

HOSPITALITY
MAINE



45 Melville St. Augusta, ME 04330
207-623-2178
www.hospitalitymaine.com

327 Water St, Hallowell, ME 04347
207-623-0363
www.mainetourism.com

Testimony of Nate Cloutier

Before the Joint Standing Committee on Veterans and Legal Affairs
January 21, 2026

In Support of LD 2155, “*An Act to Clarify Certain Laws Governing Licenses for the Sale of Liquor by Manufacturers*”

Senator Hickman, Representative Supica, and distinguished members of the Joint Standing Committee on Veterans and Legal Affairs, my name is Nate Cloutier, and I am here on behalf of HospitalityMaine (HM) and the Maine Tourism Association (MTA). HM represents Maine’s hospitality industry, including lodging establishments, restaurants, and related businesses. MTA has been promoting Maine and supporting tourism-related businesses for over 100 years. Both organizations support LD 2155, “*An Act to Clarify Certain Laws Governing Licenses for the Sale of Liquor by Manufacturers.*”

LD 2155 addresses a narrow but significant issue that arose from changes made to Maine’s liquor licensing law last session. As the statute is currently written, ownership limits adopted in 2025 are being applied to existing, lawfully issued on-premises licenses in a way that has placed some long-standing restaurant businesses out of compliance, even though nothing about their ownership, operations, or conduct has changed.

For clarity, under current law, an individual who owns a single brewery is limited to holding three on-premises retail liquor licenses total, including the brewery itself. In practical terms, the brewery counts as one license, leaving room for only two additional restaurants. If that same individual owns multiple breweries that meet a production threshold, the cap increases to six licenses total, including the breweries.

As applied today, the statute can place a person who lawfully owns a brewery and several restaurants that have operated in good standing for years out of compliance, even where those restaurants are independent operations that serve a wide variety of beer from many different Maine producers. In practice, those restaurants continue to rely on distributors and offer a broad selection of Maine-made beer on tap. The statute also prohibits that individual from opening or acquiring another restaurant that serves alcohol, even if the new restaurant has no operational relationship to the brewery beyond common ownership.

LD 2155 responds to this issue in two ways. First, it clarifies that on-premises retail liquor licenses issued on or before May 23, 2025, are excluded from the ownership cap. Second, it establishes a single, uniform cap of twelve on-premises retail liquor licenses going forward for individuals who also hold a manufacturing license.

HM and MTA have reviewed this issue through two lenses: retroactively and prospectively, and through two basic criteria— what is fair and what is reasonable. The most immediate concern is the retroactive impact. Businesses made investment and employment decisions in reliance on the licensing framework that existed at the time their licenses were issued. Applying ownership limits after licenses that were already issued under prior law has left otherwise compliant businesses with no option other than selling ownership interests or closing locations, which is both unfair and unreasonable.

Second, looking prospectively, we are concerned about the signal this sends to businesses and investors considering expansion or new ventures in Maine. Limiting whether a person may open or acquire a restaurant solely because they own a brewery – even where the new restaurant has no operational connection to that brewery – places real restrictions on economic development and job growth potential; however, LD 2155 represents a compromise approach.

It would be valuable for the committee and stakeholders to receive information from BABLO regarding the number of individuals who have a manufacturers license *and* additional on-premises retail liquor licenses that are subject to the new 1:3 ratio (capped at 6). We understand that this issue may only apply to a relatively small and easily identifiable group of operators.

Both associations support the three-tier system and view brewers and distributors as partners in Maine's hospitality and tourism economy. Restaurants depend on that system to provide choice, variety, and reliable access to Maine products, and we do not believe LD 2155 disrupts that balance.

In closing, the consequence of leaving the statute unchanged is serious. This legislation was approved for emergency submission by the Legislative Council and includes an emergency preamble recognizing that existing businesses are already affected. While the Bureau has exercised some discretion in enforcement to date, the statute as written gives it authority to revoke licenses that are out of compliance. Without a legislative fix, profitable, community-rooted restaurants will likely be forced to close due to the retroactive application of the law. That would be a regrettable and unfortunate outcome.

Thank you for your time and consideration. I would be happy to answer any questions.