

By Mr. Doherty of Medford (by request), petition of Daniel J. Manning for regulating the sale of alcoholic beverages to certain licensees. Legal Affairs.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Fifty-Two.

AN ACT REGULATING THE SALE OF ALCOHOLIC BEVERAGES
TO CERTAIN LICENSEES.

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. Section 25 of chapter 138 of the Gen-
2 eral Laws is hereby amended by striking out, in the
3 first paragraph thereof, the words "or otherwise ex-
4 tend credit except in the usual course of business and
5 for a period not exceeding ninety days."

1 SECTION 2. Section 25 of chapter 138 of the
2 General Laws is further amended by adding after
3 the first paragraph thereof the following:—
4 No manufacturer or wholesaler and importer shall
5 sell or offer to sell any alcoholic beverages to any
6 licensee under section twelve, fifteen or thirty A
7 except for cash to be paid at the time of delivery or
8 on terms requiring payment by such licensee under
9 section twelve, fifteen or thirty A on or before the
10 thirtieth day from the date of delivery of such
11 alcoholic beverages.

12 Each manufacturer and each wholesaler and im-
13 porter who has not within thirty days from the date
14 of delivery thereof, been paid in full for all alcoholic
15 beverages delivered to a licensee under section twelve,
16 fifteen or thirty A, shall by the close of business on
17 the second business day following the close of business
18 on the thirtieth day after the date of delivery of such
19 alcoholic beverages to such a licensee, give written
20 notice to such licensee and to the commission, setting
21 forth the name and address of such licensee and the
22 date of delivery and the amount of indebtedness for
23 such alcoholic beverages.

24 Upon receipt of such notice the commission shall
25 place the name and address of such licensee upon a
26 list to be designated the "Delinquent List," which
27 shall be available for public inspection at the office of
28 the commission in Boston, and a licensee whose
29 name has been so placed on such delinquent list is
30 hereinafter in this section designated a "delinquent
31 licensee." No licensee under section twelve, fifteen
32 or thirty A, who fails to make payment for alcoholic
33 beverages within such thirty day period shall pur-
34 chase or offer to purchase any alcoholic beverages for
35 cash or otherwise until he has made such payment and
36 his name has been removed from the delinquent list
37 by the commission. After the close of business on
38 the second business day following the placing of the
39 name of such licensee on the delinquent list, no man-
40 ufacturer and no wholesaler and importer shall sell,
41 or offer to sell, alcoholic beverages to such delinquent
42 licensee for cash or otherwise. Each manufacturer
43 and each wholesaler and importer shall by the close
44 of business on the second business day following the
45 payment of all indebtedness owed for more than

46 thirty days to him by a delinquent licensee send to the
47 commission a written notice signed by such man-
48 ufacturer or wholesaler and importer setting forth
49 the name and address of such delinquent licensee
50 together with the date of payment of the indebted-
51 ness and the amount thereof. The commission shall,
52 when it has received notice from all manufacturers
53 and wholesalers and importers who have filed notices
54 which caused or would cause the name of such a
55 delinquent licensee to be placed on the delinquent
56 list, that all indebtedness owed for more than thirty
57 days to them by such a delinquent licensee has been
58 paid, note immediately upon the delinquent list that
59 the name of such licensee is removed therefrom, and
60 such licensee shall thereupon cease to be a delinquent
61 licensee. No compromise of indebtedness nor assign-
62 ment of accounts of alcoholic beverages shall be con-
63 strued as a legal discharge of obligations unless a
64 full report of such transaction shall have been sub-
65 mitted to, and approved by, the commission. The
66 commission may, after hearing, suspend for not more
67 than five days for a first offence and for not less than
68 five days nor more than thirty days for a subsequent
69 offence, the license of any licensee who violates or
70 participates in a violation of this section.

1 SECTION 3. Payment to manufacturers and whole-
2 salers and importers for alcoholic beverages delivered
3 prior to the effective date of this act to licensees
4 under section twelve, fifteen or thirty A, shall be
5 made in or within ninety days of such effective date
6 of the act. In the event of the failure of a licensee
7 under section twelve, fifteen or thirty A to make
8 payment for alcoholic beverages sold prior to the

9 effective date of this act within ninety days of the
10 effective date, each manufacturer and each whole-
11 saler and importer who has not received payment
12 for alcoholic beverages so sold, shall by the close of
13 business on the second business day following a
14 period of ninety days from the effective date of this
15 act, send to the commission a written notice, signed
16 by such manufacturer or wholesaler and importer,
17 setting forth the name and address of such licensee
18 who has failed to make payment as herein provided,
19 and shall concurrently send such licensee a copy of
20 such notice. Upon receipt of such notice the com-
21 mission shall place the name and address of such
22 licensee upon the list designated in section two of
23 this act as the delinquent list. A licensee whose
24 name has been placed on the delinquent list in ac-
25 cordance with the provisions of this section three,
26 shall become, for the purposes of this section three,
27 a delinquent licensee, and thereupon, all provisions
28 of section two which govern the conduct of a delin-
29 quent licensee as therein defined, and which govern
30 the conduct of the commission, of manufacturers
31 and of wholesalers and importers with respect to
32 such a delinquent licensee, as hereinbefore provided
33 in this section three, apply to govern the conduct
34 of such delinquent licensee and the conduct of the
35 commission, of manufacturers and of wholesalers
36 and importers, with respect to such a delinquent
37 licensee as fully as if set forth in this section three.