



130th MAINE LEGISLATURE

LD 1358

LR 1546(03)

An Act To Provide for the Direct Shipment of Spirits to Consumers

Fiscal Note for Bill as Amended by Committee Amendment " "

Committee: Veterans and Legal Affairs

Fiscal Note Required: Yes

Fiscal Note

Current biennium revenue increase - General Fund
Current biennium revenue increase - State Alcoholic Beverage Fund

	FY 2021-22	FY 2022-23	Projections FY 2023-24	Projections FY 2024-25
Net Cost (Savings)				
General Fund	\$0	\$406,778	\$286,429	\$298,460
Appropriations/Allocations				
General Fund	\$0	\$406,778	\$286,429	\$298,460

Correctional and Judicial Impact Statements

This bill may increase the number of civil suits filed in the court system. The additional workload associated with the minimal number of new cases filed in the court system does not require additional funding at this time. The collection of additional filing fees may increase General Fund revenue by minor amounts.

Fiscal Detail and Notes

This bill allows in-state and out-of-state distilleries and rectifiers to ship their own spirits directly to customers in the state after obtaining a direct shipper license from the Bureau of Alcoholic Beverages and Lottery Operations (BABLO) within the Department of Administrative and Financial Services and by meeting certain reporting criteria. BABLO has indicated that the additional reporting requirements to incorporate direct shipments would require additional staffing and resources. The bill includes ongoing appropriations of \$275,148 for one Liquor Tax Auditor position, one Office Associate II position, one Liquor Licensing Inspector position and associated All Other costs beginning in fiscal year 2022-23. The bill also includes a one-time appropriation of \$131,630 in fiscal year 2022-23 for the programming costs to incorporate the additional reporting and certification requirements for the direct shipper licenses.

The bill creates a new direct shipper license with an annual fee of \$200. In-state and out-of-state distilleries, small distilleries and rectifiers who also hold a federal basic spirits manufacturing permit are eligible to obtain the new license. These entities must keep specific records regarding the products they ship to customers and are required to pay BABLO the difference between what the direct shipper would have charged to the bureau for the spirits product if the product was sold in the state and an amount that is equal to the retail price of the spirits product multiplied by the direct shipper discount rate.

The direct shipper license will result in additional revenue to the General Fund and the price differential payments will generate additional Other Special Revenue Funds revenue in the State Alcoholic Beverage Fund. The amount of these revenues will be dependant on the number of licenses issued and shipments made.