act as artificial barriers that inhibit small producers from reaching willing customers outside of their local area. LD 1754 rightfully shifts power from government gatekeepers and monopolistic middlemen toward consumers and producers, embracing the free-market principle that voluntary exchange benefits all parties involved.

This reform is especially beneficial for Maine's small distilleries and entrepreneurs, many of which are located in rural communities. By enabling direct shipment, LD 1754 offers them a vital new sales channel to grow their customer base and compete on more equal footing with larger, better-connected operations. Importantly, the bill includes robust safeguards to ensure compliance with age verification and taxation rules, mitigating concerns about misuse.

From an economic standpoint, direct shipping can boost tourism, encourage local production, and increase state tax revenues—without the need for subsidies or mandates. It's a voluntary system that empowers consumers and businesses alike while reducing government overreach in the marketplace.

Across the country, 33 states as well as DC have adopted some form of alcohol direct shipping.<sup>1</sup> Maine already allows direct shipping of wine only, but many other states include other forms of alcohol. Furthermore, Maine is the only New England state that only allows direct shipment of wine. Every other New England state allows direct

<sup>&</sup>lt;sup>1</sup> https://legislature.maine.gov/doc/9965



consumer shipping of some other type of alcohol; Connecticut(cider/mead/wine), New Hampshire(<u>all spirits</u>), Rhode Island(<u>all spirits</u>), Massachusetts(beer/wine), and Vermont(beer/malt beverages/wine).<sup>2 3</sup> Clearly, this puts Maine businesses at a major disadvantage. Additionally, several more states temporarily allowed direct shipping during the pandemic. Maine can and should be a leader in recognizing consumer rights and modernizing its regulatory framework in accordance with the 21st-century economy.

For these reasons, Maine Policy Institute urges the committee to vote "Ought to Pass" on LD 1754. This bill is a victory for consumers, small businesses, and liberty. Thank you for your time and consideration.

<sup>&</sup>lt;sup>2</sup> https://www.moonshineuniversity.com/media/what-are-states-rules-for-direct-to-consumer-spirits-shipping

https://www.ncsl.org/financial-services/direct-shipment-of-alcohol-state-statutes#:~:text=Six%20states—Florida%2 C%20Hawaii%2C,of%20all%20spirits%20as%20specified.