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

In Support of LD 1456

An Act to Expand the Number of On-premises Retail Liquor Licenses a Liquor Manufacturer May Be Issued

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. I'm here to testify in support of LD 1456, *An Act to Expand the Number of On-premises Retail Liquor Licenses a Liquor Manufacturer May Be Issued*.

Under current law, a small in-state manufacturer is eligible for one license for on-premises consumption (often called a chapter 43 license) per manufacturing facility, provided both establishments have the same majority ownership. This applies to small breweries, small wineries, and small distilleries that are licensed under 28-A MRS §1355-A. This is a general exception to the three-tier system which prohibits cross-tier ownership.

This bill proposes to increase the allowable number of chapter 43 on-premises licenses to three per manufacturing facility. The bill also places a cap on the total number of on-premises licenses owned by a person to six.

The Bureau supports LD 1456, and views this as an economic development measure that will expand business opportunities for Maine-based entrepreneurs. We appreciate the work of President Daughtry and the Maine Brewers Guild in developing this legislation. Maine's craft breweries, in conjunction with the Maine Brewers Guild, have done tremendous work over the past decade to make Maine a destination for craft beer. The industry's economic impact to Maine's economy is significant, as outlined in a 2022 report by the University of Maine entitled, "The Economic Contribution of the Craft Brewing Industry in Maine". * This bill will also support those small distilleries, wineries, cideries and meaderies that offer tremendous Maine products.

Increasing the allowance to three retail locations per manufacturing facility will provide growth opportunities for industry participants. We are in support.

Thank you for your consideration. I'm happy to answer questions.

*Report available at: <https://www.maine.edu/multi-institution/maine-economic-development/partnerships/maines-craft-brewing-industry/>