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State of Maine  
 ONE HUNDRED AND TWENTY-SIXTH LEGISLATURE  
 COMMITTEE ON VETERANS AND LEGAL AFFAIRS

June 6, 2013

**TO:** Senator Dawn Hill and Representative Peggy Rotundo, Chairs  
 Members, Joint Standing Committee on Appropriations and Financial Affairs

**FROM:** Senator John L. Tuttle Jr., and Representative Louis Luchini, Chairs  
 Members, Joint Standing Committee on Veterans and Legal Affairs

**RE:** **Part V - Biennial Budget Report Back (continued)**

As you know, when we submitted our report to you earlier this session on the VLA portions of the biennial budget, we set aside commenting on the changes proposed by Part V which would transfer the functions of liquor licensing and enforcement within the Department of Public Safety to the Bureau of Alcoholic Beverages and Lottery Operations within DAFS. (Language VLA pages 35-47. See also VLA page 1 for DAFS/BABLO and VLA page 21 for DPS/Liquor Enforcement and Licensing)

Our proposal would be to further delay consideration of this transition provision to allow for VLA to work on this issue over the interim and move forward with approved changes next session, either as part of a budget or as a stand-alone bill. Our justification for the delay in our earlier report was that we were awaiting the outcome of legislation that would provide direction with regard to the bidding for and award of a wholesale spirits contract. The outcome of this issue is still not clear. However, there appears to be consensus on including appropriations for increased liquor enforcement in connection with the anticipated increase in spirits revenue to the State in the near future.

Additionally, we believe that there are significant policy questions that should be considered when placing licensing decisions under the jurisdiction of an agency that is also in the business of generating significant revenue from the sale of spirits. These questions may be ones that can be addressed in a sound and satisfactory way, but they require deliberate and thoughtful consideration. It is our intention to give the issue the attention and deliberation it requires over the interim, with input from the stakeholder agencies and interested parties.

Finally, we respectfully submit a request to you with regard to appropriations for liquor enforcement that may come to be as the result of legislation yet to be enacted. We recommend that these funds to be used for liquor enforcement (as proposed in Part B of LDs 1546 and 1555) be held, without lapse, until July 1, 2014 so that they may be applied to the liquor licensing and enforcement structure that VLA will put forward next session.

Thank you for your consideration of this report and our request.