

# MAINE STATE LEGISLATURE

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SENATE

RALPH M. LOVELL, DISTRICT 3, CHAIRMAN  
PETER W. DANTON, DISTRICT 4  
MATTHEW C. LEVINE, DISTRICT 23

CHARLOTTE BALLARD, COMMITTEE ASSISTANT



HOUSE

SIDNEY D. MAXWELL, JAY, CHAIRMAN  
EMILE J. JACQUES, LEWISTON, SECRETARY  
J. P. MARCEL LIZOTTE, BIDDEFORD  
R. DONALD TWITCHELL, NORWAY  
ARTHUR C. RAYMOND, LEWISTON  
RICHARD J. NADEAU, SANFORD  
JACOB J. IMMONEN, WEST PARIS  
MAYNARD G. CONNERS, FRANKLIN  
WAYNE C. GRAY, ROCKLAND  
DAVID S. MARSHALL, MILLINOCKET

STATE OF MAINE

ONE HUNDRED AND EIGHTH LEGISLATURE

COMMITTEE ON LIQUOR CONTROL

July 31, 1978

Rep. John L. Martin  
Chairman  
Legislative Council  
c/o The Speaker's Office  
State House  
Augusta, Maine 04333

Dear Representative Martin:

Per order of the Legislative Council of June 14, 1978, directing a subcommittee of the Liquor Control Committee to study the issue of the closing of State Liquor Stores, we herein enclose the final report of the subcommittee.

Respectfully submitted,

*Ralph M. Lovell*

Senator Ralph M. Lovell

*Sidney D. Maxwell*

Representative Sidney D. Maxwell

enclosures

## SENATE

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## STATE OF MAINE

ONE HUNDRED AND EIGHTH LEGISLATURE

## COMMITTEE ON LIQUOR CONTROL

July 19, 1978

John L. Martin, Speaker  
 House of Representatives  
 State House  
 Augusta, Maine 04333

Dear Speaker Martin:

On July 12, a subcommittee of the Joint Standing Committee on Liquor Control held a public hearing in room 228, State House to consider the issue of the closing of State Liquor Stores. The hearing was ordered by the Legislative Council at its regular meeting June 14, 1978. The subcommittee members included Senator Ralph M. Lovell, Co-chairman, Senator Matthew C. Levine, Representative Sidney D. Maxwell, Co-chairman, Representative Maynard Connors, Representative Donald R. Twitchell. Also present and taking part in the committees' responsibilities were Representatives Raymond and Lizotte.

Specifically invited to testify were Mr. Keith Ingraham, Director, Bureau of Alcoholic Beverages, John O'Sullivan, Commissioner, Department of Finance and Administration and John Oliver, President elect of the MSEA. Testimony was received from a large group of citizens and government officials including several State Senators and Representatives.

The following issues were discussed:

1. Intent. Was the intent of the law, which established State Special Agency Stores, to provide liquor for sale in rural communities located some distance from a State Liquor Store only; or

2. Does the law permit the Bureau of Alcoholic Beverages to close a State Liquor Store and then open one or more agency stores in substitution thereof?

## Comment

Most people testifying stated that the intent in number 1 above is correct. Yet the law does not state this nor does the language prohibit the result in number 2 above. The law states that Special Agency Stores may be established, in municipalities which have voted in favor of the sale of liquor, where there is

no State Store. Obviously, this condition is easily met by closing the store prior to the opening of authorized agency stores.

3. Municipal Vote. Many communities voted in favor of the sale of liquor on the basis that a State Store would be established but found that agency stores are being substituted. They feel that the control of sales and availability of alcohol varies greatly in the two types of stores. And that the affirmative vote would not have been the majority vote if the electors realized this possibility.

4. Retail Business must purchase from State Stores. Individuals testified that those who own and operate retail businesses, particularly restaurants, and who must purchase from State Liquor Stores are finding increasing numbers of these stores closed. Therefore, they must travel considerable distances to get supplies.

5. State Control vs. State Profit. Several witnesses questioned whether the State sale of liquor is to control and regulate the sale to prevent abuse or whether the purpose is to make money for the State. Although the issue has not been decided, since the state could tax and raise revenue from the sale of liquor regardless of who sold it, the former reason - control seems more likely. This probably can be ascertained from the legislative history.

6. Increased Consumption. Testimony was also received concerning the possibility of less scrutiny of stock on the shelves and the increased availability because of longer hours provided by agency stores. The individuals testifying stated that statistics show that increased availability results in increased consumption and possible abuse.

7. Personnel Problems. The Director testified that new personnel laws related to intermittent employees prevented him from keeping open "a one man store" during illness or vacations of the manager. The law in question, Chapter 667 P.L. 1978 prohibits, according to interpretation by the Director of Personnel, any intermittent employee from working more than 19 hours per week. It is therefore necessary to close a store, when a personnel register of more than one intermittent employee able to work for that store is not available. This issue was not resolved at the hearing but should be looked at by the 109th Legislature.

The closing of the Westbrook store was prompted by this personnel problem and also the inability to obtain rental space within the state appropriation for operation of the Bureau.

#### Conclusion

The committee after hearing the testimony concluded that the intent of the law is not clear. Since only the Legislature can change the law to express what is determined to be the legislative intent the committee has no power to act.

The committee did adopt two motions by unanimous votes as follows:

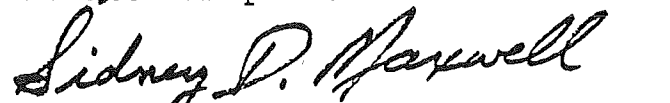
1. Closing of State Stores. The committee recommends that the Chairman of the Legislative Council send a letter to Mr. Keith Ingraham, Director of the Bureau of Alcoholic Beverages requesting that no further closings of State Stores be made, with the exception of the Westbrook store for which agency store commitments have been made, until the 109th Legislature has an opportunity to act, and

2. Study. That the Legislative Council order a subcommittee of the Joint Standing Committee on Liquor Control of the 109th Legislature to study:

- a. The intent and purpose of the State Liquor Control Laws, and
- b. the general operating procedures including; costs, profits, and criteria for closing and locating State Liquor Stores or Special Agency Stores.

Respectfully submitted,

  
Senator Ralph M. Lovell

  
Representative Sidney D. Maxwell



STATE OF MAINE  
LEGISLATIVE COUNCIL  
STATE HOUSE  
AUGUSTA, MAINE 04333

REP. JOHN L. MARTIN  
CHAIRMAN  
SEN. DAVID G. HUBER  
VICE CHAIRMAN

July 14, 1978

*Handwritten signature*

SENATORS  
GERARD P. CONLEY  
PETER W. DANTON  
JOSEPH SEWALL  
JERROLD B. SPEERS

Mr. Keith Ingraham, Director  
Bureau of Alcoholic Beverages  
10 Water Street  
Hallowell, Maine 04347

REPRESENTATIVES  
WILLIAM J. GARSOE  
LINWOOD E. PALMER, JR.  
RODNEY S. QUINN  
JAMES E. TIERNEY

Dear Keith:

I have received a report from a subcommittee of the Joint Standing Committee on Liquor Control of the 108th Legislature. The report is based on testimony received at a public hearing held July 12, 1978, State House, Augusta. This hearing was ordered by the Legislative Council to learn the basis of public and legislative concern regarding the closing of State stores and the increase in the number of special agency liquor stores.

The issues raised at the hearing can not be resolved immediately and will be the subject of further study. However, pursuant to the initial findings and recommendations of the subcommittee, I request that, with the exception of the Westbrook Store No. 25 for which the lease has terminated and alternative commitments have been made, there be no further closings of State stores until the 109th Legislature has an opportunity to study the matter further and make any necessary changes in State law.

Sincerely,

*Handwritten initials*

John L. Martin, Speaker  
House of Representatives  
Maine Legislature

STATE OWNED STORES

NO.	LOCATION	TOTAL EMPLOYEES	STORE CLOSED	SCHEDULED TO CLOSE	CONSIDERED FOR CLOSING
1.	Lewiston	5			
2.	Biddeford	2			
3.	Hallowell	3	(wholesale store)		
4.	Portland	5			
5.	Augusta	4			
6.	Waterville	5			
7.	Bangor	6			
8.	Houlton	3			
9.	Saco	-		Jan. '76	
10.	Pittsfield	1	-----		X*
11.	S.W. Harbor	-		Dec. '75	
12.	Rumford	2			
13.	Rockland	4			
14.	Ellsworth	5			
15.	Bar Harbor	3			
16.	Calais	3			
17.	Belfast	3			
18.	Bath	3			
19.	Millinocket	2			
20.	Skowhegan	3			
21.	Old Orchard	5			
22.	Auburn	-		Sep. '75	
23.	Sanford	3			
24.	Gardiner	2			
25.	Westbrook	2	-----		X*
26.	Old Town	2			
27.	Caribou	3			
28.	Madawaska	3			
29.	Madison	2	-----		X
30.	Lincoln	2			
31.	Van Buren	3			
32.	Fort Fairfield	2	-----		X*
33.	South Portland	3			
34.	Kittery	12			
35.	Boothbay Harbor	2			
36.	Fort Kent	3			
37.	Brunswick	5			
38.	Eastport	-		Sep. '76	
39.	Newport	2			

NO.	LOCATION	TOTAL EMPLOYEES	STORE CLOSED	SCHEDULED TO CLOSE	CONSIDERED FOR CLOSING
40.	York Corner	-		Aug. '75	
41.	Farmington	2			
42.	Bridgton	1			X
43.	Machias	3			
44.	Portland	4			
45.	Presque Isle	3			
46.	Dexter	2			
47.	Livermore Falls	2			
48.	Greenville	2			
49.	Winthrop	2			
50.	Jackman Station	-		Nov. '77	
51.	Damariscotta	2			
52.	Bucksport	2			
53.	Rangeley	1			X
54.	South Portland	4			
55.	Milo	2			X
56.	Limestone	1			X
57.	N.E. Harbor	-		Oct. '75	
59.	Lewiston	3			
60.	Camden	3			
61.	Fryeburg	-		Jan. '77	
62.	Ashland	1			X*
63.	Milbridge	2			X
64.	Stonington	1			X
65.	Dover-Foxcroft	3			
66.	Brewer	4			
67.	Bangor	5			
68.	Lisbon Falls	2			
69.	Bingham	-		Jul. '78	
70.	Kennebunk	4			
71.	Bethel	1			X*
72.	Fairfield	2			
73.	Mechanic Falls	1			
74.	Woodland	2			
75.	Waldoboro	2			X
76.	North Windham	3			
78.	Scarborough	-		Oct. '75	
79.	Falmouth	3			
81.	Wilton	-		Sep. '76	



NO.	LOCATION	TOTAL EMPLOYEES	STORE CLOSED	SCHEDULED TO CLOSE	CONSIDERED FOR CLOSING
82.	South Paris	2			
83.	Patten	1	-----		X *
84.	Auburn	3			
85.	Mexico	2	-----		X*
86.	E. Millinocket	2		X*	
87.	Portland	6			
88.	Augusta	4			
89.	Winslow	2	-----		X
90.	Hampden	2		X*	

\* This symbol "\*" indicates that the Bureau has advertised for an agency store in that location.

<u>EMPLOYEES</u>	Filled	Vacant	Sick Leave	TOTAL
Office	43	2	1	46
Store				
Managers	70	4	1	75
Ass't. Mgrs.	60	3	-	63
Clerks	88	3	-	91
	<u>261</u>	<u>12</u>	<u>2</u>	<u>275</u>

The data on this chart reflects the status as of July 28, 1978.



# MAINE STATE EMPLOYEES ASSOCIATION

65 State Street

Augusta, Maine 04330

Tel. (207) 622-3151

Richard J. McDonough, *President*

James A. Moore, *Executive Director*

SENT TO STATE GOVERNMENT COMMITTEE

July 3, 1978

Dear

A disturbing abuse of a bill reported from the State Government Committee in the Second Session of the 108th Legislature has come to our attention.

L.D. 2122, Chapter 667, Public Laws of 1978, (effective July 6, 1978), "An Act to Clarify the Status of Intermittent State Employees," was designed to deal with past abuses by the State in using supposedly part-time help as full-time workers. As you are well aware these intermittents worked for many years in virtually full-time capacities without any vacation-sick leave or other benefits and with no promotional or seniority rights.

This bill, however, is now being used as the justification for closing down fourteen state liquor stores and replacing them with agency stores. Please see the attached letter originally proposing this plan.

We bring this matter to your attention as you spent many long hours correcting this abuse of state employees in a way not to be disruptive of the efficient delivery of services to the citizens of Maine.

A sub-committee of the Liquor Control Committee has been authorized to study these actions by the Bureau of Alcoholic Beverages. A hearing will be held Wednesday, July 12, 1978 at 10:00 a.m. in Room 228 of the State House.

Sincerely,

A handwritten signature in cursive script that reads "Richard J. McDonough".

Richard J. McDonough  
President

RJM/JPG/td



# MAINE STATE EMPLOYEES ASSOCIATION

65 State Street

Augusta, Maine 04330

Tel. (207) 622-3151

Richard J. McDonough, *President*

James A. Momen, *Executive Director*

June 30, 1978

Sent to Legislative Liquor Control Committee  
Rep. Al Cote  
Sen. Dick Pierce

Dear

The Bureau of Alcoholic Beverages is proceeding with its plans to close fourteen State Liquor Stores and replacing them immediately with Agency stores. A letter to you from Keith Ingraham, Director of the Bureau of Alcoholic Beverages, dated May 1 initially proposed the closings, citing an unrelated bill passed by the 108th Legislature as the reason. A copy is attached.

We believe that the B.A.B. is clearly exceeding its authority in closing these stores. By taking this action, the Bureau is determining the state's liquor policy instead of the Legislature.

There is also a question as to the method being used. State law allows for the establishment of an agency store, "where there is not a state store.": The Bureau, in closing these stores, has at the same time advertised for bids for an agency store in the town. Legislative intent is clear on this issue. This approach to closing stores is of questionable legality.

A sub-committee of the Liquor Control Committee has been formed to hold a hearing on these questions. It is scheduled for Wednesday, July 12 in Room 228 of the State House.

We are asking for your support in dealing with the Bureau's interference with the Legislature's right and duty to determine the state's liquor policy and this circumvention of legislative intent.

Thanking you in advance for your attention to this matter.

Sincerely,

*Richard J. McDonough*

Richard J. McDonough  
President

RJM/dd

Enclosure

## Bureau of Alcoholic Beverages

A DIVISION OF THE DEPARTMENT OF FINANCE AND ADMINISTRATION

KEITH H. INGRAHAM, DIRECTOR  
207-289-3721MAILING ADDRESS: STATE  
HOUSE, AUGUSTA, MAINE 04303  
LOCATED AT 10-12 WATER STR  
HALLOWELL, MAINE 04347

May 1, 1978

The Honorable Charles P. Pray  
66 Water Street  
Millinocket, Maine 04462

Dear Senator Pray:

L.D. 2122, Chapter 667, Public Laws of 1978, as passed in the Second Regular Session will become law on July 6. This is AN ACT to Clarify the Status of Intermittent State Employees.


This legislation will now prohibit the use of part-time employees as the Liquor Commission has been accustomed under prior law. Due to the nature of our business and the geographical location of our liquor stores, we find that this law necessitates a decision either to close our one- and two-man stores for extended periods of time in the event of illness or vacations, or to establish an agency store which would allow the sale of alcoholic beverages in a community from 9:00 a.m. to 12 midnight.

There are several one- and two-man operations which, if closed and replaced by agency operations, we feel would provide better service to the general public given the passage of L.D. 2122. We are able at this time, due to retirements and expiration of leases, to phase out these liquor stores with the least amount of employee disruption.

The liquor store in MILO is being considered for closing and would be replaced by an agency store if feasible.

The Liquor Commission will be meeting May 23 in Augusta and would appreciate your comments regarding this matter prior to the meeting.

Very truly yours,



Keith H. Ingraham  
Director

KHL:cas



STATE OF MAINE

DEPARTMENT OF FINANCE AND ADMINISTRATION

AUGUSTA, MAINE 04333

June 20, 1978

Representative John Masterman and  
Officials of Town of Milo  
Municipal Office  
Milo, Maine 04463

Gentlemen:

Governor Longley has referred your letter of June 9 to me for a response.

On May 1, 1978, Keith Ingraham, Director, Bureau of Alcoholic Beverages, sent a letter to all Representatives and Senators explaining that as a result of the passage of L.D. 2122 (Chapter 667, Public Laws of 1978) it is impossible for the Bureau of Alcoholic Beverages to employ part-time personnel. The Bureau had two choices: 1) either to close the State stores during vacation time or illness of the employees, or 2) to permanently close the State stores and provide agency liquor stores in their place in these towns. These Representatives and Senators were asked to comment as to what would be the best course of action to take.

It is the duty of the Liquor Commission to provide the best service to the citizens of the State. The Commission further believes that by providing an agency store in these communities it will best serve the needs of the citizens.

The agency store program has been in effect for over one year. The Bureau recently wrote to all town managers whose towns had had a State store closed and an agency store opened for their comments. The managers all responded in a favorable manner.

The Commission has received no complaints from any of the towns that have agency stores. There has been no indication of any increased sales to minors or violations of the law. Most of the agency stores are in with local grocers who value their license and would not jeopardize their business.

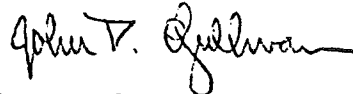
Mr. Ingraham advises me that he has had conversations with Representative Masterman and would consult with him further prior to selection of an agency in Milo. There are a number of towns in addition to Milo that have one and two man liquor store operations where the Commission has converted to agency stores.

Representative John Masterman and  
Officials of Town of Milo

June 20, 1978  
Page 2

The Commission has given the matter a great deal of thought and as a result of investigations feel that this is the proper action to take in light of Chapter 667, Public Laws of 1978.

Sincerely,



John P. O'Sullivan  
Commissioner

JPO'S:pkg

cc: Governor James B. Longley  
Keith Ingraham, Director  
Bureau of Alcoholic Beverages  
  
Aurele J. Bosse, Chairman  
Liquor Commission

AGENCY STORES

No.	Location	Opened since Jan. '78
A-101	Carrabassett Valley	
A-102	Southwest Harbor	
A-103	Abbot Village	
A-104	Howland	
A-105		
A-106	Wells	
A-107		
A-108	Moody	
A-109	St. Francis	
A-110	Orono	
A-111	Orono	
A-112	Blue Hill	
A-113		
A-114	Wilton	
A-115	Eastport	
A-116	Saco	
A-117		
A-118	Saco	
A-119	Lubec	
A-120	Washington	
A-121	Rockwood	
A-122		
A-123	Scarborough	
A-124	Wiscasset	
A-125	Gorham	
A-126	Cape Elizabeth	
A-127	Belgrade Lakes	
A-128	Peaks Island	

No.	Location	Opened since Jan. '78
A-129	Fryeburg	
A-130	Portage Lake	
A-131	Gray	
A-132	East Sebago	
A-133	Freeport	
A-134	Raymond	
A-135	Jackman	
A-136	Richmond	
A-137	Unity	
A-138	Lille	
A-139	Yarmouth	X
A-140	Oxford	X
A-141	Cornish	X
A-142	Eagle Lake	X (replacement store)
A-143	St. Agatha	X
A-144	Harmony	X
A-145	Monmouth	X
A-146	Lovell	X
A-147	Seal Harbor	X
A-148	Acton	X
A-149	Turner	X
A-150	Scarborough	X (replacement store)
A-151	Bingham	X