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THE MAINE SENATE 132nd Legislature

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Testimony in Support of LD 1456, An Act to Expand the Number of On-premises Retail Liquor Licenses a Liquor Manufacturer May Be Issued *Presented to the Joint Standing Committee on Veterans and Legal Affairs* April 23, 2025

Senator Hickman, Representative Supica, and Esteemed Members of the Joint Standing Committee on Veterans and Legal Affairs, my name is Mattie Daughtry. I serve as President of the Maine Senate and proudly represent Senate District 23, including Brunswick, Freeport, Harpswell, Pownal, Chebeague Island, and part of Yarmouth. In my life outside this building, I am the founder, owner, and operator of Moderation Brewing, located in my hometown of Brunswick.

On behalf of the Maine Brewers Guild, I am proud to present to you LD 1456 "An Act to Expand the Number of On-Premise Retail Liquor Licenses A Liquor Manufacturer May Be Issued."

I want to start by noting that this bill does not "expand" the number of on-premise retail liquor licenses - commonly known as "Chapter 43s" or "brewpubs" - but rather restricts those licenses to a total of six. Current law allows for a virtually unlimited number of retail licenses, which when combined with minimal production requirements, has created an environment where individuals and entities can call themselves a "brewery" and then use the current law to open a brewpub without really manufacturing local craft beer. That is because production requirements in our current law are minimal – allowing for a brewery to ferment beer in a bucket – in order to obtain the manufacturers privilege of selling directly to consumers for on-premise consumption.

This lack of production minimums has been a source of disagreement and discussion within the brewery industry for many years. Recently, however, Maine craft breweries have noted more and more establishments holding themselves out as "Maine Craft Breweries" while producing minimal actual product for public consumption and taking full advantage of the ability to open an often lucrative "brewpub."

This proposed bill would help protect true manufacturers of craft beer by limiting access to Chapter 43 licenses to a total of six and imposing liquor production minimums for access to licenses four, five, and six. This change, while technically rolling back access to brewpub licenses, will help ensure that those accessing these licenses are truly committed to the production of craft beer. It will help support brewers who are investing in equipment, high quality ingredients, and the Maine brand by allowing them additional access to brewpub licenses if they meet meaningful production minimums.

Chapter 43 licenses were originally designed to help support breweries and other liquor manufacturers who wished to introduce their product to consumers and to give them an opportunity to interact with and learn about the manufacturing process. They were never intended to become a work around for those really looking to operate a bar and/or restaurant while not producing any actual liquor.

I believe that these changes ensure that the original intent of the Chapter 43 law remains intact by helping true craft brewers who are investing in equipment, creating jobs, and supporting communities introduce their product to Maine consumers through the use of a brewpub license.

Thank you for your time. I know there are a lot of brewers here who will share their stories today. If I can answer any questions, particularly related to Moderation Brewing, I am happy to do so.

President of the Senate, Senate District 23 Brunswick, Freeport, Harpswell, Pownal, Chebeague Island, and part of Yarmouth