

**§707-A. Exceptions to indebtedness or operations limitations**

**1. Certain financial interests permitted.** Notwithstanding section 707, if the requirements of subsection 2 are met, section 707 does not prohibit:

A. A person that owns or has a financial interest in a holder of a retail license issued in conjunction with and as part of the operations of a hotel from owning or having a financial interest in a certificate of approval holder; or [PL 1997, c. 659, §1 (NEW).]

B. A person that owns or has a financial interest in a certificate of approval holder from owning or having a financial interest in the holder of a retail license issued in conjunction with and as part of the operations of a hotel. [PL 1997, c. 659, §1 (NEW).]

[PL 1997, c. 659, §1 (NEW).]

**2. Requirements.** The exceptions to section 707 set out in subsection 1 apply only if each of the following requirements is met.

A. The hotel must have at least 100 adequate sleeping rooms and the relationship between the occupants of those rooms and the owner or operator of the establishment is that of hotel guest and innkeeper. [PL 2021, c. 658, §99 (AMD).]

B. The hotel may not purchase malt liquor or wine products sold by the certificate of approval holder to wholesale licensees, and the certificate of approval holder may not require any brand of liquor product to be purchased or sold by the hotel. [PL 2021, c. 658, §99 (AMD).]

C. The certificate of approval holder and the retail licensee may not directly or indirectly own or have any interest in a wholesale licensee. [PL 2021, c. 658, §99 (AMD).]

D. The certificate of approval holder and the retail licensees must be separate entities and may not have any common directors. [PL 2021, c. 658, §99 (AMD).]

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**3. Construction.** The exceptions to section 707 set out in subsection 1 must be construed narrowly and be limited to the express terms contained in subsection 1. The exceptions contained in subsection 1 may not be construed to undermine the general prohibition against tied interests contained in section 707.

[PL 1997, c. 659, §1 (NEW).]

**SECTION HISTORY**

PL 1997, c. 659, §1 (NEW). PL 2021, c. 658, §99 (AMD).

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