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Good morning Representative Caiazzo and distinguished members of the Joint Standing Committee on Veterans and Legal Affairs. I am Louie Luchini, and I represent most of Hancock County in the Maine Senate. I'm here to present ***LD 306, An Act to Temporarily Waive Certain Requirements for Restaurants that Sell Liquor.***

Senate President Jackson brought this issue to my attention in response to concerns raised by his constituent.

As our analyst provided for us, there are many types of liquor licenses for restaurants and bars that serve alcohol for on-premises consumption. Many of these licenses come with a food sale requirement that requires a certain percentage of revenues to be from food. If a restaurant seeks to be relicensed, and the percentage of revenues from food does not hit the required mark, their applications can be denied.

The pandemic has completely changed the landscape for restaurants - beginning with the shutdown in March and followed by reduced capacity regulations, curfews, and a decrease in tourism. The shift to take-out sales has the potential to skew the normal operations for restaurants across the state.

This bill ensures that a licensee, during their relicensing process this year, cannot be denied a licensure simply because their food sales did not hit the required percentage.

This is especially important for restaurants that are licensed in conjunction with a manufacturing facility, like a brewpub. Even before the pandemic, we've run into issues on how to account for take-out alcohol. Obviously, we never intended for a brewery or distillery's packaged product sales to be counted as part of their restaurant license requirements. Instead, it should be considered under the manufacturing license.

Over the last two years, BABLO and this committee worked out a solution to this issue. Unfortunately, the bill did not pass because of the covid related early adjournment. In that bill, we clarified the law and created a new grace period which offers noncompliant licensees a year to readjust their sales to fit the requirements.

This bill simply waives the food requirement as a method to deny re-licensure for the remainder of the year. We don't want to penalize restaurants whose business models have been turned upside down by the pandemic.

Thank you for considering this legislation. I'm happy to answer any questions.