STATE OF MAINE

IN THE YEAR OF OUR LORD TWO THOUSAND AND TWELVE

H.P. 664 - L.D. 905

An Act Regarding the Distribution and Sale of Spirits

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

- **Sec. 1. 28-A MRSA §83, sub-§5,** as enacted by PL 1997, c. 373, §28, is amended to read:
- 5. Investigate and recommend changes. The alcohol bureau shall carry out a continuous study and investigation of the sale of alcoholic beverages throughout the State and the operation and administration of state activities and recommend to the Commissioner of Administrative and Financial Services any changes in the laws or rules and methods of operation that are in the best interest of the State. By December 1, 2012, the commissioner shall conduct a cost-benefit analysis of the discount price at which agency liquor stores purchase spirits and fortified wine from the State or wholesale liquor provider contracted by the State that includes consideration of how the discount price may be adjusted to allow agency liquor stores' revenue trends to mirror proportionally any upward trend in spirits sales and revenue realized by the State or the State's wholesale liquor provider. The commissioner shall update the cost-benefit analysis at least every 2 years and shall make the analysis available, upon request, to the joint standing committee of the Legislature having jurisdiction over alcoholic beverages matters.

Sec. 2. 28-A MRSA §83, sub-§5-A is enacted to read:

- 5-A. Sales incentives to agents; rules. The alcohol bureau may adopt rules to provide for a sales incentive program for agency liquor stores. The alcohol bureau shall consider federal regulations that govern sales incentives for alcoholic beverages and the effect of a sales incentive program on General Fund revenue and pending or existing contracts with a wholesale liquor provider when developing an incentive program. Notwithstanding subsection 1, rules adopted in accordance with this subsection are major substantive rules pursuant to Title 5, chapter 375, subchapter 2-A.
- **Sec. 3. 28-A MRSA §1651, sub-§2, ¶C,** as amended by PL 2005, c. 539, §9, is further amended to read:

C. Notwithstanding the other provisions of this section, with approval of the Commissioner of Administrative and Financial Services, the alcohol bureau may reduce the price of discontinued items of liquor that, as determined by the alcohol bureau by rule, is unlikely to be sold for the list price. The reduced price may not be less than the actual cost of the discontinued liquor items. Rules adopted to implement this paragraph are major substantive rules pursuant to Title 5, chapter 375, subchapter 2-A.

Sec. 4. 28-A MRSA §2074-A is enacted to read:

§2074-A. Illegal storage, purchase or sale of spirits by an on-premises licensee; penalty

A person licensed for the sale of spirits for consumption on the licensed premises who violates section 606, subsection 1-A or violates state rules or federal regulations governing the storage, purchase and sale of spirits, including but not limited to the prohibition against reusing or refilling liquor bottles, and the disposition of empty liquor bottles, is subject to suspension or revocation of the license under chapter 33 as follows.

- 1. Suspension of privilege to sell spirits. A person who commits a violation described by this section is subject to a 90-day suspension for a first offense, a 180-day suspension for a 2nd offense and a one-year suspension for a 3rd or subsequent offense.
- **2. Revocation.** The bureau may recommend revocation of a license to sell spirits for consumption on the premises if a licensee commits more than 3 violations as described by this section.
- **Sec. 5. Appropriations and allocations.** The following appropriations and allocations are made.

PUBLIC SAFETY, DEPARTMENT OF

Liquor Enforcement 0293

Initiative: Provides a one-time General Fund appropriation for contracted auditing services of on-premises retailers to ensure compliance with applicable laws and regulations requiring them to purchase spirits from a licensed reselling agent in the State.

GENERAL FUND	2011-12	2012-13
All Other	\$0	\$92,000
GENERAL FUND TOTAL		\$92,000

In House of Representatives,
Read twice and passed to be enacted.
Speaker
In Senate,
Read twice and passed to be enacted.
President
Approved
Governor