

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

> LOUIS J. LUCHINI DIRECTOR

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

In Opposition to LD 1376

An Act to Increase the Acceptable Level of Alcohol in a Low-alcohol Spirits Product and to Increase Availability of Those Products

Senator Hickman, Representative Supica, and members of the Veterans and Legal Affairs Committee: my name is Louis Luchini and I'm the Director of the Bureau of Alcoholic Beverages and Lottery Operations. I'm here to testify in opposition to LD 1376, *An Act to Increase the Acceptable Level of Alcohol in a Low-alcohol Spirits Product and to Increase Availability of Those Products*.

Maine is one of 18 control jurisdictions in the United States. As such, we regulate the wholesale distribution and retail sales of spirits. LD 1376 makes a significant change to Maine's wholesale distribution of spirits. Raising the definition of a low alcohol spirits product from 8% to 15% ABV will remove approximately 433 products from the State's distribution. These are not just canned cocktails, but includes all sizes of popular spirits products like Aperol and many others in the cordial category. Removing these products from the State distribution system would significantly reduce revenues to the State.

Further, reducing the number of low-alcohol spirits products that flow through the State will also hurt Maine's reselling agency stores. As drafted, only Maine's beer and wine distributors would be able to sell these products to on-premises licensees, like restaurants. This would shift a significant portion of the reselling agency store business to the beer and wine wholesalers. Doing so would also decrease access to these products for restaurants. This is especially true as ready to drink cocktails have experienced a surge in popularity in recent years.

Thank you for your time, and I'd be happy to answer your questions.

JANET T. MILLS GOVERNOR