

# **SENATE. . . . . No. 2291**

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## **The Commonwealth of Massachusetts**

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SENATE, May 16, 1996.

The committee on Government Regulations, to whom was referred the petition (accompanied by bill, Senate, No. 2269) of Robert E. Travaglini, Bruce E. Tarr and John P. Slattery for legislation to further regulate liquor licenses authorizing the sale of alcoholic beverages to be drunk on the premises, reports the accompanying bill (Senate, No. 2291).

For the committee,

MICHAEL W. MORRISSEY.

## The Commonwealth of Massachusetts

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In the Year One Thousand Nine Hundred and Ninety-Six.

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AN ACT FURTHER REGULATING LICENSES AUTHORIZING THE SALE OF BEVERAGES TO BE DRUNK ON PREMISES.

*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. Chapter 138 of the General Laws, as appearing in  
2 the 1994 Official Edition, is hereby amended by inserting after  
3 section 64 the following new sections:—

4 Section 64A. Subject to the following paragraph, in any hearing  
5 by the licensing authorities pursuant to the first paragraph of sec-  
6 tion sixty-four, where the licensing authorities find that a licensee  
7 pursuant to section twelve of this chapter has violated or permitted  
8 a violation of any condition of said license or any law of the com-  
9 monwealth within the twenty-four months immediately preceding  
10 the date of the alleged violation which is the subject of the  
11 hearing, said licensing authorities may, in addition to imposing  
12 any other lawful sanctions or conditions, require as a condition  
13 precedent to any modification, reinstatement or renewal of said  
14 license thereafter that the licensee provide a certificate of insur-  
15 ance for liquor liability providing security for the liability of the  
16 licensee to a limit of not less than one hundred thousand dollars to  
17 any person and not less than two hundred thousand dollars to all  
18 persons. Said limits may be increased at the discretion of the  
19 licensing authorities.

20 In any hearing by the licensing authorities pursuant to the first  
21 paragraph of section sixty-four, where the licensing authorities  
22 find that a licensee pursuant to section twelve of this chapter has  
23 served or sold alcohol or alcoholic beverages either to a person  
24 under twenty-one years of age in violation of section sixty-four or  
25 to an intoxicated person in violation of section sixty-nine within  
26 the twenty-four months immediately preceding the date of the  
27 alleged violation which is the subject of the hearing, said licensing  
28 authorities shall, in addition to imposing any other sanctions,

29 require as a condition precedent to any modification, reinstatement or renewal of said license thereafter that the licensee provide  
30 a certificate of insurance for liquor liability providing security for  
31 the liability of the licensee to a limit of not less than one hundred  
32 thousand dollars to any one person and two hundred thousand dol-  
33 lars to all persons. Said limits may be increased at the discretion  
34 of the licensing authorities.

35 Section 64B. In any case in which a liquor liability insurance  
36 policy has been required as a condition precedent to modification,  
37 reinstatement or renewal of a license as provided in section sixty-  
38 four A or section sixty-seven, a licensee shall disclose to the  
39 insurer that such policy is required by the licensing authorities pur-  
40 suant to said sections, shall provide to the liquor liability insurer  
41 the mailing address of the licensing authorities and shall direct said  
42 insurer to include said authorities as a recipient of any notice  
43 which the insurer is required to issue to the licensee pursuant to  
44 chapter one hundred and seventy-five. In any case in which the  
45 insurer notifies the licensee and the licensing authorities that it  
46 intends to terminate the contract upon expiration of the requisite  
47 notice period, the licensee shall provide proof of reinstatement or  
48 new insurance to the licensing authorities within such period. If the  
49 licensee fails to provide such proof prior to receipt by the licensing  
50 authorities of a Notice of Cancellation from the insurer, the  
51 licensing authorities shall suspend such license until proof of  
52 insurance is delivered, or revoke such license, at its discretion.

1 SECTION 2. Section 67 of said chapter 138, as so appearing, is  
2 hereby amended by inserting after the fifth paragraph the fol-  
3 lowing new paragraph:—

4 In any case in which the commission finds during said hearing  
5 that the licensee pursuant to section twelve of this chapter has  
6 served or sold alcohol or alcoholic beverages to either a person  
7 under twenty-one years of age in violation of section sixty-four or  
8 to an intoxicated person in violation of section sixty-nine within  
9 the twenty-four months immediately preceding the date of the  
10 alleged violation which is the subject of the hearing, said commis-  
11 sion shall, in addition to any other sanctions or conditions it may  
12 impose, require as a condition precedent to any modification, rein-  
13 statement or renewal of said license thereafter that the licensee

14 provide a certificate of insurance for liquor liability of the licensee  
15 to a limit of not less than one hundred thousand dollars to any one  
16 person and two hundred thousand dollars to all persons. In any  
17 other case in which the commission may act pursuant to this sec-  
18 tion, it may increase, but not decrease, the limits of liquor liability  
19 insurance (if any) required by the local licensing authorities as a  
20 condition precedent to the modification, reinstatement or renewal  
21 of a license.

1 SECTION 3. Chapter 175 of the General Laws, as appearing in  
2 the 1994 Official Edition, is hereby amended by striking out sec-  
3 tion one hundred and twelve B and inserting in place thereof the  
4 following section:—

5 Section 112B. Effective sixty days after the inception of a  
6 liquor liability insurance contract, no notice of intention to termi-  
7 nate the contract or, if the contract is a renewal, no notice of inten-  
8 tion not to renew the contract shall be effective unless the insurer  
9 at least sixty days prior to the effective date of cancellation or the  
10 end of the contract period, as the case may be, mails or delivers to  
11 the insured, and to the licensing authorities in the case of contracts  
12 required by the local licensing authorities or the alcoholic bever-  
13 ages control commission pursuant to sections sixty-four A, sixty-  
14 four B or sixty-seven of chapter one hundred and thirty-eight, at  
15 the addresses shown on the policy such notice of intention not to  
16 renew, except where cancellation is for nonpayment of premium,  
17 or where the insured has lost his license. If cancellation is for non-  
18 payment of premium pertaining to contracts required pursuant to  
19 sections sixty-four A, sixty-four B or sixty-seven of chapter one  
20 hundred and thirty-eight, the insurer shall not cancel such liquor  
21 liability insurance except upon thirty days prior written notice to  
22 the licensee and the local licensing authorities.