



### **Testimony in Support of LD 2160:**

**“An Act to Modify Provisions of Law Affecting Small Distilleries”**

Senator Hickman, Representative Supica, and distinguished members of the Joint Standing Committee on Veterans and Legal Affairs, my name is Montana Towers, and I serve as policy analyst for Maine Policy Institute. Maine Policy is a free market think tank, a nonpartisan, nonprofit organization that advocates for individual liberty and economic freedom in Maine. Thank you for the opportunity to submit testimony in support of LD 2160, “An Act to Modify Provisions of Law Affecting Small Distilleries”

### **Reducing Regulatory Burden**

Small distilleries are often locally owned, capital-intensive businesses that already operate under significant state and federal regulation. Unfortunately, current law imposes compliance requirements that are often redundant, costly, and disconnected from any demonstrated public safety benefit.

This bill helps deregulate small distilleries by limiting the amount of inspections and reports that can be required. This cuts red tape and allows these small businesses to thrive in Maine. Limiting the number of required inspections and reports will reduce administrative burdens and compliance costs. Similarly, extending the licensure period from 1 to 3 years will lower the amount of times small distilleries have to spend the time and resources to renew their license.

### **Lowering Costs**

LD 2160 prohibits the Department of Administrative and Financial Services, the Bureau of Alcoholic Beverages and Lottery Operations or the holder of a state contract for wholesale spirits activities and marketing from charging small distilleries spirits administration or trade marketing fees. While Maine Policy Institute generally supports reducing unnecessary fees and compliance costs for *all* producers, this provision takes a meaningful step toward lowering fixed regulatory costs that fall most heavily on smaller, capital-constrained businesses. Reducing these costs allows producers to reinvest in production, hiring, and expansion rather than compliance, improving market dynamism overall.

### **Expanding Markets**

LD 2160 expands sales opportunities for small distilleries by allowing direct sales to licensed establishments and out-of-state customers through mail order. Maine Policy Institute supports expanding voluntary exchange and market access across the spirits



industry, and this reform moves policy in that direction by removing state-imposed barriers to entry and distribution. While these changes apply to a defined license class under current law, they increase competition, consumer choice, and interstate commerce—outcomes that would be strengthened further by extending similar freedoms more broadly.

For these reasons, Maine Policy Institute strongly urges this committee to vote “Ought to Pass” on LD 2160. Thank you for your time and consideration.