

# MAINE STATE LEGISLATURE

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# 118th MAINE LEGISLATURE

## FIRST SPECIAL SESSION-1997

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Legislative Document

No. 1828

S.P. 626

In Senate, April 22, 1997

**An Act to Preserve Financial Integrity of the Bureau of Alcoholic  
Beverages and Lottery Operations.**

(EMERGENCY)

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Received by the Secretary of the Senate on April 22, 1997. Referred to the Committee on Legal and Veterans Affairs pursuant to Joint Rule 308.2 and ordered printed pursuant to Joint Rule 401.

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN  
Secretary of the Senate

Presented by Senator MICHAUD of Penobscot.  
Cosponsored by Senator DAGGETT of Kennebec.

2 **Emergency preamble.** Whereas, Acts of the Legislature do not  
become effective until 90 days after adjournment unless enacted  
as emergencies; and

4  
6 **Whereas,** the Bureau of Alcoholic Beverages and Lottery  
Operations must relocate the discount liquor store in Kittery by  
September 1, 1997; and

8  
10 **Whereas,** it is necessary that the Bureau of Alcoholic  
Beverages and Lottery Operations has an opportunity to study all  
available locations for the liquor store; and

12  
14 **Whereas,** in the judgment of the Legislature, these facts  
create an emergency within the meaning of the Constitution of  
Maine and require the following legislation as immediately  
16 necessary for the preservation of the public peace, health and  
safety; now, therefore,

18 **Be it enacted by the People of the State of Maine as follows:**

20 **Sec. 1.** 5 MRSA §12004-E, sub-§3, as enacted by PL 1987, c.  
22 786, §5, is repealed.

24 **Sec. 2.** 5 MRSA §12004-I, sub-§1-A is enacted to read:

26 1-A. Alcoholic Not 28-A MRSA  
Administrative Beverages Authorized §73  
28 Advisory  
30 Board

32 **Sec. 3.** 28-A MRSA §2, sub-§2-A is enacted to read:

34 2-A. Alcohol bureau. "Alcohol bureau" means the Bureau of  
Alcoholic Beverages and Lottery Operations within the Department  
of Administrative and Financial Services.

36 **Sec. 4.** 28-A MRSA §51, sub-§1, as amended by PL 1989, c. 503,  
38 Pt. B, §117, is repealed.

40 **Sec. 5.** 28-A MRSA §52, first ¶, as enacted by PL 1987, c. 45,  
Pt. A, §4, is amended to read:

42  
44 No A person is not eligible for appointment as a member of  
~~the State Liquor Commission, as an employee of the commission,~~  
the Bureau of Alcoholic Beverages and Lottery Operations or the  
46 Bureau of Liquor Enforcement, in any capacity, including the  
director, who:

48 **Sec. 6.** 28-A MRSA §61, as amended by PL 1991, c. 376, §47, is  
50 repealed.

2           **Sec. 7. 28-A MRSA §62**, as amended by PL 1993, c. 730, §§15 to  
20, is further amended to read:

4  
6           **§62. Powers of the Bureau of Alcoholic Beverages and Lottery  
Operations**

8           The ~~State-Liquor-Commission~~ Bureau of Alcoholic Beverages  
10 and Lottery Operations shall establish the policy and rules  
concerning the administration and operation of the state liquor  
stores. The ~~commission~~ alcohol bureau has the following powers:

12           ~~1. -- Supervision of the Bureau of Alcoholic Beverages. -- To~~  
14 ~~supervise and direct the Director of the Bureau of Alcoholic~~  
16 ~~Beverages relating to all phases of the merchandising of liquor~~  
~~through state liquor stores and agency liquor stores;~~

18           **5. Spirits for sale.** To buy and have in its possession  
spirits for sale to the public. The ~~commission~~ alcohol bureau  
20 shall buy spirits directly and not through the State Purchasing  
Agent. All spirits must be free from adulteration and  
22 misbranding; and

24           **6. Sell at retail.** To sell at retail in state liquor  
stores in original packages, either over the counter or by  
26 shipment to points within the State, spirits of all kinds for  
consumption off the premises at state liquor stores to be  
28 operated under the direction of the ~~commission~~ alcohol bureau.

30           **Sec. 8. 28-A MRSA §73** is enacted to read:

32           **§73. Alcoholic Beverages Advisory Board**

34           **1. Establishment.** The Alcoholic Beverages Advisory Board  
as established in Title 5, section 12004-I, subsection 1-A is  
36 referred to in this section as the "board."

38           **2. Membership.** The board consists of the following 11  
members:

40           **A.** One member must be an administrative representative from  
42 the Bureau of Alcoholic Beverages and Lottery Operations,  
appointed by the alcohol bureau;

44           **B.** Three members must represent state liquor store  
46 employees, elected by the state liquor store employees;

48           **C.** Three members must be representatives from an  
association of Maine grocers, appointed by the association;

50

2 D. Two members must be representatives of an association of  
Maine restauranters, appointed by the association; and

4 E. One member must be a representative of beer and wine  
wholesalers, elected by the beer and wine wholesalers.

6 Members serve a term of one year.

8 3. Duties. The board shall meet at least once a month and  
10 its duties include:

12 A. Studying the alcohol pricing structure statewide with  
the goal of reducing the retail cost and recapturing sales  
14 currently being lost out of State;

16 B. Reviewing and recommending changes in policy for new  
product listings and the associated fee structure;

18 C. Developing and overseeing a yearly plan of promotional  
20 offers and sales;

22 D. Creating marketing analyses and strategies for better  
product management and establishing a system to manage  
24 inventory and out-of-stock problems;

26 E. Ensuring a proper and timely notification on product  
promotions and programs to all state and agency liquor  
28 stores;

30 F. Developing recommendations for future technological  
improvements to the current system;

32 G. Studying all issues relating to bailment warehousing; and

34 H. Reviewing all current policies and procedures relating  
36 to advertising and promotion.

38 4. Report. The board shall submit an annual report to the  
joint standing committee of the Legislature having jurisdiction  
40 over legal and veterans' affairs and to the joint standing  
committee of the Legislature having jurisdiction over  
42 appropriations and financial affairs.

44 **Sec. 9. 28-A MRS §404** is enacted to read:

46 **§404. Minimum inventory**

48 All state liquor stores must maintain a minimum inventory of  
4,000 bottles of liquor plus 3 weeks of sales.

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2         **Sec. 10. Relocation of liquor store in Kittery.** The Bureau of  
Alcoholic Beverages and Lottery Operations, by September 1, 1997,  
4 shall relocate the discount liquor store in Kittery. The new  
location must be either on an access road connected to Interstate  
95 or within 1/4 mile of an Interstate 95 interchange in Kittery.

6  
8         **Sec. 11. Megabucks machines.** The Bureau of Alcoholic  
Beverages and Lottery Operations shall place megabucks machines  
10 in all state liquor stores.

12         **Sec. 12. Special price allowance.** The Bureau of Alcoholic  
Beverages and Lottery Operations is directed to establish a  
14 special price allowance program. The program must allow the  
Bureau of Alcoholic Beverages and Lottery Operations to match  
16 certain discounts offered by vendors and increased revenue  
generated by sales promotions.

18         **Sec. 13. Maine Revised Statutes amended; revision clause.**  
Wherever in the Maine Revised Statutes the words "State Liquor  
20 Commission" appear or reference is made to those words, they are  
amended to read and mean "the Bureau of Alcoholic Beverages and  
22 Lottery Commission" and wherever in the Maine Revised Statutes,  
Title 28-A, the word "commission" appears or reference is made to  
24 that word, it is amended to read and mean "alcohol bureau," and  
the Revisor of Statutes shall implement these revision when  
26 updating, publishing or republishing the statutes.

28         **Emergency clause.** In view of the emergency cited in the  
preamble, this Act takes effect when approved.  
30

### 32   SUMMARY

34         This bill makes several changes to the laws governing sales  
of alcoholic beverages.

36                 1. It repeals all references to "State Liquor Commission"  
38 and replaces it with the "Bureau of Alcoholic Beverages and  
Lottery Operations" and replaces the reference to "commission" in  
40 the Maine Revised Statutes, Title 28-A with "alcohol bureau."

42                 2. It mandates that the Bureau of Alcoholic Beverages and  
Lottery Operations relocate the discount liquor store in Kittery  
44 by September 1, 1997.

46                 3. It requires the Bureau of Alcoholic Beverages and  
Lottery Operations to establish a special price allowance program.  
48

2           4. It requires the Bureau of Alcoholic Beverages and  
Lottery Operations to place megabucks machines in all state  
liquor stores.

4

6           5. It requires the Bureau of Alcoholic Beverages and  
Lottery Operations to establish minimum inventory levels for all  
state liquor stores.

8

6. It establishes the Alcoholic Beverages Advisory Board.