

Testimony of Bow Street Beverage & Bow Street Market in opposition to

LD 1754, An Act to Provide for the Direct Shipment of Sprits to Consumers

April 23, 2025

Senator Hickman, Representative Supica and honorable members of the Veterans and Legal Affairs Committee, my name is Kim Cook and I am an attorney with Government Strategies, testifying in opposition to LD 1754 on behalf of Bow Street Market and Bow Street Beverage. Bow Street Market and Bow Street Beverage are third generation family-owned businesses with locations in Freeport, Portland and Wells and employing 130 team members.

As the Committee knows, Maine is a control state for spirits and agency liquor stores are a key partner at the retail level. We are the ones responsible for ensuring that spirits purchases are age-verified. The State controls the number of agency liquor store licenses, the criteria for being eligible for such a license, the minimum inventory on our shelves, and the price that we can charge. A significant feature of the control state approach is that the state ensures that agency liquor stores are able to maintain a sales volume that provides a sufficient margin to operate. Allowing spirits manufacturers to ship directly to consumers, allows manufacturers to bypass the state's agency liquor stores thereby decreasing sales volume at these stores.

As the Bureau of Alcoholic Beverages and Lottery Operations has reported to this Committee this session, spirits sales are trending downward and are expected to continue this decline due to consumer preferences as well as economic factors. This decline results in instability in the marketplace which could lead to a decrease in investments in agency liquor stores. Agency liquor store investments have supported responsible growth for state revenues, as well as Maine Distillers and our regional and national partners in the past.

However, we are sympathetic to the desire of small distillers in Maine to be able to ship their product to consumers. We are also mindful of the constitutional concerns over allowing only in-state distillers to ship their product. We would be very open to working with small Maine distillers to see if there is a hybrid approach that would allow agency liquor stores to partner with local distillers to ship their product or receive their product for pick up by a consumer.

Thank you for your consideration of our testimony.