



# 129th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2019

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Legislative Document

No. 25

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H.P. 26

House of Representatives, January 2, 2019

**An Act To Implement the Recommendations of the Government  
Oversight Committee Regarding Bureau of Alcoholic Beverages and  
Lottery Operations Reporting Requirements**

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Reported by Representative MASTRACCIO of Sanford for the Government Oversight Committee pursuant to the Maine Revised Statutes, Title 3, section 997, subsection 2.

Reference to the Committee on Veterans and Legal Affairs suggested and ordered printed pursuant to Joint Rule 218.

Handwritten signature of Robert B. Hunt in cursive.

ROBERT B. HUNT  
Clerk

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

2 **Sec. 1. 8 MRSA §372, sub-§2, ¶H**, as amended by PL 1991, c. 780, Pt. Y, §109,  
3 is further amended to read:

4 H. Certify monthly to the ~~Treasurer of State~~, the commission and the commissioner a  
5 full and complete statement of lottery revenues, prize disbursements and other  
6 expenses for the preceding month; ~~submit an annual report, subject to the approval of~~  
7 ~~the commission, that must include a full and complete statement of lottery revenues,~~  
8 ~~prize disbursements and expenses, to the Governor and the Legislature, together with~~  
9 ~~recommendations for changes in this chapter;~~

10 **Sec. 2. 8 MRSA §372, sub-§2, ¶I**, as amended by PL 2003, c. 673, Pt. MM, §1,  
11 is further amended to read:

12 I. Carry on a continuous study and investigation of the lotteries throughout the State  
13 and the operation and administration of similar laws that may be in effect in other  
14 jurisdictions. The director, subject to the prior approval of the commission, may  
15 enter into a written agreement with a multijurisdictional lottery association for the  
16 operation, marketing and promotion of a joint lottery or joint lottery games with other  
17 jurisdictions.

18 Any final agreement entered into with a multijurisdictional lottery association must  
19 provide that the director has the authority to terminate the agreement upon the  
20 provision of reasonable notice, not to exceed 6 months. The final agreement must  
21 further provide that the director may terminate the agreement at any time, without  
22 prior notice, in the event that the director's authority is withdrawn or limited by law;  
23 ~~and~~

24 **Sec. 3. 8 MRSA §372, sub-§2, ¶J**, as enacted by PL 1991, c. 780, Pt. Y, §112, is  
25 amended to read:

26 J. Assign duties as necessary to a designee; ~~and~~

27 **Sec. 4. 8 MRSA §372, sub-§2, ¶K** is enacted to read:

28 K. Beginning February 15, 2020, submit a report annually, subject to the approval of  
29 the commission, to the Governor and the joint standing committees of the Legislature  
30 having jurisdiction over lottery matters and appropriations and financial affairs. The  
31 joint standing committee of the Legislature having jurisdiction over lottery matters  
32 may submit to the Legislature legislation based on the report. The report must  
33 include:

34 (1) A list of the decisions made by the commission and resulting actions for the  
35 preceding calendar year relevant to lottery operations;

36 (2) A complete statement of lottery revenues, prize disbursements and expenses  
37 and appropriations from the General Fund, if any, for the preceding calendar  
38 year;

1                   (3) A 5-year history of the account used to manage lottery operations, which  
2                   must include the amount of revenues deposited into the State Lottery Fund and  
3                   the amounts transferred to the General Fund;

4                   (4) A detailed statement of the expenditures made to promote lottery sales  
5                   through marketing, advertising and recruitment of agents for the preceding  
6                   calendar year;

7                   (5) A description of the lottery marketing and advertising activities for the  
8                   preceding calendar year. The description must identify each radio station and  
9                   television station, if any, that broadcast or distributed the advertising;

10                  (6) For each radio station and television station identified pursuant to  
11                  subparagraph (5), the format of advertising activity and amount of the  
12                  expenditures for the preceding calendar year associated with each station; and

13                  (7) Any recommendations for changes to this chapter.

14                  **Sec. 5. 28-A MRSA §83-B, sub-§11**, as enacted by PL 2013, c. 476, Pt. A, §9, is  
15                  amended to read:

16                  **11. Certification.** Certify monthly to the ~~Treasurer of State and the~~ commissioner a  
17                  complete statement of expenses and revenues collected in accordance with the licensing  
18                  and enforcement functions of the bureau. ~~The bureau shall submit an annual report that~~  
19                  ~~includes a complete statement of expenses and revenues collected in accordance with the~~  
20                  licensing and enforcement functions of the bureau to the Governor and the joint standing  
21                  committee of the Legislature having jurisdiction over alcoholic beverage matters,  
22                  ~~together with recommendations for changes to this Title.~~

23                  **Sec. 6. 28-A MRSA §83-C, sub-§7**, as enacted by PL 2013, c. 476, Pt. A, §9, is  
24                  amended to read:

25                  **7. Certification.** Certify monthly to the ~~Treasurer of State and the~~ commissioner a  
26                  complete statement of revenues from and expenses for the sale of spirits by the bureau  
27                  ~~and submit an annual report that includes a complete statement of the revenues and~~  
28                  ~~expenses of the bureau to the Governor and the joint standing committee of the~~  
29                  Legislature having jurisdiction over alcoholic beverage matters, together with  
30                  ~~recommendations for changes to this Title;~~

31                  **Sec. 7. 28-A MRSA §84, sub-§5**, as amended by PL 2015, c. 430, §2, is further  
32                  amended to read:

33                  **5. Certification.** Certify monthly to the ~~Treasurer of State and the~~ Commissioner of  
34                  Administrative and Financial Services a complete statement of revenues and expenses for  
35                  liquor sales for the preceding month ~~and submit an annual report that includes a complete~~  
36                  ~~statement of the revenues and expenses for the bureau to the Governor and the~~  
37                  Legislature, together with recommendations for changes in this Title; and

38                  **Sec. 8. 28-A MRSA §84, sub-§6**, as enacted by PL 2015, c. 430, §3, is amended  
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**6. Implement a spirits sales data reporting system.** Collect from reselling agents data on spirits sales made by each reselling agent to establishments licensed to sell spirits for on-premises consumption. The data must include, but is not limited to, the amount and date of sale of each product code sold to on-premises licensees by the reselling agent. For the purposes of this subsection, "product code" has the same meaning as in section 461. For the purposes of collecting on-premises spirits sales data from reselling agents, the director shall enter into a contract with a trade association representing states that control and manage the sale of spirits. The contract must require that neither the bureau nor the trade association may make publicly available any information that would specifically identify the reselling agent, including, but not limited to, the reseller's name, the name of the reseller's agency liquor store, the reseller's agency liquor store's address or the address of any associated storage facility of the reselling agent; and

**Sec. 9. 28-A MRSA §84, sub-§7** is enacted to read:

**7. Annual report.** Beginning February 15, 2020, submit a report annually, subject to the approval of the commission, to the Governor and the joint standing committees of the Legislature having jurisdiction over alcoholic beverage matters and appropriations and financial affairs. The joint standing committee of the Legislature having jurisdiction over alcoholic beverage matters may submit to the Legislature legislation based on the report. The report must include:

- A. A complete statement of the revenues and expenses for the bureau for the preceding calendar year;
- B. A complete statement of the information required by section 83-B, subsection 11 for the preceding calendar year;
- C. A complete statement of the information required by section 83-C, subsection 7 and section 84, subsection 5 for the preceding calendar year;
- D. The information required by section 83-C, subsection 9; and
- E. Any recommendations for changes to this Title.

**SUMMARY**

This bill implements recommendations of the Government Oversight Committee based on the report on the Maine State Lottery issued by the Office of Program Evaluation and Government Accountability in April 2017. The bill removes a provision of law that requires the Director of the Bureau of Alcoholic Beverages and Lottery Operations within the Department of Administrative and Financial Services to certify certain financial information related to lottery operations to the Treasurer of State monthly. The bill modifies the director's annual reporting requirements related to lottery operations. It requires the director to submit an annual report to the Governor and the joint standing committees of the Legislature having jurisdiction over lottery matters and appropriations and financial affairs. The report must include specific information on lottery activities and finances and marketing and advertising efforts and a listing of decisions made by the State Liquor and Lottery Commission and actions taken as a result.

1           The bill also amends several provisions related to monthly certification and annual  
2 reporting requirements related to administration of the State's spirits business and the  
3 bureau's oversight of the manufacture, distribution and sale of liquor in the State to make  
4 them consistent with the bill's proposed requirements for lottery operations reporting.  
5 Finally, the bill authorizes the joint standing committee of the Legislature having  
6 jurisdiction over lottery and alcoholic beverage matters to submit legislation based on the  
7 reports required to be submitted by the director.