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VETERANS AND LEGAL AFFAIRS

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STATE OF MAINE

SENATE

127TH LEGISLATURE

FIRST REGULAR SESSION

COMMITTEE AMENDMENT “ ” to S.P. 326, L.D. 935, Bill, “An Act Regarding Alcohol Manufacturing Licenses Issued to Research Facilities”

Amend the bill by striking out everything after the enacting clause and before the summary and inserting the following:

'Sec. 1. 28-A MRSA §1355-B is enacted to read:

§1355-B. Research manufacturer license

The bureau may issue a research manufacturer license to distill, rectify or brew spirits, wine or malt liquor to a state-supported postsecondary educational institution operating under federal law and federal supervision to manufacture malt liquor, wine or spirits. A license issued under this section authorizes the licensee to manufacture spirits, wine or malt liquor for research, educational and business development purposes as described by this section. The bureau may issue a research manufacturer license for the manufacture of malt liquor, wine and spirits or for the manufacture of one or 2 of these 3 types of liquor as specified on the license.

1. Eligible licensees. The bureau may issue a research manufacturer license to a state-supported postsecondary educational institution, or its agent, that submits an application to the bureau in a manner prescribed by the bureau. The bureau may require appropriate approval documentation from the United States Department of the Treasury, Alcohol and Tobacco Tax and Trade Bureau that authorizes the educational institution, or its agent, to manufacture liquor. The Bureau of Alcoholic Beverages and Lottery Operations may issue a license under this section only to an educational institution, or its agent, that:

A. Offers a course or courses for a degree program related to food sciences or agricultural sciences; and

B. Offers, as an outreach component of the institution, education and consulting through the application of the institution's research regarding food science and food processing to assist businesses in the State, including, but not limited to, manufacturers licensed under section 1355-A.

COMMITTEE AMENDMENT

1 **2. Location.** A research manufacturer licensee may manufacture liquor only at a
2 facility, subject to approval by the bureau, on the campus of the educational institution
3 where courses for the programs described in subsection 1, paragraphs A and B are
4 offered.

5 **3. Manufacture of liquor limited to certain purposes.** A licensee under this
6 section may not manufacture liquor for sale, distribution or any other commercial purpose
7 other than to collect fees for educational, testing or consulting services provided by the
8 licensee. A licensee may manufacture liquor for the following purposes:

9 A. Business development consultation, including, but not limited to, recipe
10 development and food health and safety practices;

11 B. General education about the manufacture of liquor for manufacturers licensed
12 under section 1355-A, persons considering licensure and others who seek to
13 manufacture liquor for their own personal use; or

14 C. Educational course work as part of the educational institution's curriculum for a
15 degree program in food sciences or agricultural sciences.

16 Nothing in this section prohibits a research manufacturer licensee from charging a fee for
17 the production of liquor or the use of equipment for the purposes described in this section.

18 **4. Consumption of liquor on premises; transport of liquor from premises.** A
19 research manufacturer licensee is governed by the provisions of this subsection regarding
20 the consumption of liquor on the research manufacturer's facility premises and the
21 transport of liquor from the facility premises.

22 A. A licensee may permit sampling of the liquor produced on the facility premises
23 by a person at least 21 years of age who is:

24 (1) A member of the faculty or staff of the institution who teaches or assists with
25 course work and programs related to the liquor manufacturing, a student enrolled
26 in a course in which manufacturing is included in the curriculum or a client of the
27 outreach component described in subsection 1, paragraph B for the purpose of
28 quality control of the product; or

29 (2) A manufacturer licensed under section 1355-A who is receiving the
30 consulting and educational services provided by the institution licensed under this
31 section.

32 B. Liquor manufactured at the facility premises may be transported from the facility
33 premises:

34 (1) By a person licensed under section 1355-A for whom the research
35 manufacturer licensee manufactured the liquor in a quantity not to exceed 50
36 gallons; and

37 (2) By a client at least 21 years of age who is registered with the outreach
38 component described under subsection 1, paragraph B in a quantity not to exceed
39 32 ounces of malt liquor, 16 ounces of wine or 8 ounces of spirits per client for
40 the duration of the course offered by the extension program.

1 C. Liquor transported from the facility in accordance with paragraph B,
 2 subparagraph (2) must be clearly labeled with the research manufacturer's name and
 3 license number, the product contained in the bottle and the alcohol content of the
 4 product. This paragraph does not apply to liquor that is properly labeled and will be
 5 listed for distribution or sale by a person licensed under section 1355-A.

6 **5. Liquor manufactured for another licensee; amount limitation.** The following
 7 limits apply to the amount of liquor a research manufacturer licensee may produce for a
 8 manufacturer licensed under section 1355-A:

9 A. Fifty gallons of malt liquor per manufacturer per year;

10 B. Fifteen gallons of wine per manufacturer per year; and

11 C. Ten gallons of spirits per manufacturer per year.

12 **6. Reporting.** A research manufacturer licensee shall submit reports in a manner
 13 prescribed by the bureau. A research manufacturer licensee shall also submit to the
 14 bureau copies of reports the licensee is required to file with the United States Department
 15 of the Treasury, Alcohol and Tobacco Tax and Trade Bureau.

16 **7. License fee.** The annual fee for a research manufacturer license is \$100.'

17 **SUMMARY**

18 This amendment replaces the bill. It establishes a research manufacturer license for a
 19 state-sponsored postsecondary educational institution that offers course work or degree
 20 programs in food sciences or agricultural sciences. The license authorizes the
 21 manufacture of malt liquor, wine or spirits by a licensee for educational purposes and as
 22 part of an outreach extension program of the institution that provides food science and
 23 food processing consultation and educational services through application of the
 24 institution's research to promote business development.

25 **FISCAL NOTE REQUIRED**

26 **(See attached)**