

SENATE No. 370

By Mr. Durand, a petition (accompanied by bill, Senate, No. 370) of Robert A. Durand for legislation to further regulate the sale of alcoholic beverages. Government Regulations.

The Commonwealth of Massachusetts

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

AN ACT FURTHER REGULATING THE SALE OF ALCOHOLIC 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 Chapter 138 of the General Laws, as appearing in the 1992
2 Official Edition, is hereby amended by adding, after section 25E,
3 the following section: —
4 Section 25F. Each supplier of malt beverages shall sell its malt
5 beverages through wholesaler licensees of the commission to
6 retail licensees in the commonwealth, and shall designate exclu-
7 sive sales territories for every brand or brands sold in the com-
8 monwealth, and shall name one licensed wholesaler for each such
9 sales territory who, within such territory, shall be the exclusive
10 wholesaler for such brand or brands designated by said supplier.
11 Such supplier shall enter into a territorial agreement, in writing,
12 designating the exclusive territory and authorizing the sale by a
13 designated wholesaler of that brand or brands within the desig-
14 nated territory. Such supplier shall not designate more than one
15 wholesaler for each brand for all or any part of a designated sales
16 territory, and the written territorial agreement shall not provide for
17 the distribution of a brand or brands to more than one licensed
18 wholesaler for all or any part of the designated territory. The
19 wholesaler licensee designated as the exclusive wholesaler for a
20 brand or brands within a designated territory shall service retail
21 licensees within that territory without discrimination, and shall
22 service for the purposes of quality control required by the supplier
23 for each brand or brands of the supplier all of the malt beverages
24 sold by that wholesaler to retailers within such territory.

25 It shall be unlawful for any wholesaler, without the prior
26 written approval of the supplier, to sell such supplier's malt bev-
27 erage products to any retailer whose place of business is outside
28 of the wholesaler's designated sales territory for such products, or
29 to any person the wholesaler has reason to believe will sell or
30 supply such products to any such retailer; provided however that
31 any agreement between a supplier and a wholesaler, whether oral
32 or written, entered into prior to December thirty-first, nineteen
33 hundred ninety-six, which permits a brand or brands of malt bev-
34 erages to be sold by more than one wholesaler in a designated
35 sales territory shall be exempted from the provisions of this sec-
36 tion. Any violation of the provisions of this section shall subject
37 the licensee to suspension or revocation of its license, or to the
38 levy of a fine in lieu of such suspension or revocation. For the
39 purposes of this section, "Supplier" shall mean a certificate of
40 compliance holder, farmer-brewer, manufacturer or importer of
41 malt beverages.