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Testimony of the Bureau of Alcoholic Beverages and Lottery Operations
Joint Standing Committee on Veterans and Legal Affairs

In Opposition to LD 636

An Act to Remove the Limit on Free Promotional Merchandise Bars and Restaurants May Accept from Vendors

Senator Hickman, Representative Supica, and members of the Joint Standing Committee on Veterans and Legal Affairs: I am Louis Luchini and I'm the Director of the Bureau of Alcoholic Beverages and Lottery Operations. I'm here to testify in opposition to LD 636, *An Act to Remove the Limit on Free Promotional Merchandise Bars and Restaurants May Accept from Vendors*.

This bill proposes to allow unconditional distribution of merchandise from a manufacturer or wholesaler to a retail on-premises licensee. The Bureau opposes this legislation because we believe allowing unlimited giveaways would disproportionately benefit the largest manufacturers and wholesalers while putting smaller companies at a significant disadvantage. Unlimited free gifts could be used to win over accounts or gain preferential sales treatment over smaller companies. The limitations on giving things of value in 28-A MRS §707 were intended to prevent unfair trade practices and oversized influence of the largest companies.

In working with industry stakeholders, the Bureau supports placing a monetary cap on the amount of things of value that can be given to licensees. We included this in our department bill, LD 494. This would allow for some limited giveaways while maintaining a level playing field.

Thank you for your time. I'm happy to answer questions.