



STATE LIQUOR & WINE OUTLET STORES NH LIQUOR COMMISSION



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June 24, 2009

NH LIQUOR COMMISSION MODERNIZATION ACT PROVISIONS TO BECOME LAW

Major Changes Approved Today by Lawmakers

Concord, NH – The New Hampshire Legislature today approved major changes in laws impacting the operation of the New Hampshire Liquor Commission. The new laws, which will soon be signed into law by Governor John H. Lynch, were originally proposed as part of the Liquor Commission Modernization Act (LCMA), and included as part of the state’s budget package. Highlights of these new laws include: establishing the Commission as an Enterprise Fund Agency, realigning the Liquor Commission’s major departments, providing the Liquor Commission with greater administrative latitude to respond to its retail and customer needs more quickly, and giving the Commission broader discretion to close unprofitable and inefficient stores. In addition, the new laws allow the Commission to open up to eight new agency stores in markets they believe are needed or necessary to satisfy local community needs as a result of closed state stores, and authorizes the sale of other items in stores such as gift bags, cork screws, wine glasses, etc. and will make it easier, and simpler for non-profit groups and charities to obtain wine tasting licenses.

“The new laws will allow the Commission to operate more like a business and maximize its full revenue potential while retaining our important control state structure,” said Commission Chairman Mark M. Bodi. “We appreciate the confidence and support of members of the House, Senate and the Governor, and we look forward to the positive changes these new laws will allow.”

The passage of the new laws followed more than four months of high profile legislative review and debate regarding how the Commission should be changed, if at all. At one point in the legislative process, the House rejected most of the provisions advanced by the Agency. But the Commission pressed the Agency's case for change in the Senate - ultimately gaining support for most of the original LCMA provisions that were earlier rejected. Subsequently a House and Senate Conference Committee, working closely with the Commission, hammered out a compromise on all of the remaining major issues.

Bodi said the authorization to add new agency stores is not “a principal focus of our reforms and certainly not a move to shift the Granite State into the private sale system. The Commission has said from the outset that agency stores would only be used to provide service in geographic regions that are not now or may not in the future be well served. Our key focus of the Modernization Act was areas where we could improve operations and efficiencies to grow our business through our state store system and these new laws will help us do just that.”

Commission officials said customers will notice changes in many stores in the months ahead. Plans call for major new stores in Manchester and Nashua, as well as a complete store renovation in Conway. Expansion plans also include a new store in Hampstead (scheduled to be open in early July), Seabrook and possibly Salem. The Commission recently opened a new, state-of-the art large format and wine specialty store in Plaistow.

Bodi thanked his fellow Commissioners and senior management team for their “enormous efforts in presenting our case for change before lawmakers.” We have a great team here and they really made the difference in our being able to achieve these truly landmark changes,” he concluded.

Highlights of Modernization Act Provisions:

MANAGEMENT REORGANIZATION – New laws reorganize the management structure of the Commission to create three more accountable senior management areas: a division of marketing, merchandising, and warehousing; division of administration; and a division of enforcement and licensing.

CREATES AN ENTERPRISE FUND – New laws permit the Commission to operate more like a business by establishing it as an Enterprise Fund.

REDUCE LICENSING “RED TAPE” – Provision of new laws will allow the commission to simplify and streamline the existing process to obtain most licenses and will begin the process of consolidating the more than 50 license types.

AGENCY STORES EXPANSION – Permits the Commission to permit the sale of spirits in up to eight new grocery or convenience stores. It is the Commission’s intent to begin a limited pilot program of distribution expansion to assess its effectiveness and to allow for community input.

NEW PRODUCTS – Permits the Commission to more readily purchase, and offer for sale, products related to wine and spirits such as gift baskets, cork screws, recycling bags, glasses, etc.

EASE RESTRICTIONS ON CHARITY/NON-PROFIT WINE TASTING EVENTS – A new license category can be used to ease the regulatory process of conducting charity wine tastings.

About the NH Liquor Commission

Founded in 1934, the NH Liquor Commission is celebrating its 75th Anniversary. New Hampshire is one of 18 Control States in the nation, where the government controls the distribution of alcoholic beverages as well as being responsible for the regulation of alcoholic beverages. The Liquor Commission operates 77 retail locations. Total sales for FY 2009 are expected to exceed \$500 million – up 6% over the previous year. Total profits for the year are up 10%.