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Testimony of Nate Cloutier

Before the Joint Standing Committee on Veterans & Legal Affairs  
February 26, 2025

**In Qualified Support of LD 494, *"An Act to Update and Clarify Certain Provisions of State Liquor and Lottery Laws"***

Senator Hickman, Representative Supica, and distinguished members of the Veterans & Legal Affairs Committee, my name is Nate Cloutier, and I am here today on behalf of HospitalityMaine, representing Maine's premier restaurant and lodging industry. I am also speaking on behalf of the Maine Tourism Association, a non-profit association and the state's largest tourism organization with nearly 1,500 members. HospitalityMaine and Maine Tourism Association offer qualified support of LD 494, *"An Act to Update and Clarify Certain Provisions of State Liquor and Lottery Laws."*

We appreciate the common-sense updates proposed in the Bureau of Alcoholic Beverages and Lottery Operations' (BABLO) bill. Most agree that there are areas of Maine's liquor laws, codified in Title 28-A, that are outdated and no longer reflect the realities of today's spirits industry. The proposed changes demonstrate the department's desire to modernize antiquated policies while maintain responsible oversight.

We would like to suggest two changes to this bill for the Committee's consideration.

**1. Part A: Sec. A-17. 28-A MRSA §1070, sub-§3. No sales during events for minors.**

This provision prohibits the sale of spirits, wine, or malt liquor during school activities or events primarily attended by minors in certain venues, including civic auditoriums, outdoor stadiums, and performing arts centers.

We fully support efforts to prevent alcohol sales to minors. Notably, however, this provision has unintended consequences for the affected licensees and is applied, as other license types are not subject

to the same restriction.

The language in this section is ambiguous. The phrase, “events primarily attended by minors” lacks a clear definition. Are restaurants, movie theaters, bowling alleys, or baseball stadiums considered venues “for minors” simply because children are frequently present? What about events enjoyed by both adults and children? For example, I attended a Portland Sea Dogs game last summer with my teenage siblings. Would that be considered an event “for minors?” The ambiguity creates uncertainty for both businesses and enforcement officials. For further perspective, major family-oriented attractions such as Disneyland, Disney World, and Chuck E. Cheese all serve alcohol under well-regulated conditions.

Civic auditoriums and outdoor stadiums already undergo regular oversight and strict enforcement of alcohol regulations. Employees are trained to ensure compliance, and penalties for violations are significant. A more effective approach is to rely on the proven enforcement mechanisms already in place.

Lastly, we support the department’s proposal to consolidate multiple licenses into a single license under this section to streamline the regulatory process.

**2. Part C: Sec. C-1. 28-A MRSA §707, sub-§2. Licensee must not receive anything of value.**

This provision prohibits licensees from receiving anything of value, directly or indirectly, any money or credit, thing of value, indorsement of commercial paper, guarantee of credit or financial assistance of any sort from a person if the person is:

- Engaged in the manufacture, distribution, wholesale sale, storage or transportation of liquor; or
- Engaged in the manufacture, distribution, sale or transportation of any commodity, equipment, material or advertisement used in connection with the manufacture, distribution, wholesale sale, storage or transportation of liquor.

In other words, this provision prevents licensees from receiving any form of financial support, goods, or services from individuals or businesses involved in producing, distributing, selling, storing, or advertising of liquor.

The bill proposes increasing the allowable value from the current \$300 limit established in rule to \$750 annually. While increasing this limit recognizes the existing threshold is outdated, we’d contend that any cap is unnecessary in today’s regulatory environment.

A cap limits a licensee’s ability to receive physical products that showcase and store inventory, as well as their ability to engage in marketing agreements. For physical products or point-of-sale items like pint glasses, bar mats, or shelving, a \$750 cap is quickly reached. Similarly, larger venues—especially those

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exceeding 1 million square feet—are unable to enter into legitimate marketing agreements, unlike similar establishments in other states. You will hear more about this issue shortly.

To prevent concerns about market dominance, we strongly support the bill's explicit prohibition of exclusivity agreements between distributors and retailers. The provision stating, *"A licensee may not give a thing of value with the intent to induce a retailer to purchase liquor from the licensee to the exclusion of liquor offered for sale by other persons,"* appropriately addresses competitive fairness while allowing for reasonable business interactions.

It has been decades since these two provisions were last updated. The changes are relatively minor in scope but are sensible and would be of benefit to industry stakeholders.

We appreciate the opportunity to provide comment on LD 494 and look forward to working with the committee, department, and stakeholders on this legislation.

Thank you for your time and consideration. I'd be happy to answer any questions you may have.