

To accompany the petition of the Massachusetts Wholesale Liquor Dealers Association, by Philip Granoff, president, for legislation to regulate the sale of alcoholic beverages to certain licensees. Legal Affairs.

The Commonwealth of Massachusetts

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

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 General
2 Laws is hereby amended by striking out, in the first par-
3 agraph thereof, the words "or otherwise extend credit
4 except in the usual course of business and for a period not
5 exceeding ninety days."

1 SECTION 2. Section 25 of chapter 138 of the General
2 Laws is further amended by adding after the first para-
3 graph thereof the following:—

4 No manufacturer or wholesaler and importer shall sell
5 or offer to sell any alcoholic beverages to any licensee
6 under section twelve, fifteen or thirty A except for cash
7 to be paid at the time of delivery or on terms requiring
8 payment by such licensee under section twelve, fifteen or
9 thirty A on or before the thirtieth day from the date of
10 delivery of such alcoholic beverages.

11 Each manufacturer and each wholesaler and importer
12 who has not, within thirty days from the date of delivery
13 thereof, been paid in cash or its equivalent in full for all
14 alcoholic beverages delivered to a licensee under section
15 twelve, fifteen or thirty A, must by the close of business

16 on the fifth business day following the close of business
17 on the thirtieth day after the date of delivery of such al-
18 coholic beverages to such a licensee, give written notice
19 to such licensee and to the commission, setting forth the
20 name and address of such licensee and the date of delivery
21 and the amount of indebtedness for such alcoholic bev-
22 erages.

23 Upon receipt of such notice the commission shall place
24 the name and address of such licensee upon a list to be
25 designated the "Delinquent List," which shall be avail-
26 able for public inspection at the office of the commission
27 in Boston, and said list shall be considered prima facie
28 evidence on the part of any manufacturer, wholesaler or
29 importer as to knowledge of a delinquency, and a licensee
30 whose name has been so placed on such delinquent list is
31 hereinafter in this section designated a "delinquent li-
32 censee." No licensee under section twelve, fifteen or
33 thirty A, who fails to make payment in cash or its equiv-
34 alent for alcoholic beverages within such thirty-day pe-
35 riod shall purchase or offer to purchase any alcoholic bev-
36 erages for cash or otherwise until he has made such pay-
37 ment in cash or its equivalent and his name has been
38 removed from the delinquent list by the commission.
39 After the close of business on the fifth business day fol-
40 lowing the placing of the name of such licensee on the
41 delinquent list, no manufacturer and no wholesaler and
42 importer shall sell, or offer to sell, alcoholic beverages
43 to such delinquent licensee for cash or otherwise. Each
44 manufacturer and each wholesaler and importer shall
45 forthwith but no later than by the close of business on
46 the second business day following the payment in cash
47 or its equivalent of all indebtedness owed for more than
48 thirty days to him by a delinquent licensee, send to the
49 commission a written notice signed by such manufac-
50 turer or wholesaler and importer, setting forth the name
51 and address of such delinquent licensee together with
52 the date of payment of the indebtedness and the amount
53 thereof. The commission shall, when it has received no-
54 tice from all manufacturers and wholesalers and importers

55 who have filed the required notices which caused or would
56 cause the name of such a delinquent licensee to be placed
57 on the delinquent list that all indebtedness owed for more
58 than thirty days to them by such a delinquent licensee
59 has been paid in cash or its equivalent, note immediately
60 upon the delinquent list that the name of such licensee
61 is removed therefrom, and such licensee shall thereupon
62 cease to be a delinquent licensee. No compromise of in-
63 debtedness nor assignment of accounts of alcoholic bev-
64 erages shall be construed as a legal discharge of obliga-
65 tions unless a full report of such transaction shall have
66 been submitted to, and approved by, the commission.
67 The commission shall, after hearing, suspend for not
68 more than five days for a first offence and for not less
69 than five days nor more than thirty days for a subse-
70 quent offence, the license of any licensee who violates or
71 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 under
4 section twelve, fifteen or thirty A, shall be made in or
5 within ninety days of such effective date of the act. In
6 the event of the failure of a licensee under section twelve,
7 fifteen or thirty A to make payment in cash or its equiv-
8 alent for alcoholic beverages sold prior to the effective
9 date of this act within ninety days of the effective date,
10 each manufacturer and each wholesaler and importer
11 who has not received payment in cash or its equivalent
12 for alcoholic beverages so sold, shall by the close of busi-
13 ness on the fifth business day following a period of ninety
14 days from the effective date of this act, send to the com-
15 mission a written notice, signed by such manufacturer or
16 wholesaler and importer, setting forth the name and ad-
17 dress of such licensee who has failed to make payment in
18 cash or its equivalent as herein provided, and shall con-
19 currently send such licensee a copy of such notice. Upon
20 receipt of such notice the commission shall place the name
21 and address of such licensee upon the list designated in

22 section two of this act as the delinquent list. A licensee
23 whose name has been placed on the delinquent list in ac-
24 cordance with the provisions of this section three shall
25 become, for the purposes of this section three, a delin-
26 quent licensee, and thereupon all provisions of section
27 two which govern the conduct of a delinquent licensee
28 as therein defined, and which govern the conduct of the
29 commission, of manufacturers and of wholesalers and
30 importers with respect to such a delinquent licensee, as
31 hereinbefore provided in this section, apply to govern the
32 conduct of such delinquent licensee and the conduct of
33 the commission, of manufacturers and of wholesalers and
34 importers, with respect to such a delinquent licensee, as
35 fully as is set forth in this section. If, in the judgment of
36 the commission, payment in cash or its equivalent in full
37 within ninety days of the effective date of the act for al-
38 coholic beverages delivered prior to the effective date
39 would work a hardship on any licensee under section
40 twelve, fifteen or thirty A, the commission may allow
41 such additional time for payment as may in its judgment
42 be necessary, but in no case shall any licensee be allowed
43 more than one year from the effective date of the act for
44 payment in cash or its equivalent in full for all alcoholic
45 beverages delivered prior to such effective date.