

HOUSE No. 28

So much of the recommendations of the Department of the State Treasurer (House, No. 27) as relates to modernizing the Massachusetts alcohol laws. Consumer Protection and Professional Licensure.

The Commonwealth of Massachusetts

**In the One Hundred and Ninety-First General Court
(2019-2020)**

An Act modernizing the Massachusetts alcohol laws.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. The first paragraph of section 12 of chapter 138 of the General Laws, as
2 appearing in the 2016 Official Edition, is hereby amended by inserting after the fourth sentence
3 the following sentence:- A licensing authority may authorize a licensee to serve alcoholic
4 beverages on non-contiguous premises as the authority may deem reasonable and proper, and
5 approve in writing; subject to the guidelines set by the commission.

6 SECTION 2. The fourth paragraph of said section of said chapter, as so appearing, is
7 hereby amended by striking the fourth sentence.

8 SECTION 3. Subparagraph (a) of section 12C of chapter 138 of the General Laws, as
9 appearing in the 2016 Official Edition, is hereby amended by striking out the eighth sentence and
10 inserting in place thereof the following sentence:- The license shall be renewable annually and
11 shall be subject to an annual fee.

12 SECTION 4. Section 13 of chapter 138 of the General Laws, as appearing in the 2016
13 Official Edition, is hereby amended by striking out the second sentence and inserting in place
14 thereof the following sentence:- The license under this section and for each certified copy thereof
15 shall be subject to a fee.

16 SECTION 5. Said section of said chapter, as so appearing, is hereby further amended by
17 striking out the fourth sentence and inserting in place thereof the following sentence:- The
18 license for each airline corporation under this section and for each certified copy thereof shall be
19 subject to a fee.

20 SECTION 6. Said section of said chapter, as so appearing, is hereby further amended by
21 striking out the seventh sentence and inserting in place thereof the following sentence:- The
22 license for each vessel under this section and for each certified copy thereof shall be subject to a
23 fee.

24 SECTION 7. Said section of said chapter, as so appearing, is hereby further amended by
25 striking out the ninth sentence and inserting in place thereof the following sentence:- The license
26 to a ship chandler for the sales shall be subject to a fee.

27 SECTION 8. The first paragraph of section 15 of chapter 138 of the General Laws, as
28 most recently amended by chapter 219 of the acts of 2016, is hereby amended by striking out the
29 third sentence and inserting in place thereof the following sentence:- Each applicant for a new
30 license or the transfer of a license shall pay a fee to the commission when the issuing of the new
31 or transferred license would result in the applicant owning more than 3 licenses.

32 SECTION 9. Said paragraph of said section of said chapter, as so appearing, is hereby
33 further amended by striking out the sixth sentence.

34 SECTION 10. The first paragraph of section 18 of chapter 138 of the General Laws, as
35 appearing n the 2016 Official Edition, is hereby amended by striking out the fifth sentence and
36 inserting in place thereof the following sentence:- A license issued under this section to sell and
37 import all alcoholic beverages shall be subject to a fee.

38 SECTION 11. Said paragraph of said section of said chapter, as so appearing, is hereby
39 further amended by striking out the sixth sentence and inserting in place thereof the following
40 sentence:- There shall be an annual license fee for a license to sell and import wines and malt
41 beverages only issued under this section that shall be set based on the gallonage sold as follows:
42 7,500 gallons or less per annum; more than 7,500 and less than 10,000 gallons per annum; and
43 more than 10,000 gallons per annum.

44 SECTION 12. Section 18A of chapter 138 of the General Laws, as appearing in the 2016
45 Official Edition, is hereby amended by striking out the third paragraph and inserting in place
46 thereof the following paragraph:- Each license issued under this section shall be subject to an
47 annual fee; provided, however, that for any licensee who represents more than 1 principal, there
48 shall be a license fee set for each principal more than 1; and provided further, that there shall be a
49 cap on fees paid to represent multiple principals that shall be set no higher than the annual fee
50 plus the fee to represent 3 principals more than 1.

51 SECTION 13. The first paragraph of section 18B of chapter 138 of the General Laws, as
52 appearing in the 2016 Official Edition, is hereby amended by striking out the third sentence and
53 inserting in place thereof the following sentence:- All certificates shall be issued to expire
54 December thirty-first of the year of issuance and shall be subject to a fee.

55 SECTION 14. Section 18C of chapter 138 of the General Laws, as appearing in the 2016
56 Official Edition, is hereby amended by striking out subparagraph (b) and inserting in place
57 thereof the following subparagraph:- (b) There shall be an annual license fee for each importer
58 under this section that shall be set based on the gallonage imported by the importer as follows:

59 5,000 gallons or less per year;

60 More than 5,000 gallons per year but not more than 20,000 gallons per year;

61 More than 20,000 gallons per year but not more than 100,000 gallons per year;

62 More than 100,000 gallons per year but not more than 200,000 gallons per year;

63 More than 200,000 gallons per year but not more than 1,000,000 gallons per year; and

64 Each additional 1,000,000 gallons per year.

65 SECTION 15. Section 19 of chapter 138 of the General Laws, as appearing in the 2016
66 Official Edition, is hereby amended by striking out the fourth paragraph and inserting in place
67 thereof the following paragraph:- There shall be a license fee for each manufacturer of alcoholic
68 beverages that shall be set, in respect of each plant, considering the circumstances of the
69 licensee's probable volume of sales under this section, the capacity of his plant and the location
70 thereof, that the commission shall deem just and proper; provided that there shall be a license fee
71 for each manufacturer of cider or other alcoholic beverage made from apples shall be set as the
72 commission shall deem just and proper, but no such fee shall be collected from any such
73 manufacturer for the making of cider, the sale of which is authorized by section three without a
74 license.

75 SECTION 16. The first paragraph of section 19A of chapter 138 of the General Laws, as
76 appearing in the 2016 Official Edition, is hereby amended by striking out the first sentence and
77 inserting in place thereof the following sentence:- The commission may annually grant to
78 individual citizens of the commonwealth employed as salesmen for licenses under section 18,
79 18A, 19B, 19C, or 19D and to any individual employed as a salesman for a license under section
80 eighteen who is also an officer, shareholder or partner of such licensee, permits which shall
81 authorize such salesmen on behalf of their employers to solicit orders for alcoholic beverages
82 from any licensee under this chapter to whom their employers are authorized to sell such
83 beverages; provided that any such permit shall be subject to a fee.

84 SECTION 17. Section 19B of chapter 138 of the General Laws, as appearing in the 2016
85 Official Edition, is hereby amended by striking out subparagraph (l) and inserting in place
86 thereof the following subparagraph:- (l) There shall be an annual license fee for each winegrower
87 that shall be set, in respect of each winery, based on the wine gallonage produced by the winery
88 as follows:

89 5,000 gallons or less per year;

90 More than 5,000 and less than 20,000 gallons per year;

91 More than 20,000 gallons and less than 100,000 gallons per year;

92 More than 100,000 and less than 200,000 gallons per year;

93 More than 200,000 and less than 1,000,000 gallons per year;

94 Each additional 1,000,000 gallons per year.

95 SECTION 18. Section 19C of chapter 138 of the General Laws, as appearing in the 2016
96 Official Edition, is hereby amended by striking out subparagraph (l) and inserting in place
97 thereof the following subparagraph:- (l) There shall be an annual license fee for each farmer-
98 brewer that shall be set, in respect of each brewery, based on the malt beverage barrelage
99 produced by the brewery as follows:

100 5,000 barrels or less per year;

101 More than 5,000 and less than 20,000 barrels per year;

102 More than 20,000 barrels and less than 100,000 barrels per year;

103 More than 100,000 and less than 200,000 barrels per year;

104 More than 200,000 and less than 1,000,000 barrels per year;

105 Each additional 1,000,000 barrels per year.

106 For the above purposes, a barrel shall be thirty-one gallons.

107 SECTION 19. Section 19D of chapter 138 of the General Laws, as appearing in the 2016
108 Official Edition, is hereby amended by striking out subparagraph (l) and inserting in place
109 thereof the following subparagraph:- (l) There shall be an annual license fee for each pub brewer
110 that shall be set, in respect of each pub brewery, based on the malt barrelage produced by the pub
111 brewery as follows:

112 5,000 barrels or less per year;

113 More than 5,000 but less than 60,000 barrels per year;

114 60,000 barrels or more per year.

115 For the above stated purposes, a barrel shall be 31 gallons.

116 SECTION 20. Section 19E of chapter 138 of the General Laws, as appearing in the 2016
117 Official Edition, is hereby amended by striking out subparagraph (m) and inserting in place
118 thereof the following subparagraph:- (m) There shall be an annual license fee for a farmer-
119 distiller that shall be set, in respect to each farmer-distillery, as follows:

120 5,000 proof gallons or less per year;

121 More than 5,000 and less than 20,000 proof gallons per year;

122 More than 20,000 barrels and less than 100,000 proof gallons per year;

123 More than 100,000 and less than 200,000 proof gallons per year;

124 More than 200,000 and less than 1,000,000 proof gallons per year;

125 Each additional 1,000,000 proof gallons per year.

126 For the purpose of this section “proof gallon” shall have the meaning set forth in section
127 21.

128 SECTION 21. Subparagraph (c) of section 19F of chapter 138 of the General Laws, as
129 appearing in the 2016 Official Edition, is hereby amended by striking the first sentence and
130 inserting in place thereof the following sentence:- There shall be a fee for a license issued
131 pursuant to this section; provided that an affiliate, franchise or subsidiary of the winery shall
132 require a separate license.

133 SECTION 22. Said subparagraph of said section of said chapter, as so appearing, is
134 hereby further amended by striking the second sentence and inserting in place thereof the
135 following sentence:- The annual renewal of each such license shall be subject to a fee.

136 SECTION 23. Section 19G of chapter 138 of the General Laws, as appearing in the 2016
137 Official Edition, is hereby amended by striking subparagraph (c) and inserting in place thereof
138 the following subparagraph:- (c) The annual license issued under this section shall be subject to
139 an annual fee.

140 SECTION 24. The first paragraph of section 20 of chapter 138 of the General Laws, as
141 appearing in the 2016 Official Edition, is hereby amended by striking out the third sentence and
142 inserting in place thereof the following sentence:- The permit under this section shall be subject
143 to an annual fee.

144 SECTION 25. The second paragraph of said section of said chapter, as so appearing, is
145 hereby amended by striking out the third sentence and inserting in place thereof the following
146 sentence:- The special permit under this section shall be subject to a fee.

147 SECTION 26. The third paragraph of said section of said chapter, as so appearing, is
148 hereby amended by striking out the first sentence and inserting in place thereof the following
149 sentence:- Special seasonal permits may be granted by the commission upon payment of a fee for
150 each permit, which shall authorize any licensee under section 18 or 19 to store malt beverages in
151 the same city or town in which their licensed premises are located; but the storage shall be in a
152 place properly equipped for the refrigeration of malt beverages and that the authorization shall be
153 effective only for the period between April and October thirty-first in any year.

154 SECTION 27. The second paragraph of section 22 of chapter 138 of the General Laws, as
155 appearing in the 2016 Official Edition, is hereby amended by striking out the second sentence
156 and inserting in place thereof the following sentence:- The permit fee for each vehicle shall be
157 subject to a fee.

158 SECTION 28. The third paragraph of said section of said chapter, as so appearing, is
159 hereby further amended by striking out the first sentence and inserting in place thereof the
160 following sentence:- The railroad or car corporation or the owner or operator of any vessel or
161 shipping company or any common carrier by air may, if authorized by a permit issued by the
162 commission, transport and deliver alcoholic beverages or alcohol; and the fee for such a permit
163 covering cars, vessels or aircraft thereof shall be subject to a fee.

164 SECTION 29. Said section of said chapter, as so appearing, is hereby further amended by
165 striking out the sixth sentence and inserting in place thereof the following sentence:- Such a
166 permit shall be subject to a fee.

167 SECTION 30. Said section of said chapter, as so appearing, is hereby further amended by
168 striking out the fifth paragraph and inserting in place thereof the following paragraph:- Certified
169 copies of any permit issued under this section shall be furnished subject to a fee.

170 SECTION 31. Section 23 of chapter 138, as appearing in the 2016 Official Edition, is
171 hereby amended by inserting after the second paragraph the following paragraph:- No applicant
172 shall be issued a license under this chapter unless such applicant is, with respect to their
173 character, satisfactory to the licensing authorities.

174 SECTION 32. Chapter 138, as appearing in the 2016 Official Edition, is hereby amended
175 by striking section 27 and inserting in place thereof the following section:-

176 Section 27. All fees for licenses and permits authorized to be granted by the commission
177 under this chapter shall be paid to the commission. All moneys payable under section twenty-
178 one, shall be paid into the state treasury and shall be credited to the General Fund. All fees for
179 licenses and permits authorized to be granted by the local licensing authorities under this chapter
180 shall be paid into the treasuries of their respective cities and towns.

181 SECTION 33. Section 67 of chapter 138 of the General Laws, as appearing in the 2016
182 Official Edition, is hereby amended, in line 7, by striking the word “five” and inserting in place
183 thereof the following words:- ten business.

184 SECTION 34. Section 76 of chapter 138, as appearing in the 2016 Official Edition, is
185 hereby amended by striking out the third sentence and inserting in place thereof the following
186 sentence:- The license issued under this section shall be subject to a fee.

187 SECTION 35. Not later than one year from the effective date of this act, the executive
188 office for administration and finance established in section 2 of chapter 7 of the General Laws, as
189 appearing in the 2016 Official Edition, shall promulgate regulations updating the license and
190 permit fees set forth in chapter 138 of the General Laws, as amended by this act. In promulgating
191 such regulations, said office must demonstrate that any such fee will promote public safety;
192 enhance the operation of the alcoholic beverages control commission established under section
193 70 of chapter 10; and will not unduly and adversely affect Massachusetts citizens and customers
194 of the Commonwealth, or the competitive environment in Massachusetts.

195 SECTION 36. Sections 3 through 8, inclusive, sections 10 through 30, inclusive, and
196 section 32 shall take effect upon promulgation of the regulations required by section 35 of this
197 act or one year from the effective date of this act, whichever occurs first.