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Senator Hickman, Chair Representative Supica, Chair Members, Joint Standing Committee on Veterans and Legal Affairs 100 State House Station Augusta, ME 04333-0100

Re: LD 1551 – An Act to Support Maine Eating and Drinking Establishments by Allowing Vendors to Operate on the Premises of an Establishment with a Liquor License

Senator Hickman, Representative Supica and members of the Joint Standing Committee on Veterans and Legal Affairs, thank you for the opportunity to provide information neither for nor against LD 1551, *An Act to Support Maine Eating and Drinking Establishments by Allowing Vendors to Operate on the Premises of an Establishment with a Liquor License.* 

LD 1551 establishes conditions under which a licensed eating establishment vendor may operate within a host establishment that holds a license issued by Maine's Bureau of Alcoholic Beverages and Lottery Operations (BABLO). It permits the vendor to sell food and alcoholic beverages, provided the alcohol is supplied exclusively by the host establishment and served in compliance with State training requirements.

For example, under this bill, a wedding barn holding a liquor license (host) will now be permitted to host a caterer who prepares and serves food and alcohol at the venue - as long as the caterer receives the alcohol from the host and meets the requirements for responsible beverage service training. In addition, the bill requires vendors to comply with all applicable health and safety rules, tax reporting obligations, and State standards. The host establishment is also required to maintain a schedule of vendor operations to ensure transparency and regulatory compliance.

If enacted, LD 1551 presents new business opportunities and flexibility for collaborative operations between host establishments holding a liquor license and vendors by permitting vendors to operate on the host's premises, a shift from current liquor laws which do not permit this type of business arrangement. Vendors will be able to prepare and serve food and alcohol under the conditions outlined above. To ensure food safety and protect public health, the bill also requires that these vendors hold a valid eating establishment license. To obtain a license from Maine Center for Disease Control and Prevention (Maine CDC) Health Inspection Program (HIP), vendors will be required to submit an application, undergo plan review, and receive an onsite inspection conducted by HIP inspectors before a license can be issued. This bill will result in an increased workload related to licensing and inspection activities. With this increase, HIP anticipates needing additional resources and an extended period of time for processing new licenses and issuing license renewals.

BABLO Liquor Licensing and Enforcement estimates there are approximately 2,429 HIP licensed eating establishments currently hold a liquor license. This represents 37% of all HIP licensed eating establishments that could potentially choose to adopt this new business model, if enacted. Additionally, as the licensing authority for restaurants and other eating establishments, HIP anticipates an increase in new license applications resulting from this expanded opportunity. While this increase will generate additional revenue, it will place added strain on HIP's administrative workload, oversight responsibilities, and enforcement actions that the program is not currently equipped to absorb. HIP estimates that two additional Public Health Inspector I positions will be needed to manage this additional workload.

In summary, the Department is neither for nor against LD 1551. This bill offers both eating establishments, holding a liquor license, and eating establishment vendors expanded business opportunities. However, this bill also introduces an increased workload for HIP as unlicensed vendors will need to obtain individual eating establishments licenses, resulting in additional inspections that will require staff resources to ensure compliance and prevent further delays in HIP's inspection activities.

Please feel free to contact me if you have any questions during your deliberation of this bill.

Sincerely,

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Director

Maine Center for Disease Control and Prevention Maine Department of Health and Human Services