

MAINE STATE LEGISLATURE

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Date: *5/30/07*

Majority

L.D. 1757
(Filing No. H-*379*)

LEGAL AND VETERANS AFFAIRS

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
123RD LEGISLATURE
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT "*A*" to H.P. 1223, L.D. 1757, Bill, "An Act To Establish a Pricing Formula for Liquor Sales and To Adjust Agent Discounts"

Amend the bill by striking out the title and substituting the following:

'Resolve, To Require the Bureau of Alcoholic Beverages and Lottery Operations To Conduct a Stakeholder Working Group Regarding the Establishment of a Spirits Pricing Formula'

Amend the bill by striking out everything after the title and inserting the following:

'Sec. 1. Director of Bureau of Alcoholic Beverages and Lottery Operations to conduct a stakeholder working group regarding the establishment of a spirits pricing formula. Resolved: That the Director of the Bureau of Alcoholic Beverages and Lottery Operations within the Department of Administrative and Financial Services shall conduct a stakeholder working group to seek agreement on the development of a pricing formula or pricing strategy for distilled spirits that takes into consideration market predictability, fairness, competitiveness with neighboring states, transparency for those whose businesses depend on the sales of spirits and the existing contract between the State and the private wholesale spirits distributor. The working group shall consider the current structure of discounts offered to agency liquor stores with regard to profitability of agency liquor stores as an element of the spirits business in the State. The working group's membership must include, but is not limited to, representatives from spirits manufacturers, spirits suppliers, agency liquor stores, agency liquor stores with reselling licenses, establishments licensed to sell spirits for on-premises consumption and the private wholesaler contracted by the State to distribute spirits in the State; and be it further

Sec. 2. Report date established. Resolved: That the Director of the Bureau of Alcoholic Beverages and Lottery Operations within the Department of Administrative and Financial Services shall submit a report to the Joint Standing Committee on Legal and Veterans Affairs by March 1, 2008. The report must include information regarding

COMMITTEE AMENDMENT

1 the meetings of the stakeholder working group under section 1 and the status of any
2 agreement reached with regard to a pricing formula or pricing strategy and adjustments to
3 discounts afforded to agency liquor stores, successes and shortcomings of the privatized
4 wholesale spirits distribution system identified by the stakeholders and liquor law
5 enforcement issues identified by the stakeholders. The Director of the Bureau of
6 Alcoholic Beverages and Lottery Operations shall include in the report a section
7 dedicated to the comments of the stakeholders who took part in meetings of the
8 stakeholder working group; and be it further

9 **Sec. 3. Joint standing committee authorized to submit legislation.**

10 **Resolved:** That the Joint Standing Committee on Legal and Veterans Affairs is
11 authorized to submit legislation to the 123rd Legislature based on the information
12 presented in the report under section 2, including, but not limited to, establishing an
13 annual reporting date for the Department of Administrative and Financial Services,
14 Bureau of Alcoholic Beverages and Lottery Operations to present information with
15 regard to the success of a pricing formula and the overall operation of the private
16 wholesale spirits distribution system in order to assist future Legislatures with the
17 assessment of the wholesale spirits distribution contract.

18 **SUMMARY**

19 This amendment replaces the bill. It requires the Director of the Bureau of Alcoholic
20 Beverages and Lottery Operations within the Department of Administrative and Financial
21 Services to conduct a stakeholder working group to seek agreement on a pricing formula
22 or strategy for the sale of spirits. The stakeholder working group shall also examine the
23 issue of agency store discounts on spirits. The stakeholder working group must include
24 representatives of spirits manufacturers and suppliers, agency store licensees, reselling
25 agents, on-premises licensees and the private wholesaler contracted to distribute spirits
26 for the State. Comments submitted by the stakeholders must be included in the report
27 that is required to be presented to the Joint Standing Committee on Legal and Veterans
28 Affairs by March 1, 2008. The committee is authorized to submit legislation based on the
29 report to the 123rd Legislature.

FISCAL NOTE REQUIRED
(See attached)



123rd MAINE LEGISLATURE

LD 1757

LR 1808(02)

An Act To Establish a Pricing Formula for Liquor Sales and To Adjust Agent Discounts

Fiscal Note for Bill as Amended by Committee Amendment "A"

Committee: Legal and Veterans Affairs

Fiscal Note Required: Yes

Fiscal Note

Minor cost increase - General Fund