

MAINE STATE LEGISLATURE

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118th MAINE LEGISLATURE

SECOND REGULAR SESSION-1998

Legislative Document

No. 2155

S.P. 797

In Senate, January 21, 1998

An Act to Encourage Hospitality Industry Development in the State.

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 203.

Reference to the Committee on Legal and Veterans Affairs suggested and ordered printed.

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

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator DAGGETT of Kennebec.
Cosponsored by Representative VIGUE of Winslow and
Senators: MITCHELL of Penobscot, O'GARA of Cumberland, Representative: POVICH of
Ellsworth.

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

4 Sec. 1. 28-A MRSA §707-A is enacted to read:

6 §707-A. Exceptions to indebtedness or operations limitations

8 1. Certain financial interests permitted. Notwithstanding
section 707, if the requirements of subsection 2 are met, section
707 does not prohibit:

10 A. A person that owns or has a financial interest in a
holder of a retail license issued in conjunction with and as
part of the operations of a hotel from owning or having a
financial interest in a certificate of approval holder; or

16 B. A person that owns or has a financial interest in a
certificate of approval holder from owning or having a
financial interest in the holder of a retail license issued
in conjunction with and as part of the operations of a hotel.

20 2. Requirements. The exceptions to section 707 set out in
subsection 1 apply only if each of the following requirements is
met.

24 A. The hotel must have at least 100 adequate sleeping rooms
and the relationship between the occupants of those rooms
and the owner or operator of the establishment is that of
guest and innkeeper.

30 B. The hotel may not purchase any malt liquor and wine
products sold by the certificate of compliance holder to
Maine wholesale licensees, nor may the certificate of
compliance holder require any brand of liquor product to be
purchased or sold by the hotel.

36 C. Neither the certificate of approval holder nor the
retail licensee may directly or indirectly own or have any
interest in a Maine wholesale licensee.

40 D. The certificate of compliance holder and the retail
licensees must be separate entities and may not have any
common directors.

44 **SUMMARY**

46 This bill carves out very specific exceptions to the
48 prohibition on direct or indirect financial interest in the
liquor licensing laws for hotels if the hotel meets certain

2 requirements and the certificate of approval holder has no
interest in a wholesale licensee.