



Kristen Cloutier

33 Charles St.

Lewiston, ME 04240

Phone: (207) 807-1637

Kristen.Cloutier@legislature.maine.gov

HOUSE OF

REPRESENTATIVES

2 STATE HOUSE STATION

AUGUSTA, MAINE 04333-0002

(207) 287-1400

TTY: MAINE RELAY 711

January 17, 2024

Testimony of Representative Cloutier in support of

LD 2014, An Act Regarding Spirits Price Regulation

Before the Joint Standing Committee on Veterans and Legal Affairs

Senator Hickman, Representative Supica, and distinguished members of the Joint Standing Committee on Veterans and Legal Affairs, I am Kristen Cloutier and I proudly represent House District 94 which includes part of my hometown of Lewiston. I also have the distinct honor of serving as Assistant House Majority Leader.

Today, I am pleased to support a uniform, flat markup rate for the pricing of spirits in Maine. As a control state, Maine has an obligation to regulate spirits within its borders. This includes setting the retail price for which spirits can be sold to consumers. The current "pricing calculator" was created by BABLO eight years ago and has since been amended by the Bureau. The markups built into the calculator vary widely. For the most part, the policies behind and components of the calculator do not exist in department rule nor statute. This includes the decision to markup lower priced items and smaller sizes at a much higher rate.

I appreciate this committee's work this session to dig into the policies of the current spirits pricing system. I support the notion that it should be the Legislature setting these policies that are then implemented by BABLO.

1820 Spirits, part of the Sazerac family, is an important part of the Lewiston community. Their Lewiston facility employs over 270 Mainers, many of whom are from the greater Lewiston-Auburn area. Sazerac is invested in Maine, and through its 1820 Spirits facility, continuously

provides important economic development activity to my district, including a recent \$1 million expansion.

I have listened to their concerns and the concerns of other industry stakeholders. I agree that the current spirits pricing system is both over-complicated and is inequitable. A simple, single markup (which exists in other control states), that ensures state profit goals are achieved and current retail profit margins and incentives are maintained, is a much fairer approach. One uniform markup, versus the more than 75 markups in the current system, creates a much less discriminatory and more balanced regulatory environment for Maine.

Lastly, I support the goal put forth by the stakeholders to make sure the funding that DHHS receives through the sale of spirits to address substance use disorder prevention and treatment remains intact.

Thank you for your time and consideration of this legislation.