



*Senator Louis Luchini*  
*3 State House Station*  
*Augusta, ME 04333-0003*  
*(207)287-1515*  
*Louis.Luchini@legislature.maine.gov*

Good morning Representative Caiazza 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 307, An Act to Expand the Market for Maine Manufacturers.**

An increasing number of states across the US have implemented systems of direct to consumer shipping of alcohol products. This means that in those states, consumers are able to place an order for alcohol and receive it through a common carrier, like UPS or FedEx. For years, direct shipping of wine has been available across the country, and now, more states are expanding to beer and spirits.

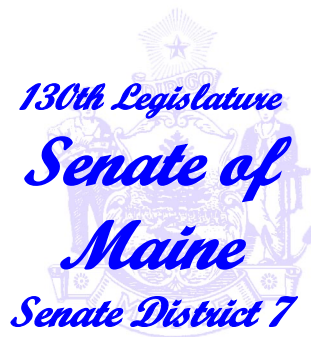
The numbers of direct to consumer states is changing rapidly. According to NCSL, six states plus Washington DC permit the direct to consumer sale of spirits. Eight states allow the direct shipment of beer. (Link: <https://www.ncsl.org/research/financial-services-and-commerce/direct-shipment-of-alcohol-state-statutes.aspx>)

This bill clarifies in Maine law that manufacturers are allowed to sell and ship their products to out-of-state consumers, in accordance with appropriate federal and state laws. This is a small step in helping our Maine manufacturers — distilleries, wineries and breweries — expand their customer base and grow their businesses. Further, I believe we can implement this quickly to offset the negative effects of the pandemic, particularly the mandated closure of tasting rooms by executive order.

According to resources listed on Avalara, a tax compliance software company, out-of-state direct shipping requires three simple steps: 1) use of a common carrier, 2) have the appropriate state's direct shipping license, and 3) pay tax in the destination state. (website: <https://www.avalara.com/us/en/learn/whitepapers/dtc-shipping-101-a-survival-guide-for-the-beverage-alcohol-industry.html>)

To be clear, this bill does not make Maine a fully direct to consumer state; meaning it does not allow Maine residents to buy alcohol and have it shipped directly to their homes (the exception being direct shipping of wine already legal under current law). The larger discussion surrounding this topic will come later this session in a different bill.

The Maine brand is incredibly strong. Because of our great breweries, we're known for our "beer tourism". Beer releases are popular events and our festivals draw thousands of visitors each year. Graduating Maine college students returning to their home state



*Senator Louis Luchini*  
*3 State House Station*  
*Augusta, ME 04333-0003*  
*(207)287-1515*  
*Louis.Luchini@legislature.maine.gov*

may want to purchase their favorite Maine beverages. All of these present opportunities for our manufacturers to develop continuing relationships with consumers abroad.

In my view, Maine should not regulate this industry more stringently than federal law. Instead, we should encourage our manufacturers to grow their businesses and expand outside of Maine — in accordance with state and federal laws — just like we would with any other industry.

Thanks for considering this bill. I'm happy to answer any questions.