

By Mr. Chmura of Springfield, petition of Rudy Chmura for legislation to improve the economic stability of the alcoholic beverage industry in the Commonwealth. Government Regulations.

**The Commonwealth of Massachusetts**

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

AN ACT RELATIVE TO IMPROVING THE ECONOMIC STABILITY OF THE ALCOHOLIC BEVERAGES INDUSTRY IN THE COMMONWEALTH.

*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 15 of chapter 138 of  
2 the General Laws is hereby amended by striking out the second  
3 sentence, as appearing in section 12 of chapter 440 of the acts of  
4 1935, and inserting in place thereof the following sentence: — No  
5 person, firm, corporation, association, or other combination of  
6 persons, directly or indirectly, or through any agent, employee,  
7 stockholder, officer or other person or any subsidiary whatsoever,  
8 shall be granted in the aggregate, more than three such licenses in  
9 the commonwealth, or be granted more than one such license in a  
10 town or two in a city; provided, however, that in Essex, Middlesex,  
11 Norfolk and Suffolk counties, no person, firm or corporation,  
12 association, or other combination of persons, directly or indirectly,  
13 or through any agent, employee, stockholder, officer or other  
14 person or subsidiary whatsoever, shall be granted, in the aggregate  
15 more than seven such licenses in any combination of the above-  
16 specified counties, and within the commonwealth.

1 SECTION 2. Section 18 of said chapter 138 is hereby amended  
2 by adding the following paragraph: —

3 It shall be unlawful for any licensee under section eighteen of  
4 chapter one hundred and thirty-eight to purchase alcoholic beverages,  
5 except wines, from other than the primary source of supply

6 within the United States. Primary source of supply shall mean the  
7 distiller, the bottler, the brewer, the brand owner, or the designated  
8 agent of any such distiller, bottler, brewer, or brand owner. Each  
9 distiller, bottler, brewer, brand owner or designated agent of a  
10 brand of alcoholic beverage, not including wines, shall designate at  
11 least two licensees under section eighteen as distributors in the  
12 commonwealth, provided said distributors are independent of  
13 each other and have no common ownership or management rela-  
14 tionship.

1 SECTION 3. Section 24 of said chapter 138, as most recently  
2 amended by chapter 478 of the General Laws, is hereby further  
3 amended by inserting after the word "thereof", in line 15, the  
4 words: — and, notwithstanding any general or special law to the  
5 contrary, make regulations permitting co-operative buying by not  
6 less than two nor more than seven retail licensees, licensed under  
7 sections twelve and fifteen, and requiring licensed wholesalers to  
8 honor any such co-operative agreements.

1 SECTION 4. Said chapter 138 is hereby further amended by  
2 striking out section 25C, as most recently amended by section 10 of  
3 chapter 929 of the acts of 1977, and inserting in place thereof the  
4 following section: —

5 *Section 25C.* No wholesaler shall offer or give a quantity dis-  
6 count or other price reduction in excess of five per cent of the  
7 purchase price.

8 No wholesaler shall offer or give a quantity discount or other  
9 price reduction nor shall any retailer accept or receive a quantity  
10 discount or price reduction, with respect to the sale or purchase of  
11 alcoholic beverages except wine and malt beverages, in excess of  
12 that given, allowed or accepted in fifteen cases of such beverage.

13 No wholesaler shall offer or give a quantity discount or other  
14 price reduction, nor shall any retailer accept a quantity discount or  
15 other price reduction with respect to the sale or purchase of malt  
16 beverages, in excess of that given, allowed, or accepted on one  
17 pallet which shall not exceed one hundred twenty-five cases of such  
18 beverages.

19 No wholesaler shall offer or give a quantity discount or other  
20 price reduction, nor shall any retailer accept a quantity discount or  
21 other price reduction, with respect to the sale or purchase of wine,

22 in excess of that given, allowed, or accepted on twenty-five cases of  
23 such beverages.

24 Any quantity discount or price reduction, given, allowed or  
25 accepted with respect to the sale or purchase of alcoholic bever-  
26 ages, except malt beverages, shall be in like manner for all types  
27 and sizes of that single brand label for which said discount or price  
28 reduction if given, allowed or accepted. There shall be no mixing  
29 with respect to alcoholic beverages for the purpose of achieving the  
30 maximum quantity discount or price reduction permitted by this  
31 section, provided, however, that single brand labels of alcoholic  
32 beverages, except malt beverages, and wines, including all their  
33 types and sizes, shall be mixed, at the sole discretion of the buyer  
34 and in such proportion as he shall direct, for the purpose of  
35 achieving the maximum quantity discount permitted by this sec-  
36 tion; provided, further, that the foregoing provisions shall not  
37 apply to close out or discontinued sales, so-called, if the commis-  
38 sion grants its written approval to such wholesaler and such retailer  
39 or retailers.

40 Nothing in this section shall be construed to prohibit a price  
41 discount or other reduction with respect to the sale or purchase of a  
42 single case of alcoholic beverages.

