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

January 31, 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:** **Emergency Supplemental Budget Report (LR #1045)**

Attached please find the worksheet pertaining to the provisions of the Emergency Supplemental Budget under the jurisdiction of Veterans and Legal Affairs. Each of the initiatives are supported unanimously by the nine members of the committee who were present for the vote at our worksession held Monday January 28<sup>th</sup> 2013. (Senators Tuttle and Patrick, Representatives Luchini, Beaulieu, Longstaff, Saucier, Schneck, Fowle and Kinney)

Although the initiatives received unanimous support, the committee feels it is important to offer some comment regarding our ongoing commitment to supporting veterans services and regarding Part G of the supplemental budget which repeals the newly enacted provision directing DAFS to address the soon to expire contract for the distribution of spirits in the state. (Although Rep. Russell was not present at the budget worksession she has since indicated her support of this report.)

**Part G:**

As of the time VLA reviewed this report for presentation to you, we have not seen any language that would replace what has been repealed by Part G of LR 1045. We were informed by Bureau of Alcoholic Beverages and Lottery Operations (BABLO) director, Gerry Reid, that the replacement language for this provision is written and will be coming forward soon in a stand-alone bill. We, as the committee of jurisdiction, look forward to reviewing that bill and giving it the attention and consideration such an important proposal warrants. We are concerned about enacting replacement language in a timely manner. It is important that the state does not put itself in a weakened position with regard to negotiating a new plan for the wholesale distribution because we've run out of time before the existing contract expires in 2014. The authority to transfer the state's wholesale spirits operation also expires on June 30, 2014 – see 28-A MRSA §88, sub-§6:

**6. Limitation on conveyances of rights.** The State may not convey or assign to private entities any rights in the distilled spirits business that extend beyond June 30, 2014. Any renewal of such rights is subject to approval of the Legislature. This section does not affect the State's continuing right to collect the alcohol premium tax, sales taxes or income taxes arising from the sale of distilled spirits and fortified wines.

Thus, it is critical that we are prepared with our own plan should the bill that comes forward be unworkable or encounter insurmountable delays. It is our intent to keep this issue as a top priority this session.

### **Liquor Enforcement:**

It is clear that the state has a valuable asset in the spirits business. It is one that deserves protection. For that reason we will not lose sight of the need for enforcement of the liquor laws that protect this system but also to help guard against the negative social impacts of alcohol abuse. We do not want to be penny-wise and pound-foolish moving forward. We believe it is necessary to ensure there are enforcement personnel dedicated to enforcing the provision that all on-premise establishments purchase their spirits from re-selling agents in the state and not New Hampshire. We also want to promote a culture that shows the state expects compliance and will protect its investment and enforce all of the liquor laws. We recognize that dedicated enforcement personnel come at a price but it is a necessary cost.

### **Veterans Services:**

It is our understanding that the savings in this supplemental budget under personal services for veterans services (ref #151), are from money that was not spent during periods of vacancy in multiple veterans service officer positions. We have also been informed that those positions have since been filled. Historically, funding veterans service officers has been a challenge. Any reduction in the current level of VSOs in the state would be rejected by this committee.

Thank you for your time and consideration of our report.

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# Veterans and Legal Affairs

Sec. A-11. Appropriations and allocations. The following appropriations and allocations are made.

## DEFENSE, VETERANS AND EMERGENCY MANAGEMENT, DEPARTMENT OF

### Administration - Defense, Veterans and Emergency Management 0109

Initiative: Reduces funding for projected Personal Services savings. This initiative relates to curtailment of allotments.

Ref. #: 149                      One Time                      Committee Vote: IN 9-0                      AFA Vote: \_\_\_\_\_

GENERAL FUND	2012-13	2013-14	2014-15
Personal Services	(\$10,000)	\$0	\$0
GENERAL FUND TOTAL	(\$10,000)	\$0	\$0

### Military Training and Operations 0108

Initiative: Provides funding to cover a projected shortfall in Personal Services and adjusts funding in All Other in the STARBASE Program.

Ref. #: 145                      One Time                      Committee Vote: IN 9-0                      AFA Vote: \_\_\_\_\_

FEDERAL EXPENDITURES FUND	2012-13	2013-14	2014-15
Personal Services	\$41,000	\$0	\$0
All Other	(\$19,305)	\$0	\$0
FEDERAL EXPENDITURES FUND TOTAL	\$21,695	\$0	\$0

### Military Training and Operations 0108

Initiative: Reduces funding available for general operating expenses. This initiative relates to curtailment of allotments.

Ref. #: 146                      One Time                      Committee Vote: IN 9-0                      AFA Vote: \_\_\_\_\_

GENERAL FUND	2012-13	2013-14	2014-15
All Other	(\$10,000)	\$0	\$0
GENERAL FUND TOTAL	(\$10,000)	\$0	\$0

### Veterans Services 0110

Initiative: Reduces funding for Personal Services by delayed hiring of a position and managing vacancies. This initiative relates to curtailment of allotments.

Ref. #: 151                      One Time                      Committee Vote: IN 9-0                      AFA Vote: \_\_\_\_\_

GENERAL FUND	2012-13	2013-14	2014-15
Personal Services	(\$30,000)	\$0	\$0

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GENERAL FUND TOTAL	(30,000)	\$0	\$0
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**DEFENSE, VETERANS AND EMERGENCY MANAGEMENT, DEPARTMENT OF**

<b>DEPARTMENT TOTALS</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>
<b>GENERAL FUND</b>	<b>(\$50,000)</b>	<b>\$0</b>	<b>\$0</b>
<b>FEDERAL EXPENDITURES FUND</b>	<b>\$21,695</b>	<b>\$0</b>	<b>\$0</b>
<b>DEPARTMENT TOTAL - ALL FUNDS</b>	<b>(\$28,305)</b>	<b>\$0</b>	<b>\$0</b>

Sec. A-37. Appropriations and allocations.

The following appropriations and allocations are made.

**PUBLIC SAFETY, DEPARTMENT OF**

**Gambling Control Board Z002**

Initiative: Reduces funding by managing vacancies. This initiative relates to curtailment of allotments.

Ref. #: 451

One Time

Committee Vote:

IN 9-0

AFA Vote: \_\_\_\_\_

GENERAL FUND	2012-13	2013-14	2014-15
Personal Services	(\$150,000)	\$0	\$0
GENERAL FUND TOTAL	(\$150,000)	\$0	\$0

**Liquor Enforcement 0293**

Initiative: Reduces funding by managing vacancies. This initiative relates to curtailment of allotments.

Ref. #: 447

One Time

Committee Vote:

IN 9-0

AFA Vote: \_\_\_\_\_

GENERAL FUND	2012-13	2013-14	2014-15
Personal Services	(\$65,000)	\$0	\$0
GENERAL FUND TOTAL	(\$65,000)	\$0	\$0

**PUBLIC SAFETY, DEPARTMENT OF**

DEPARTMENT TOTALS	2012-13	2013-14	2014-15
GENERAL FUND	(\$215,000)	\$0	\$0
DEPARTMENT TOTAL - ALL FUNDS	(\$215,000)	\$0	\$0

**Sec. B-1. Appropriations and allocations.**

The following appropriations and allocations are made.

**DEFENSE, VETERANS AND EMERGENCY MANAGEMENT, DEPARTMENT OF**

**Military Training and Operations 0108**

Initiative: RECLASSIFICATIONS

Ref. #: 147

One Time

Committee Vote:

IN 9-0

AFA Vote: \_\_\_\_\_

**FEDERAL EXPENDITURES FUND**

**2012-13**

**2013-14**

**2014-15**

Personal Services

\$627

\$0

\$0

**FEDERAL EXPENDITURES FUND TOTAL**

\$627

\$0

\$0

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**DEFENSE, VETERANS AND EMERGENCY MANAGEMENT, DEPARTMENT OF**

**DEPARTMENT TOTALS**

**2012-13**

**2013-14**

**2014-15**

**FEDERAL EXPENDITURES FUND**

\$627

\$0

\$0

**DEPARTMENT TOTAL - ALL FUNDS**

\$627

\$0

\$0

## **PART G**

**Sec. G-1. 28-A MRSA §89**, as enacted by PL 2011, c. 380, Pt. S is repealed.

## **SUMMARY**

### **PART G**

This Part repeals the provisions that directed the process for the renewal of contracts for the State's wholesale liquor activities.