

HOUSE No. 1514

By Mr. Doherty of Medford, petition of Thomas J. Doherty for legislation to regulate further the sale of malt beverages. Legal Affairs.

The Commonwealth of Massachusetts

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

AN ACT FURTHER REGULATING THE SALE OF MALT BEVERAGES.

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, the words "or otherwise extend
4 credit except in the usual course of business and for
5 a period not exceeding ninety days."

1 SECTION 2. Said section 25 of said chapter 138 is
2 hereby further amended by adding after the first
3 paragraph the following paragraphs:—

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

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

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

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

1 SECTION 3. Payment to manufacturers and whole-
2 salers and importers for malt 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.
6 In the event of the failure of a licensee under section
7 twelve, fifteen or thirty A to make payment for malt
8 beverages sold prior to the effective date of this act
9 within ninety days of the effective date, each manu-
10 facturer and each wholesaler and importer who has

11 not received payment for malt beverages so sold,
12 shall by the close of business on the second business
13 day following a period of ninety days from the effective
14 date of this act, send to the commission a written
15 notice, signed by such manufacturer or wholesaler and
16 importer, setting forth the name and address of such
17 licensee who has failed to make payment as herein
18 provided, and shall concurrently send such licensee
19 a copy of such notice. Upon receipt of such notice the
20 commission shall place the name and address of such
21 licensee upon the list designated in section two of this
22 act as the delinquent list. A licensee whose name has
23 been placed on the delinquent list in accordance with
24 the provisions of this section shall become, for the
25 purposes of this section, a delinquent licensee, and
26 thereupon all provisions of section two which govern
27 the conduct of a delinquent licensee as therein defined,
28 and which govern the conduct of the commission, of
29 manufacturers and of wholesalers and importers with
30 respect to such a delinquent licensee, as hereinbefore
31 provided in this section, apply to govern the conduct
32 of such delinquent licensee and the conduct of the
33 commission, of manufacturers and of wholesalers and
34 importers, with respect to such a delinquent licensee
35 as fully as if set forth in this section. If, in the judg-
36 ment of the commission, payment in full within ninety
37 days of the effective date of the act for malt beverages
38 delivered prior to the effective date would work a
39 hardship on any licensee under section twelve, fifteen
40 or thirty A, the commission may allow such additional
41 time for payment as may in its judgment be necessary,
42 but in no case shall any licensee be allowed more than
43 one year from the effective date of the act for pay-
44 ment in full for all malt beverages delivered prior to
45 such effective date.