

# MAINE STATE LEGISLATURE

The following document is provided by the  
**LAW AND LEGISLATIVE DIGITAL LIBRARY**  
at the Maine State Law and Legislative Reference Library  
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied  
(searchable text may contain some errors and/or omissions)



# 120th MAINE LEGISLATURE

## SECOND REGULAR SESSION-2002

---

Legislative Document

No. 2123

H.P. 1623

House of Representatives, February 20, 2002

---

**An Act to Implement the Recommendations of the Commission to  
Develop a Plan to Implement the Closure of State Liquor Stores.**

---

Reported by Representative TUTTLE for the Commission to Develop a Plan to Implement the Closure of State Liquor Stores pursuant to Public Law 2001, chapter 358, Part V.

Reference to the Joint Standing Committee on Legal and Veterans Affairs suggested and printing ordered under Joint Rule 218.

*Millicent M. MacFarland*

MILLICENT M. MacFARLAND, Clerk

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

2           **Sec. 1. 28-A MRSA §2, sub-§27-A** is enacted to read:

4           **27-A. Reselling agent.** "Reselling agent" means an agency  
6 liquor store with a federal and state license permitting the  
8 agency liquor store to sell spirits to a retail licensee licensed  
for on-premises consumption.

10           **Sec. 2. 28-A MRSA §453**, as amended by PL 1997, c. 373, §46,  
12 is further amended to read:

14           **§453. Location of agency stores**

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

20           A. The proposed agency liquor store is located in a  
22 municipality or unincorporated place that has voted in favor  
24 of the operation of state liquor stores under local option  
26 provisions.

28           ~~C. The proposed agency liquor store is not within 3.5 miles~~  
30 ~~of an existing state liquor store or an existing agency~~  
32 ~~liquor store that was licensed before May 1, 1993.~~

34           ~~D. If a state liquor store closes, the bureau may grant~~  
36 ~~more than one agency store license in a municipality when~~  
38 ~~the bureau considers it appropriate. Agency liquor stores~~  
40 ~~licensed before May 1, 1993 that replace closed state liquor~~  
42 ~~stores are exempt from the distance requirement in paragraph~~  
~~C.~~

44           ~~2. Replacement of state or agency liquor stores. The~~  
46 ~~alcohol bureau may not replace a state liquor store and the~~  
48 ~~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.~~

50           **2-A. Replacement of state liquor stores.** The bureau may  
52 replace a closed state liquor store ~~closed after July 1, 1990~~  
54 ~~with 3~~ with an agency liquor stores store if:

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

2 B. The bureau does not issue to a person or corporation  
more than 2 of the 3 licenses issued to replace a state  
4 liquor store. For purposes of this restriction, each  
partner of a partnership, each corporation that owns an  
6 interest in another corporation and each person who owns 20%  
or more of the shares or other interest in a corporation is  
8 deemed to own a license granted to the partnership or  
corporation.

10 **Sec. 3. 28-A MRSA §453-A, sub-§§1 and 1-A**, as amended by PL  
1997, c. 373, §47, are repealed.

12 **Sec. 4. 28-A MRSA §453-A, sub-§2**, as amended by PL 1997, c.  
14 373, §47, is further amended to read:

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

26 **Sec. 5. 28-A MRSA §453-A, sub-§5**, as amended by PL 1997, c.  
373, §47, is further amended to read:

28 **5. Licensing decisions.** The bureau shall conduct an  
30 investigation to determine the feasibility of the location and  
type of facility for the agency liquor store and shall issue the  
32 license to one or more of the applicants, taking into  
consideration ~~the bid offered and any other~~ factors the bureau  
34 considers appropriate. When considering the issuance of a  
36 license, the bureau shall consider the proximity of the proposed  
agency store to existing agency stores and the potential impact  
38 the location of the proposed agency store may have on an existing  
agency store. The bureau may deny a license if the bureau  
40 determines the proposed agency store location is in too close  
proximity to an existing agency store.

42 **Sec. 6. 28-A MRSA §453-C** is enacted to read:

44 **§453-C. Reselling agents**

46 **1. Agent licensed to resell spirits purchased from the**  
**commission.** An agent licensed to resell spirits and fortified  
48 wine purchased from the state to a retail licensee licensed for  
on-premises consumption must be licensed as a reselling agent.  
50 An agent is prohibited from reselling liquor to a retail licensee

2 licensed for on-premises consumption except for spirits and  
3 fortified wine purchased from the commission or a state liquor  
4 store. A reselling agent may not resell fortified wine purchased  
5 from wholesalers licensed to sell beer and wine in the State.

6 2. License fee. The fee for a state license to resell  
7 spirits and fortified wine to a retail licensee licensed for  
8 on-premises consumption is \$50 annually.

10 **Sec. 7. 28-A MRSA §606, sub-§8,** as amended by PL 1997, c. 24,  
11 Pt. L, §4, is further amended to read:

12 **8. Limits on price.** ~~An agency liquor store may not sell~~  
13 ~~spirits and fortified wine for less than 103% of the price paid~~  
14 ~~by the agency liquor store. An agency liquor store may not sell~~  
15 ~~spirits to persons other than on-premises licensees for more than~~  
16 ~~the list price set in accordance with chapters 65 and 67. An~~  
17 agency liquor store shall sell all spirits and fortified wine  
18 purchased from the commission at the retail price established by  
19 the commission.

22 **Sec. 8. Bureau of Alcoholic Beverages and Lottery Operations to**  
23 **continue to operate 19 state liquor stores.** Notwithstanding Public Law  
24 2001, chapter 358, Part V, the Department of Administrative and  
25 Financial Services, Bureau of Alcoholic Beverages and Lottery  
26 Operations shall continue to operate all state liquor stores open  
27 as of January 1, 2002.

28 **Sec. 9. Bureau of Alcoholic Beverages and Lottery Operations;**  
29 **report.** The Department of Administrative and Financial Services,  
30 Bureau of Alcoholic Beverages and Lottery Operations shall report  
31 each year by March 1st to the joint standing committee of the  
32 Legislature having jurisdiction over alcoholic beverages matters  
33 on the operation of the 19 state liquor stores and the statewide  
34 spirits distribution system. This report must include: an  
35 assessment of the State's spirits distribution system success in  
36 supplying spirits to agency liquor stores, the feasibility of  
37 expanding warehouse operations to offer split cases to agents and  
38 the profitability of the 19 state liquor stores.

## 42 SUMMARY

44 This bill makes several changes to the liquor laws based on  
45 the recommendations of the Commission to Develop a Plan to  
46 Implement the Closure of State Liquor Stores. This bill requires  
47 the Department of Administrative and Financial Services, Bureau  
48 of Alcoholic Beverages and Lottery Operations to continue to  
49 operate the remaining 19 state liquor stores. It repeals the  
50 3.5-mile radius requirement when a state liquor store is replaced

2 with an agency store. It requires an agent permitted to resell  
3 spirits and fortified wine purchased from the State Liquor  
4 Commission to a retail licensee licensed for on-premises  
5 consumption to obtain a state reselling agent license for an  
6 annual fee of \$50. The bill also requires the Bureau of  
7 Alcoholic Beverages and Lottery Operations to report annually to  
8 the joint standing committee of the Legislature having  
jurisdiction over alcoholic beverages matters.