### MAINE STATE LEGISLATURE

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L.D. 1137

2	DATE: 3-19-97 (Filing No. H-60)
4	DATE: $3-19-97$ (Filing No. H- $60$ )
6	Reproduced and distributed under the direction of the Clerk of the House.
8	STATE OF MAINE
10	HOUSE OF REPRESENTATIVES 118TH LEGISLATURE
12	FIRST REGULAR SESSION
14	HOUSE AMENDMENT "X" to COMMITTEE AMENDMENT "A" to H.P. 832,
16	L.D. 1137, Bill, "An Act Making Unified Appropriations and Allocations for the Expenditures of State Government, General
18	Fund and Other Funds, and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the
20	Fiscal Years Ending June 30, 1998 and June 30, 1999"
22	Amend the amendment by striking out all of Part L.
24	Further amend the amendment by inserting before the emergency clause the following:
26	PART XX
28	
30	Sec. XX-1. 28-A MRSA §2, sub-§8-B is enacted to read:
32	8-B. Commission. "Commission" means the State Liquor and Lottery Commission.
34	Sec. XX-2. 28-A MRSA §2, sub-§25-A, as enacted by PL 1989, c. 526, §§1 and 28, is amended to read:
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38	25-A. Retail employee. "Retail employee" means any person employed by a retailer er-by-the-commission to sell liquor in a licensed establishment or state in an agency liquor store. For
40	the purposes of violations of this Title and rules of the eemmissien bureau, a retail employee shall-be is deemed an agent
42	of the retailer or state <u>agency</u> liquor store that employs that employee.
44	Sec. XX-3. 28-A MRSA §2, sub-§32, as amended by PL 1993, c.
46	462, §4, is repealed.
48	Sec. XX-4. 28-A MRSA §62, first ¶, as amended by PL 1993, c.

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The State-Liquor-Commission commission shall establish the policy and rules concerning the administration and operation of the state liquor steres operations. The commission has the following powers:

Sec. XX-5. 28-A MRSA §62, sub-§1, as enacted by PL 1987, c. 45, Pt. A, §4, is amended to read:

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- 1. Supervision of the Bureau of Alcoholic Beverages. To supervise and direct the Director of the Bureau of Alcoholic Beverages relating to all phases of the merchandising of liquor through state liquer-steres operations and agency liquor stores;
- Sec. XX-6. 28-A MRSA §62, sub-§§5 and 6, as amended by PL 1993, c. 730, §17, are amended to read:

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5. Spirits for sale. To buy and have in its possession spirits for sale to the--public agency liquor stores. The commission shall buy spirits directly and not through the State Purchasing Agent. All spirits must be free from adulteration and misbranding; and

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6. Sell to agency liquor stores. To sell at-retail-in state-liquor-stores-in-original-packages,-either-over-the-counter er-by-shipment-te-points to agency liquor stores for resale within the State, spirits of all kinds for consumption off the premises at-state-liquor-stores-to-be-operated-under-the direction-of-the-commission.

Sec. XX-7. 28-A MRSA §72-A, sub-§2, as enacted by PL 1991, c.

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2. Manage purchase of spirits and sale of alcoholic beverages. Manage the <u>purchase</u> of spirits from holders of approval certificates and sale of alcoholic beverages through state-eperated-retail-steres, agency <u>liquor</u> stores and licensees

376, §49, is amended to read:

in accordance with applicable laws and rules;

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- Sec. XX-8. 28-A MRSA §72-A, sub-§9, as amended by PL 1991, c. 780, Pt. Y, §128, is further amended to read:
- 42 Investigate and recommend changes. Carry continuous study and investigation of the sale of alcoholic the State 44 beverages throughout and the operation administration of the state-operated--retail---stores state operations and recommend to the commission and the commissioner 46 any changes in the laws or rules and methods of operation that are in the best interest of the State. 48

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	Sec. XX-9. 28-A MRSA §123, sub-§2, as amended by PL 1991, c.
2	95, §1, is further amended to read:
4	2. Sale of liquor for consumption off the premises on days other than Sunday. Shall this municipality authorize the State
6	Liquer-Commission to permit the operation of state-liquer-stores and agency liquor stores on days other than Sunday?
8	Sec. XX-10. 28-A MRSA §123, sub-§4, as amended by PL 1991, c.
10	95, §3, is further amended to read:
12	4. Sale of liquor for consumption off the premises on Sundays. Shall this municipality authorize the State Liquer
14	Commission to permit the operation of stateliquor-stores-and agency liquor stores on Sundays?
16	Sec. XX-11. 28-A MRSA §201, first ¶, as enacted by PL 1987, c.
18	45, Pt. A, §4, is amended to read:
20	In order to increase state revenues and to attract more of the tourist trade to the state discount liquor store in Kittery,
22	the Maine Turnpike Authority shall erect and maintain a guidepost no more than one mile north of the York toll station on the
24	southbound side of the Maine Turnpike. The guidepost shall must be worded as follows:
26	DISCOUNT LIQUOR STORE KITTERY
28	YORK EXIT U.S. ROUTE 1 SOUTH
30	Sec. XX-12. 28-A MRSA c. 15, as enacted by PL 1987, c. 45, Pt.
32	A, $\S 4$ , is amended by repealing the chapter headnote and enacting the following in its place:
34	CHAPTER 15
36	AGENCY LIQUOR STORES
38	Sec. XX-13. 28-A MRSA §351, sub-§1, as amended by PL 1987, c.
40	342, §20, is further amended to read:
42	1. Agency liquor store may not be located within 300 feet of school or church. The eemmissien bureau may not establish-a
44	state-liquor-store-er <u>license</u> an agency liquor store within 300 feet of any public or private school, church, chapel or parish
46	house.
48	A. The eemmissien <u>bureau</u> , after holding a public hearing near the proposed location, may locate an agency liquor
50	store within 300 feet of a church chanel parish house or

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2. Checks not honored on presentation; consequences. If any check is not honored on presentation or if an agency liquor store fails to pay for liquor as prescribed in subsection 1, the bureau shall withhold any license not issued or immediately take back the license if already issued, voiding that license until such time as the check or invoice is paid in full, together with the cost of the check failure or collection procedure. The commission or bureau may order that person to make all payments to the commission by cash, certified check or money order for a period not to exceed one year.

of receipt of a liquor delivery or notification of the

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Sec. XX-15. 28-A MRSA §353, as amended by PL 1993, c. 266, §6, is further amended to read:

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§353. Business hours

amount due.

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	State	-liquor-	-stores-	and –ager	ey Ag	ency :	liquor	store	s may	be
open	for t	he sale	and del	ivery of	f liqu	or bet	ween	the ho	urs o	fб
a.m.	and 1	. a.m. i	n munici	palities	and	uninco	rporat	ed pla	ces t	hat
have	vote	in fa	vor of	the ope	ration	n of	state	agenc	y liq	uor
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opti	ion dec	isions t	o the c	ontrary,	state	-liqu	or-sto	<del>res</del> -ar	ad age	ncy
liqu	or sto	res may	be oper	n from 1	noon S	unday	to l	a.m.	the n	ext
day.	. The-	-commiss	ion-shal	l-estab	lich-t	eheho	-ur-60	£oper	ation	-⊖£
eaek	a-state	-liquer-	stere.							

Sec. XX-16. 28-A MRSA §§354 and 355, as enacted by PL 1987, c. 45, Pt. A, §4, are amended to read:

#### §354. Sales to minors or intoxicated persons

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Ne-state-liquer-stere-er <u>An</u> agency liquor store may <u>not</u> sell liquor to a minor or to a visibly intoxicated person.

#### §355. Closed in cases of riots; hurricanes; flood

The Governor or the commission may, in cases of riots, hurricanes and floods, order any or all state-liquor-stores-er agency liquor stores to close.

Sec. XX-17. 28-A MRSA c. 17, as amended, is repealed.

Sec. XX-18. 28-A MRSA c. 18 is enacted to read:

#### CHAPTER 18

#### CLOSING STATE LIQUOR STORES

#### §411. State liquor stores closed

1. Closing by August 31, 1997. The Bureau of Alcoholic Beverages and Lottery Operations shall take any action necessary to close all state liquor stores as expeditiously as possible with the goal of closing all state liquor stores by August 31, 1997.

2. Replacement of state liquor stores. The bureau may license up to 3 agency liquor stores within a 10-mile radius of each closed state liquor store except the state liquor store in Kittery. The bureau shall license one agency liquor store that must be located within a 10-mile radius of the closed state liquor store in Kittery. The issuance of an agency liquor store license and the operation of agency liquor stores licensed under this subsection are governed by chapter 19, except that, a license may not be issued to replace the closed state liquor

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HOUSE AMENDMENT "X" to COMMITTEE AMENDMENT "A" to H.P. 832, L.D.

store in Kittery unless the licensee is acceptable to the Bureau of Alcoholic Beverages and Lottery Operations.

- 3. Replacement of Kittery discount store. The commission shall contract with one agency liquor store licensee to replace the state discount liquor store in Kittery. The replacement agency liquor store must contract with the commission to sell state-owned consignment inventory of spirits and fortified wines at discount prices established by the commission. The contract must specify the conditions of operation of the store, which need not be the same as conditions applicable to other agency liquor stores.
- 4. Requirement of at least one replacement agency liquor store before closing. A state liquor store may not be closed unless at least one replacement agency liquor store with a federal wholesale registration has been licensed within 10 miles of the closed state liquor store or unless the Director of the Bureau of Alcoholic Beverages and Lottery Operations determines that reasonable alternative access is available to persons previously purchasing spirits from the closed state liquor store.
  - 5. Law applicable to state liquor stores until sold. Until all state liquor stores are closed, the provisions of law applying to state liquor stores on January 1, 1997 continue to apply to the operation of the stores remaining open and the bureau and the Bureau of Alcoholic Beverages and Lottery Operations continue to have authority to act under those laws as if those laws were currently in effect.
- Sec. XX-19. 28-A MRSA §453, as amended by PL 1993, c. 380, §§1 to 5, and affected by §7, is further amended to read:
- §453. Location of agency stores

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- 1. Location requirements. The eemmissien bureau may license an agency liquor store only when the following requirements are met.
  - A. The proposed agency liquor store is located in a municipality or unincorporated place which that has voted in favor of the operation of state liquor stores under local option provisions.
    - C.--The-proposed-agency-liquor-store-is-not-within-3.5-miles of-an-existing-state--liquor-store-or-an-existing-agency liquor-store-that-was-licensed-before-May-1,-1993.
    - D. If a state liquor store closes, the commission bureau may grant more than one agency <u>liquor</u> store license in a

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municipality when the eemmissien <u>bureau</u> considers it appropriate. Agency-liquor-steres-licensed-before-May-1, 1993-that-replace-closed-state-liquor-stores-are-exempt-from the-distance-requirement-in-paragraph-C.

- 2.--Replacement-of-state-or-agency-liquor-stores.--The commission-may-not-replace-a-state-or-existing-agency-liquor store-if-there-is-another state-or-existing-agency-liquor-store-if-there-is-another state-or-existing-agency-liquor-store-within-3.5-miles.--This subsection-does-not-prevent-the-commission-from-locating-a replacement-agency-liquor-store-within-3.5-miles-of-another replacement-agency-liquor-store-for-the-same-town.
- 2-A. Replacement of state liquor stores closed in fiscal year 1991-92. The commission <u>bureau</u> may replace a state liquor store closed after July 1, 1990 with 3 agency liquor stores if:
  - A. The agency <u>liquor</u> stores are within a 10-mile radius of the location of the closed state liquor store; and
  - B. The eemmissien <u>bureau</u> does not issue to a person or corporation more than 2 of the 3 licenses issued to replace a state liquor store. For purposes of this restriction, each partner of a partnership, each corporation that owns an interest in another corporation and each person who owns 20% or more of the shares or other interest in a corporation is deemed to own a license granted to the partnership or corporation.
- Sec. XX-20. 28-A MRSA §606, sub-§1, as repealed and replaced by PL 1993, c. 276, §2, is amended to read:
- 1. Purchase of liquor. Subject to the restrictions provided in subsection 1-A, a person licensed to sell spirits must purchase liquor from a-state-er an agency liquor store. Licensees may purchase liquor for resale from the agency discount liquor store at the same price permitted for purchase of liquor for resale from any agency liquor store that does not offer a retail discount. This subsection does not apply to public service corporations operating interstate.
- Sec. XX-21. 28-A MRSA §606, sub-§1-A, ¶A, as repealed and replaced by PL 1993, c. 276, §3, is repealed.
- Sec. XX-22. 28-A MRSA §606, sub-§1-B, as enacted by PL 1991, c. 622, Pt. K, §8, is repealed.
- Sec. XX-23. 28-A MRSA §606, sub-§4, as amended by PL 1987, c. 342, §29, is further amended to read:

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- 4. Discount for agency liquor stores. The commission shall sell spirits and fortified wines to agency liquor stores for a price of at least 8% less than the real <u>list</u> price established for-the-state-liquor-stores under chapters 65 and 67.
- Sec. XX-24. 28-A MRSA §606, sub-§8, as enacted by PL 1995, c. 53, §1, is amended to read:

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- 8. Limits on price. An agency liquor store may not sell liquer-at-any-price-equal-to-or-higher-than-the-retail-sales spirits and fortified wine for less than 103% of the price paid by the agency liquor store. An agency liquor store may not sell spirits to persons other than on-premises licensees for more than the list price set in accordance with chapters 65 and 67.
- Sec. XX-25. 28-A MRSA §708, sub-§5, as enacted by PL 1993, c. 615, §4, is amended to read:
- 5. Combination packages. Notwithstanding subsection 3, agency liquor store licensees may offer for sale any package or combination of packages of spirits that the commission has approved for sale in-state-liquer-stores.
- Sec. XX-26. 28-A MRSA §1651, sub-§1, as amended by PL 1993, c. 615, §5, is further amended to read:
  - 1. State liquor tax. Except as provided in subsection 2, the commission shall determine and set the <u>list</u> price at which to sell all spirits and fortified wine that will produce a <u>an aggregate</u> state liquor tax ef-not-less-than-65%-based-on-the delivered-case-cost-F.O.B.-liquor-warehouse <u>sufficient to pay all liquor related expenses of the Bureau of Alcoholic Beverages and Lottery Operations and to return to the General Fund an amount substantially equal to the amount of state liquor tax collected in the previous fiscal year. With the exception of the discount agency liquor store in Kittery, list prices must be uniform statewide.</u>
  - C. The commission shall add any cost to the State related to handling containers returned for refund pursuant to Title 32, section 1863-A to the established price without markup.
    - Sec. XX-27. 28-A MRSA §1651, sub-§2, ¶C, as amended by PL 1995, c. 181, §1, is further amended to read:
- C. Notwithstanding the other provisions of this section, with approval of the Commissioner of Administrative and Financial Services, the commission may reduce the price of discontinued or slow-selling items of liquor and fortified

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2		wine. The-reduced-price-may-not-be-less-than-the-actual cost-of-the-discontinued-liquor-items.
4	1987	Sec. XX-28. 28-A MRSA §1651, sub-§2, ¶E, as enacted by PL, c. 45, Pt. A, §4, is amended to read:
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8		E. Notwithstanding the other provisions of this section, the commission may establish special prices on certain listed liquer spirits and fortified wine items to be made
10		available to the consumer atallstatesteres. These special prices must may not be lower than the price
12		established for the same listed item at the 2 discount state agency liquor steres store authorized under section 403 411,
14		subsection 3.
16	1987	Sec. XX-29. 28-A MRSA $\$2073$ , sub- $\$3$ , $\P\PB$ to $F$ , as enacted by PL, c. 45, Pt. A, $\S4$ , are amended to read:
18		B. For-hire carriers and contract carriers, authorized by
20		the Department of Public Safety, may transport liquor to state agency liquor stores, to liquor warehouses, to
22		licensees, to purchasers of liquor at state agency liquor stores and from manufacturers to liquor warehouses, state
24	• .	agency liquor stores and to the state line for transportation outside the State.
26		C. Licensees may transport liquor from state agency liquor
28		stores to their places of business.
30		D. Manufacturers may transport liquor within the State to liquor warehouses andstateliquorsteres, to persons
32		authorized under paragraph E and to the state line for transportation outside the State.
34		E. The eemmissien <u>bureau</u> may permit in writing the
36		importation of liquor into the State and the transportation of liquor from placeteplace place-to-place within the
38		State to the following destinations for the specified purposes:
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42		<ol> <li>To hospitals and state institutions, for medicinal purposes only, liquor made available to them from</li> </ol>
A A		stocks of liquor seized by the Federal Government.
44	•	(2) To industrial establishments in the State for
46		industrial uses;

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laboratory use only;

(3) To schools, colleges and state institutions for

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- To any licensed pharmacist in the State for use in 2 the compounding of prescriptions and other medicinal use, but not for sale by pharmacists unless compounded 4 with or mixed with other substances; or (5) б To any physician, surgeon, osteopath, chiropractor, optometrist, dentist or veterinarian for 8 medicinal use only.
- F. The eemmission <u>bureau</u> may authorize hospitals and state institutions to purchase liquor, for medicinal purposes only, from wholesale licensees and state <u>agency</u> liquor stores. Such <u>This</u> authorization must be in writing.
- Sec. XX-30. 28-A MRSA  $\S 2075$ , sub- $\S 2$ , as amended by PL 1993, c. 730,  $\S 47$ , is further amended to read:
- 2. Transportation of spirits within the State. No A person may not transport or cause to be transported any spirits within the State in a quantity greater than 4 quarts unless the spirits were purchased from a-state-er an agency liquor store.
  - Sec. XX-31. 28-A MRSA §2076, sub-§1, as enacted by PL 1987, c. 45, Pt. A, §4, is amended to read:
- 1. Delivery of liquor. Except with the eemmissien's bureau's written permission, no a person may not knowingly transport to or cause to be delivered to any person other than the commission any spirits not purchased from a-state-liquor an agency liquor store or the commission.
  - Sec. XX-32. 28-A MRSA §2229, as enacted by PL 1987, c. 45, Pt. A, §4, is amended to read:

#### §2229. Disposal of forfeited liquors

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- 1. Court or judge to order forfeited liquor to be turned over to the commission. All liquers spirits declared forfeited by a court under this Title shall must, by order of the court rendering the final judgment, be turned over to the semmission bureau. All malt liquor or wine declared forfeited by a court under this Title must, by order of the court rendering final judgment, be turned over to the bureau. Liquor forfeited under this section must be disposed of in the same manner as abandoned liquor under section 2230.
- 2.---Sale--of--forfeited--liquor--by--commission.---Except--as provided--in--paragraph-A,--the--commission--shall--sell--forfeited liquor-in-the-state-liquor-stores-throughout-the-State-

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HOUSE AMENDMENT "X" to COMMITTEE AMENDMENT "A" to H.P. 832, L.D. 1137
AIf-any-liquor-is-determined-by-the-court-to-be-unfit-er
unsatisfactory-for-consumption-or-retail-sale,-the-court-may
order-the-liquor-to-be-destroyed-by-any-officer-competent-to
serve-the-process-on-which-it-was-forfeitedThe-officer
shall-make-the-return-accordingly-to-the-court-
(1) The-liquor-shall-be-destroyed-by-pouring-it-upon
the-ground-or-into-a-public-sewer-
3. Unfit liquor. If any liquor is determined by the court
to be unfit or unsatisfactory for consumption or retail sale, the
court may order the liquor to be destroyed by any officer
competent to serve the process on which it was forfeited. The
officer shall make the return accordingly to the court. The
liquor must be destroyed in an environmentally approved manner.
Sec. XX-33. 28-A MRSA §2230, sub-§2, ¶B, as enacted by PL
1993, c. 730, §51, is amended to read:
B. Secure the liquor for a period of 30 days, after which
time the agency shall transfer the liquor to the bureau.
The bureau shall dispose of any spirits, malt liquor or wine
and-shall-transfer-any-spirits-to-the-commission-for-sale-at
state-liquer-steres.
Sec. XX-34. Assistance to employees. The State shall provide
assistance, within existing programs, to employees who are laid
off as a result of the closing of state liquor stores and the
contracting of wholesale liquor functions. This assistance may
include, but is not limited to, retraining, career planning and
assistance in obtaining other employment and may be provided
before or after an employee leaves state employment.
Sec. XX-35. Appropriation. The following funds are
appropriated from the General Fund to carry out the purposes of
this Part.
1997-98 1998-99
MENTAL HEALTH, MENTAL
RETARDATION AND SUBSTANCE
ABUSE SERVICES, DEPARTMENT OF
Community Development Fund - MR
All Other \$3,662,882 \$3,091,489
Provides funds for day
programming and other
services to people with

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HOUSE AMENDMENT "X" to COMMITTEE AMENDMENT "A" to H.P. 832, L.D. mental retardation who are on a waiting list for services. 2 4 DEPARTMENT OF MENTAL HEALTH, MENTAL RETARDATION AND 6 SUBSTANCE ABUSE SERVICES 8 TOTAL 3,662,882 3,091,489 10 Sec. XX-36. Allocation. The following funds are allocated from the Alcoholic Beverage Fund to carry out the purposes of 12 this Part. 14 1997-98 1998-99 16 ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF 18 20 Alcoholic Beverages - General Operation 22 Positions - Legislative Count (-101.000)(-101.000)Positions - FTE Count (-5.784)(-5.784)Personal Services 24 (3,866,438)All Other (684,920)(1,539,173)26 TOTAL (684,920) (5,405,611)28 Provides for the deallocation of funds in Personal Services 30 and All Other as a result of 32 closing state-run liquor stores. 34 **Alcoholic Beverages - General Operation** 36 All Other (581,211) (590,510)38 Provides for the deallocation of funds as a result of 40 closing the state-run liquor stores. The deallocation is 42 related to freight expense. 44 DEPARTMENT OF ADMINISTRATIVE AND FINANCIAL SERVICES 46 TOTAL (1,266,131)(5,996,121)

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**SECTION XX-36** 

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for services to people with mental retardation.

SPONSORED BY:

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(Representative WINSOR)

48 TOWN: Norway

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