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Testimony of Nate Cloutier

Before the Joint Standing Committee on Labor
March 5, 2025

In Support of LD 636, *"An Act to Remove the Limit on Free Promotional Merchandise Bars and Restaurants May Accept from Vendors"*

Senator Hickman, Representative Supica, and distinguished members of the Veterans and Legal Affairs Committee, my name is Nate Cloutier, and I am here today on behalf of HospitalityMaine, representing Maine's restaurant and lodging industries. I am also testifying on behalf of the Maine Tourism Association (MTA). MTA has been promoting Maine and supporting members in every type of tourism business such as lodging, restaurants, camps, campgrounds, retail, guides, tour operators, amusements, and historical and cultural attractions for over 100 years. HospitalityMaine and Maine Tourism Association support LD 636, *"An Act to Remove the Limit on Free Promotional Merchandise Bars and Restaurants May Accept from Vendors."*

Currently, restaurants, bars, venues, and other licensees in Maine face restrictions on the promotional merchandise they can accept from vendors. While manufacturers and wholesalers supply beverage products, they are limited in providing essential items—such as branded glassware, bar mats, and storage racks—that directly support the sale and service of those products. These restrictions create unnecessary barriers for businesses and impose financial constraints on establishments that rely on these products for daily operations. Additionally, this limit restricts licensees' ability to engage in meaningful agreements with those who supply their products. By removing the cap, which we understand to be \$300 annually, licensees would have more flexibility to build stronger partnerships with manufacturers and wholesalers.

LD 636 would eliminate this restriction on promotional merchandise, allowing licensees to accept and utilize products without limitation. We also support the inclusion of language that prohibits exclusivity agreements between manufacturers, distributors, vendors, and licensees to ensure a fair and competitive marketplace. We understand similar provisions exist in other states, striking a balance between preventing market dominance and removing unnecessary constraints on economic activity.

We have also raised this issue in discussions regarding the bureau's bill (LD 494) and understand that other potential legislation may address similar concerns. We look forward to collaborating with the bureau and stakeholders as this discussion continues.

Thank you for your time and consideration. I would be happy to answer any questions.