

# MAINE STATE LEGISLATURE

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# 119th MAINE LEGISLATURE

## FIRST REGULAR SESSION-1999

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Legislative Document

No. 594

S.P. 205

In Senate, January 21, 1999

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**An Act to Privatize the Liquor Industry.**

---

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

A handwritten signature in cursive script, reading 'Joy J. O'Brien'.

JOY J. O'BRIEN  
Secretary of the Senate

Presented by Senator LIBBY of York.

Cosponsored by Senators: SMALL of Sagadahoc, DAVIS of Piscataquis.

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

2  
3       **Sec. 1. 28-A MRSA §2, sub-§1**, as enacted by PL 1987, c. 45,  
4 Pt. A, §4, is amended to read:

6       **1. Agency liquor store.** "Agency liquor store" means a  
7 person who is licensed by the commission prior to January 1, 2001  
8 to sell spirits to be consumed off the premises.

10       **Sec. 2. 28-A MRSA §2, sub-§14**, as amended by PL 1997, c. 373,  
11 §14, is further amended to read:

12       **14. Licensee.** "Licensee" means the person to whom a  
13 license of any kind is issued by the bureau. "Licensee"  
14 includes, but is not limited to, ~~agency~~ liquor stores and  
15 certificate of approval holders.

18       **Sec. 3. 28-A MRSA §2, sub-§15-B** is enacted to read:

20       **15-B. Liquor store.** "Liquor store" means a person who is  
21 licensed by the commission to sell spirits to be consumed off the  
22 premises.

24       **Sec. 4. 28-A MRSA §2, sub-§25-A**, as amended by PL 1997, c.  
25 373, §17 is further amended to read:

26       **25-A. Retail employee.** "Retail employee" means any person  
27 employed by a retailer ~~or-by-the-alcohol-bureau~~ to sell liquor in  
28 a licensed establishment or ~~state-or--agency~~ liquor store. For  
29 the purposes of violations of this Title and rules of the bureau,  
30 a retail employee is deemed an agent of the retailer or ~~state-or~~  
31 ~~agency~~ liquor store that employs that employee.

34       **Sec. 5. 28-A MRSA §2, sub-§32**, as amended by PL 1997, c. 373,  
35 §19, is further amended to read:

36       **32. State liquor store.** "State liquor store" means a store  
37 operated by the alcohol bureau prior to January 1, 2001 that  
38 sells spirits and fortified wines to be consumed off the premises.

40       **Sec. 6. 28-A MRSA §81, sub-§§3 and 4**, as enacted by PL 1997, c.  
41 373, §28, are repealed.

44       **Sec. 7. 28-A MRSA §83, sub-§1**, as enacted by PL 1997, c. 373,  
45 §28, is amended to read:

46       **1. Bureau of Alcoholic Beverages and Lottery Operations;**  
47 **rules.** The alcohol bureau shall manage the sale, distribution  
48 and merchandising of spirits through ~~state-liquor-stores--agency~~  
49 liquor stores and licensees. The alcohol bureau may establish  
50

2 rules and procedures for the administration of the state liquor  
3 laws under its jurisdiction. The rules adopted under this  
4 section are routine technical rules pursuant to Title 5, chapter  
5 375, subchapter II-A. The day-to-day activities of the alcohol  
6 bureau are under the supervision of the Commissioner of  
7 Administrative and Financial Services and the director of the  
8 alcohol bureau.

9  
10 **Sec. 8. 28-A MRSA §83, sub-§§2, 3 and 4, as enacted by PL 1997,  
11 c. 373, §28, are repealed.**

12 **Sec. 9. 28-A MRSA §84, sub-§1, as enacted by PL 1997, c. 373,  
13 §28, is amended to read:**

14  
15 **1. Manage sale of alcoholic beverages.** Manage the sale of  
16 alcoholic beverages through ~~state--liquor--stores,--agency~~ liquor  
17 stores and licensees in accordance with applicable laws and rules  
18 that provide for the operation of wholesale distribution of  
19 spirits;

20  
21 **Sec. 10. 28-A MRSA §85, as enacted by PL 1997, c. 373, §28,  
22 is repealed.**

23 **Sec. 11. 28-A MRSA §123, sub-§§2 and 4, as amended by PL 1997,  
24 c. 373, §30, are further amended to read:**

25  
26 **2. Sale of liquor for consumption off the premises on days  
27 other than Sunday.** Shall this municipality authorize the State  
28 to permit the operation of state liquor stores and ~~agency-liquor~~  
29 ~~stores~~ on days other than Sunday?

30  
31 **4. Sale of liquor for consumption off the premises on  
32 Sundays.** Shall this municipality authorize the State to permit  
33 the operation of state liquor stores and ~~agency-liquor--stores~~ on  
34 Sundays?

35  
36 **Sec. 12. 28-A MRSA §201, as amended by PL 1997, c. 373, §37,  
37 is repealed.**

38  
39 **Sec. 13. 28-A MRSA Pt. 2 is amended by repealing the part  
40 headnote and enacting the following in its place:**

41  
42 **PART 2**

43  
44 **LIQUOR STORES**

45  
46 **Sec. 14. 28-A MRSA c. 15 is amended by repealing the chapter  
47 headnote and enacting the following in its place:**

48  
49 **CHAPTER 15**

2 LIQUOR STORES

4 **Sec. 15. 28-A MRSA §351, sub-§1**, as amended by PL 1997, c.  
373, §38, is further amended to read:

6  
8 **1. Liquor store may not be located within 300 feet of**  
9 **school or church.** The alcohol bureau may not establish license a  
10 state liquor store ~~or the bureau may not license an agency liquor~~  
11 ~~store~~ within 300 feet of any public or private school, church,  
12 chapel or parish house.

14 A. The bureau, after holding a public hearing near the  
15 proposed location, may ~~create an agency~~ license a liquor  
16 store that is located within 300 feet of a church, chapel,  
parish house or postsecondary school.

18 **Sec. 16. 28-A MRSA §352**, as amended by PL 1997, c. 373, §39,  
19 is repealed.

20 **Sec. 17. 28-A MRSA §353**, as amended by PL 1997, c. 373, §40,  
21 is further amended to read:

24 **§353. Business hours**

26 ~~State-liquor~~ Liquor stores and ~~agency-liquor-stores~~ may be  
27 open for the sale and delivery of liquor between the hours of 6  
28 a.m. and 1 a.m. in municipalities and unincorporated places that  
29 have voted in favor of the operation of state liquor stores under  
30 local option provisions. Notwithstanding any local option  
31 decisions to the contrary, state liquor stores and ~~agency-liquor~~  
32 ~~stores~~ may be open from 9 a.m. Sunday to 1 a.m. the next day.  
33 ~~The alcohol bureau shall establish the hours of operation of each~~  
34 ~~state-liquor-store.~~

36 **Sec. 18. 28-A MRSA §354**, as enacted by PL 1987, c. 45, Pt. A,  
37 §4, is amended to read:

38 **§354. Sales to minors or intoxicated persons**

40 ~~No-state~~ A liquor store ~~or agency-liquor-store~~ may not sell  
41 liquor to a minor or to a visibly intoxicated person.

44 **Sec. 19. 28-A MRSA §355**, as amended by PL 1997, c. 373, §41,  
45 is further amended to read:

46 **§355. Closed in cases of riots; hurricanes; flood**

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

4  
6 **Sec. 20. 28-A MRSA c. 17**, as amended, is repealed.

8 **Sec. 21. 28-A MRSA c. 19** is amended by repealing the chapter  
headnote and enacting the following in its place:

10 **CHAPTER 19**

12 **LIQUOR STORES LICENSING**

14 **Sec. 22. 28-A MRSA §451**, as amended by PL 1997, c. 373, §44,  
is further amended to read:

16 **§451. Liquor stores**

18 The bureau may license and regulate persons as agency liquor  
20 stores on an annual or temporary basis for the purposes of  
selling liquor in sealed bottles, containers or original packages  
22 to be consumed off the premises.

24 **Sec. 23. 28-A MRSA, §452, first ¶**, as amended by PL 1997, c.  
373, §45, is further amended to read:

26 The bureau shall adopt rules for the selection, licensing  
28 and operation of agency liquor stores. These rules include, but  
are not limited to, the following:

30 **Sec. 24. 28-A MRSA §452, sub-§§1, 6 and 7**, as enacted by PL  
32 1987, c. 45, Pt. A, §4, are amended to read:

34 **1. Location.** Location of agency stores, subject to section  
453;

36 **6. Size and nature of facilities.** The size and nature of  
38 the facilities of agency liquor stores for different quantities  
of liquor to be sold; and

40 **7. Other.** Any other rules necessary to carry out the  
42 purposes of this chapter, except that the commission may not  
regulate liquor prices.

44 **Sec. 25. 28-A MRSA §453**, as amended by PL 1997, c. 373, §46,  
46 is further amended to read:

48 **§453. Location of liquor stores**

1. **Location requirements.** The bureau may license an agency  
a liquor store only when the following requirements are met.

A. The proposed agency liquor store is located in a municipality or unincorporated place 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 bureau may grant more than one agency store license in a municipality when the bureau considers it appropriate. Agency liquor stores 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 alcohol bureau may not replace a state liquor store and the bureau may not replace an existing agency liquor store that closes with a new agency liquor store if there is another state or existing agency liquor store within 3.5 miles. This subsection does not prevent the bureau 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 bureau may replace a state liquor store closed after July 1, 1990 with 3 agency liquor stores if:~~

~~A. The agency stores are within a 10-mile radius of the location of the closed state liquor store, and~~

~~B. The bureau 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. 26. 28-A MRSA §453-A, as amended by PL 1997, c. 373, §47, is further amended by repealing and replacing the headnote to read:**

**§453-A. Issuance of liquor store license**

2           **Sec. 27. 28-A MRSA §453-A, first ¶**, as amended by PL 1997, c.  
373, §47, is further amended to read:

4           The bureau shall issue a license for an--agency a liquor  
store within a municipality or unincorporated place by the  
6 following procedure.

8           **Sec. 28. 28-A MRSA §453-A, sub-§§1, 1-A, 2, 3, 4, 5, 5-A and 6**, as  
amended by PL 1997, c. 373, §47, are further amended to read:

10           **1. Bidding to replace state liquor stores.** The bureau  
12 shall solicit bids from the general public for each agency liquor  
store license to be issued. For an--agency a license to replace  
14 an existing state store, the bureau may not accept a bid lower  
than 1% of the taxable retail sales of the store being replaced,  
16 determined for the fiscal year that ended immediately before the  
closure of the store.

18           **1-A. Bidding to replace agency liquor stores.** The bureau  
20 shall solicit bids from the general public for each agency liquor  
store license to be issued. For licenses to ~~establish an agency~~  
22 ~~liquor--store--or~~ replace an existing agency liquor store, the  
bureau may not accept a bid lower than \$2,000.

24           **2. Public notice and solicitation of bids.** The bureau  
26 shall, in accordance with the Maine Administrative Procedure Act,  
give public notice that an--agency a liquor store may be  
28 established in a particular municipality or unincorporated  
place. The bureau shall summarize in the public notice the  
30 bidding requirements for the agency store license, including the  
minimum bid required. The bureau shall request all parties in  
32 the municipality or unincorporated place interested in bidding on  
a license to establish an--agency a liquor store there to submit  
34 bids and applications to the bureau.

36           **3. Information to applicants.** The bureau shall provide all  
applicants with the necessary information for the establishment  
38 of an--agency a liquor store.

40           **4. Notice to municipality.** Upon receipt of all  
applications for an--agency a liquor store license in a  
42 municipality and at least 15 days before the final selection of  
an applicant or applicants by the bureau, the bureau shall notify  
44 the municipal officers of that municipality of the proposed  
location of each applicant.

46           **5. Licensing decisions.** The bureau shall conduct an  
48 investigation to determine the feasibility of the location and  
type of facility for the agency liquor store and shall issue the



license to one or more of the applicants, taking into consideration the bid offered and any other factors the bureau considers appropriate.

**5-A. Hearings on applications.** The bureau, in accordance with the provisions of the Maine Administrative Procedure Act, shall conduct a hearing to take testimony, consider comment and deliberate on applications. In addition to giving any notice required by the Maine Administrative Procedure Act, the bureau shall give notice of public hearing in writing to any existing agency liquor stores located within 5 miles of the applicant's proposed store location by regular mail at least 15 days prior to the hearing.

**6. Denial of application.** The bureau shall notify any applicant denied a license of the reasons for the denial by certified mail to the mailing address given by the applicant in the application for an-agency a liquor store license.

**Sec. 29. 28-A MRSA §453-B,** as repealed and replaced by PL 1993, c. 509, §5, is repealed.

**Sec. 30. 28-A MRSA §454,** as enacted by PL 1987, c. 45, Pt. A, §4, is amended to read:

**§454. Liquor store in former state liquor store location**

Within 72 hours of opening for business, an-agency a liquor store, occupying premises previously occupied by a state liquor store, or an agency liquor store shall remove all signs on the premises of that store which that identify those premises as a state liquor store or an agency liquor store.

**Sec. 31. 28-A MRSA §§454-A to 454-E** are enacted to read:

**§454-A. Applications**

Each applicant for a liquor store license must file an application in the form prescribed by the bureau. The application is in addition to any other application filed with the bureau concerning other liquor licensing privileges.

**§454-B. Eligibility**

**1. Qualification for a license.** The bureau may issue a license to operate a liquor store to an applicant only upon a finding that the applicant meets the eligibility requirements in section 601 and that the applicant is of sound judgment and good character, subscribes to sound business principles and meets all

2 requirements of financial responsibility. For purposes of this  
3 chapter, unless otherwise indicated, the term "applicant" means:

4 A. For an applicant who is a natural person, the individual;

6 B. For an applicant that is a partnership, each person with  
7 an interest in the partnership; and

8 C. For an applicant that is a corporation, the officers or  
10 directors of the corporation and each shareholder with a  
12 controlling interest in the corporation. In the case of a  
14 publicly owned corporation, "controlling interest" means  
15 direct or indirect ownership of more than 50% of the shares  
16 of the corporation.

16 2. Denial of license. Finding any of the following is a  
17 ground for license denial:

18 A. Conviction of a Class A, Class B or Class C crime, or  
20 any crime of moral turpitude; or

22 B. Conviction of any local, state or federal tax law  
24 violation.

#### 26 **§454-C. Bond required**

28 A liquor store licensee must furnish a bond with a surety to  
30 the bureau before conducting any business under the license. The  
32 amount of the bond must be determined by the bureau, but may not  
34 exceed \$100,000. The purpose of the bond is to insure the  
36 licensee's financial responsibility and to ensure that sufficient  
38 funds are available to satisfy any penalty assessed under this  
40 chapter.

42 If a licensee holds more than one license, the bureau may  
44 determine that only one bond is required, as long as the bond  
46 covers all of the licensed operations of the licensee.

#### 48 **§454-D. Issuance of licenses**

50 Licenses for sale and distribution of spirits in liquor  
stores may be issued by the bureau upon application and under  
such rules as the bureau may prescribe. A person licensed under  
this section may not sell liquor for consumption on the premises  
where sold.

A license issued by the bureau applies only to the applicant  
and the premises designated on the application, unless  
transferred pursuant to section 605, subsection 1.

2 **§454-E. Fees**

4 The fee for a full-year license for the sale of liquor in a  
6 liquor store is \$1,200. The fee for a seasonal license for the  
8 sale of liquor in a liquor store is \$600. The fee for a  
10 temporary license for the sale of liquor in a liquor store is  
12 \$100 per month for the license period.

14 **Sec. 32. 28-A MRSA §455**, as amended by PL 1997, c. 373, §48,  
16 is repealed.

18 **Sec. 33. 28-A MRSA §457**, as amended by PL 1997, c. 373, §49,  
20 is repealed.

22 **Sec. 34. 28-A MRSA §458**, as amended by PL 1997, c. 373, §50,  
24 is further amended by repealing and replacing the headnote to  
26 read:

28 **§458. Renewal of liquor store license; selection of alternate**  
30 **licensee**

32 **Sec. 35. 28-A MRSA §458, sub-§1**, as amended by PL 1997, c.  
34 373, §50, is further amended to read:

36 1. **Application by store.** The holder of an-agency a liquor  
38 store license shall apply annually to the bureau for renewal of  
40 that license. An application for renewal must be submitted on a  
42 form prepared by the bureau.

44 **Sec. 36. 28-A MRSA §458, sub-§2, ¶¶A and B**, as enacted by PL  
46 1991, c. 782, §1, are repealed.

48 **Sec. 37. 28-A MRSA §458, sub-§§3 and 4**, as amended by PL 1997,  
50 c. 373, §50, are repealed.

**Sec. 38. 28-A MRSA §458, sub-§5**, as amended by PL 1997, c.  
373, §50, is further amended to read:

5. **Aggrieved applicant.** Any agency liquor store licensee  
aggrieved by a decision of the bureau not to renew an-agency a  
liquor store license may appeal the decision by filing a  
complaint with the Administrative Court and serving a copy of  
that complaint on the bureau. The complaint must be filed and  
served within 15 days of notification of the agency liquor store  
licensee by the bureau that the license will not be renewed.

**Sec. 39. 28-A MRSA §459**, as enacted by PL 1993, c. 276, §1,  
is amended to read:

**§459. Delivery of liquor by liquor stores**

2           Agency---liquor   Liquor stores may deliver liquor to  
establishments that are licensed to serve liquor on premises.

4           **Sec. 40. 28-A MRSA §605, sub-§5**, as amended by PL 1987, c.  
6 623, §7, is further amended to read:

8           **5. Incorporation of licensee's business.** The incorporation  
of a licensee's business or a change in the form of incorporation  
10 of a licensee's business are ~~transfers~~ is a transfer within the  
meaning of this section. ~~This subsection does not apply to~~  
12 ~~agency---liquor---stores---as---long---as---the---licensed---agent---retains~~  
~~control-of-the-corporate-stock.~~

14           **Sec. 41. 28-A MRSA §606**, as amended by PL 1997, c. 373, §58,  
16 is further amended by repealing and replacing the headnote to  
read:

18           **§606. Purchase of liquor; sale to government agencies**

20           **Sec. 42. 28-A MRSA §606, sub-§1**, as repealed and replaced by  
22 PL 1993, c. 276, §2, is amended to read:

24           **1. Purchase of liquor.** ~~Subject---to---the---restrictions~~  
~~provided-in-subsection-1-A,~~ a A person licensed to sell spirits  
26 must purchase liquor from a ~~state---or---agency---liquor---store~~  
certificate of approval holder or wholesaler. This subsection  
28 does not apply to public service corporations operating  
interstate.

30           **Sec. 43. 28-A MRSA §606, sub-§1-A**, as repealed and replaced by  
32 PL 1993, c. 276, §3, is repealed.

34           **Sec. 44. 28-A MRSA §606, sub-§1-C**, as enacted by PL 1997, c.  
24, Pt. L, §2, is repealed.

36           **Sec. 45. 28-A MRSA §606, sub-§§4, 5, 6 and 7**, as amended by PL  
38 1997, c. 373, §58, are repealed.

40           **Sec. 46. 28-A MRSA §606, sub-§8**, as amended by PL 1997, c. 24,  
Pt. L, §4, is repealed.

42           **Sec. 47. 28-A MRSA §708, sub-§5**, as enacted by PL 1993, c.  
44 615, §4, is amended to read:

46           **5. Combination packages.** Notwithstanding subsection 3,  
agency liquor store licensees may offer for sale any package or  
48 combination of packages of spirits that the commission has  
approved for sale ~~in-state-liquor-stores~~.

50

2           **Sec. 48. 28-A MRSA §1052-A, sub-§6**, as amended by PL 1995, c.  
30, §3, is further amended to read:

4           **6. Excise taxes; premiums.** A licensee must pay the  
appropriate excise taxes and premiums under ~~sections~~ section 1652  
6 and ~~1703~~ before the scheduled calendar date of the special  
taste-testing festival.

8           **Sec. 49. 28-A MRSA §1365**, as amended by PL 1997, c. 373,  
10 §120, is further amended to read:

12           **§1365. Low-alcohol spirits product tax**

14           In addition to any tax or premium paid under section 1652 ~~or~~  
~~section--1703~~, each certificate of approval holder that  
16 manufactures low-alcohol spirits products shall pay a tax of 30¢  
on each gallon of low-alcohol spirits product sold to a wholesale  
18 licensee in the State. In addition to the forms filed pursuant  
to section 1364, a certificate of approval holder that  
20 manufactures low-alcohol spirits products shall file with the  
bureau a monthly report on the number of gallons of low-alcohol  
22 spirits product sold to wholesale licensees in the State. The  
certificate of approval holder must enclose payment for the tax  
24 due under this section on the reported sales.

26           **Sec. 50. 28-A MRSA §1371, sub-§3, ¶B**, as amended by PL 1997,  
c. 373, §122, is repealed.

28           **Sec. 51. 28-A MRSA §1651, sub-§1**, as amended by PL 1997, c.  
30 24, Pt. L, §5, is repealed.

32           **Sec. 52. 28-A MRSA §1651, sub-§2**, as amended by PL 1995, c.  
181, §§1 and 2, is repealed.

34           **Sec. 53. 28-A MRSA §1651, sub-§4**, as enacted by PL 1987, c.  
36 45, Pt. A, §4, is repealed.

38           **Sec. 54. 28-A MRSA §1703**, as amended by PL 1997, c. 767, §§5  
and 6, is repealed.

40           **Sec. 55. 28-A MRSA §2073, sub-§3, ¶B**, as enacted by PL 1987,  
42 c. 45, Pt. A, §4, is amended to read:

44           B. For-hire carriers and contract carriers, authorized by  
the Department of Public Safety, may transport liquor to  
46 ~~state~~ liquor stores, to liquor warehouses, to licensees, to  
purchasers of liquor at ~~state~~ liquor stores and from  
48 manufacturers to liquor warehouses, ~~state~~ liquor stores and  
to the state line for transportation outside the State.

50

2           **Sec. 56. 28-A MRSA §2073, sub-§3, ¶C**, as enacted by PL 1987,  
c. 45, Pt. A, §4, is repealed.

4           **Sec. 57. 28-A MRSA §2073, sub-§3, ¶F**, as amended by PL 1997,  
c. 373, §154, is further amended to read:

6           F. The bureau may authorize hospitals and state  
8           institutions to purchase liquor, for medicinal purposes  
only, from wholesale licensees ~~and--state--liquor--stores~~.  
10           This authorization must be in writing.

12           **Sec. 58. 28-A MRSA §2075, sub-§1**, as amended by PL 1997, c.  
373, §155, is further amended to read:

14           **1. Only the commission may import spirits; exception.**  
16           Except as provided in this section, ~~ne a~~ person other than the  
~~alcohol-bureau~~ a licensee may not import spirits into the State.

18           A. An individual may transport spirits into the State and  
20           may transport from place to place within the State those  
spirits for the individual's personal use in a quantity not  
22           greater than 4 quarts.

24           **Sec. 59. 28-A MRSA §2075, sub-§2**, as amended by PL 1993, c.  
730, §47, is further amended to read:

26           **2. Transportation of spirits within the State.** ~~Ne~~ A person  
28           may not transport or cause to be transported any spirits within  
the State in a quantity greater than 4 quarts unless the spirits  
30           were purchased from a ~~state-ex-agency~~ liquor store in the State.

32           **Sec. 60. 28-A MRSA §2075, sub-§3**, as amended by PL 1993, c.  
730, §47, is further amended to read:

34           **3. Importation and transportation of spirits for special**  
36           **purposes.** The bureau may, in writing, permit and authorize the  
importation of spirits into the State and the transportation of  
38           spirits from place to place within the State to the following  
destinations by persons other than licensees for the specified  
40           purposes:

42           A. To industrial establishments for use as an ingredient in  
the manufacture of food products, or for use as an  
44           ingredient in the manufacture of commodities that by reason  
of their nature can not be used for beverage purposes, or  
46           for use in the manufacture of commodities unfit for beverage  
purposes;

48           B. To licensed distillers and manufacturers of spirits in  
50           the State for use as an ingredient in distilling or

2 manufacturing spirits and other spirituous products that are  
authorized by 27 Code of Federal Regulations; and

4 C. To churches or to the pastor of any church for  
sacramental purposes or similar religious rites.

6  
8 **Sec. 61. 28-A MRSA §2076, sub-§1**, as amended by PL 1997, c.  
373, §156, is further amended to read:

10 **1. Delivery of liquor.** Except for a licensee or with the  
bureau's written permission, ne a person may not knowingly  
12 transport to or cause to be delivered to any person other than  
~~the-alcohol-bureau~~ a licensee any spirits not purchased from a  
14 state liquor store ~~or-the-alcohol-bureau~~.

16 **Sec. 62. 28-A MRSA §2229, sub-§2**, as amended by PL 1997, c.  
373, §162, is further amended to read:

18 **2. Sale of forfeited liquor by alcohol bureau.** Except as  
20 provided in paragraph A, the alcohol bureau shall sell forfeited  
liquor ~~in-the-state~~ to liquor stores throughout the State.

22 **A.** If any liquor is determined by the court to be unfit or  
24 unsatisfactory for consumption or retail sale, the court may  
order the liquor to be destroyed by any officer competent to  
26 serve the process on which it was forfeited. The officer  
shall make the return accordingly to the court.

28 (1) The liquor must be destroyed by pouring it upon  
30 the ground or into a public sewer.

32 **Sec. 63. 28-A MRSA §2230, sub-§2, ¶B**, as amended by PL 1997,  
c. 373, §163, is further amended to read:

34 **B.** Secure the liquor for a period of 30 days, after which  
36 time the agency shall transfer the liquor to the bureau.  
The bureau shall dispose of any malt liquor or wine and  
38 shall transfer any spirits to the alcohol bureau for sale at  
state liquor stores or disposal.

40 **Sec. 64. Proposal for orderly withdrawal of existing liquor stores.**  
42 The Bureau of Alcoholic Beverages and Lottery Operations shall  
submit a proposal for the orderly withdrawal of existing state  
44 and agency liquor stores, either by closing or transfer,  
effective no later than January 31, 2001. The proposal and any  
46 necessary legislation must be submitted by January 31, 2000 to  
the Joint Standing Committee on Legal and Veterans' Affairs.  
48 This section takes effect November 1, 1999.

2           **Sec. 65. Effective date.** This Act takes effect January 1, 2001,  
except as otherwise provided.

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### SUMMARY

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8           This bill eliminates state and agency liquor stores as well  
as price-setting and wholesale activities by the State. The  
Bureau of Alcoholic Beverages and Lottery Operations and the  
10 Bureau of Liquor Enforcement maintain the power to collect taxes,  
issue licenses and ensure compliance with the state liquor laws.