

By Mr. Ambler of Weymouth, petition of Robert B. Ambler and J. Michael Ruane relative to imposing additional regulations on the alcoholic beverage industry. Government Regulations.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Eighty.

AN ACT RELATIVE TO IMPROVING THE ECONOMIC STABILITY OF THE ALCOHOLIC BEVERAGE INDUSTRY.

1 *Whereas*, The deferred operation of this act would tend to defeat
2 its purpose, which is to improve the economic stability and provide
3 forthwith for fair competition in and better regulation of the
4 alcoholic beverage industry, it is hereby declared to be an emer-
5 gency law necessary for the immediate preservation of the public
6 convenience.

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 15 of Chapter 138 of the General Laws is
2 hereby amended by striking out the second sentence and inserting
3 in its place the following two sentences: — No person, firm, corpo-
4 ration, association, or other combination of persons, directly or
5 indirectly, or through any agent, employee, stockholder, officer or
6 other person or any subsidiary whatsoever, shall be granted, in the
7 aggregate, more than six such licenses in the Commonwealth, or be
8 granted more than one such license in a town or two in a city.

9 Provided, however, that upon the effective date of this act any
10 person who directly or indirectly has been granted and presently
11 has more than three licenses within the Commonwealth but no
12 more than two within a city or one within a town and presently
13 does not have more than six licenses shall be allowed to continue to
14 hold said licenses notwithstanding any decision of any licensing
15 authority or Court to the contrary.

1 SECTION 2. Section 18 of chapter 138 of the General Laws, as
2 most recently amended by chapter 520 of the acts of 1973, is hereby
3 further amended by adding the following paragraph: —

4 It shall be unlawful for any licensee under this section to pur-
5 chase alcoholic beverages, except wines, from other than the pri-
6 mary source of supply within the United States or another licensee
7 under this section. The term “primary source of supply” shall mean
8 the owner of a brand of alcoholic beverages or his designated
9 licensed agent, broker or solicitor in the Commonwealth at the
10 time said brand of alcoholic beverage initially is marketed in the
11 United States.

1 SECTION 3. The first paragraph of section 25 of chapter 138 of
2 the General Laws as most recently amended by section 8 of chapter
3 929 of the Acts of 1977 is hereby further amended by striking out
4 the second sentence and by inserting in place thereof the following
5 sentence: —

6 It shall be unlawful for any licensee under this chapter to receive
7 or extend credit, directly or indirectly, for alcoholic beverages sold
8 or delivered to any licensee engaged in the sale of alcoholic bever-
9 ages except in the usual course of business and for a period of not
10 more than sixty days, forty-five days in the case of malt beverages,
11 or for any manufacturer, wholesaler or importer of alcoholic bever-
12 ages to acquire, retain or own, directly or indirectly, any interest
13 in the business of any licensee under section twelve or for any
14 manufacturer of alcoholic beverages to acquire, retain or own,
15 directly or indirectly, any interest in the business of any licensee
16 under section fifteen.

17 Said first paragraph as so amended is hereby further amended by
18 striking out the fifth sentence and by inserting in place thereof the
19 following sentence: —

20 If any licensee does not discharge in full any such indebtedness
21 within such sixty day period, forty-five days in the case of malt
22 beverages, the indebtedness shall be overdue and such licensee
23 shall be delinquent within the meaning of this section.

1 SECTION 4. Section 25C of Chapter 138 of the General Laws,
2 as most recently amended by Section 10 of Chapter 929 of the Acts

3 of 1977, is hereby repealed and the following section inserted in
4 place thereof: —

5 No wholesaler shall offer or give a quantity discount or other
6 price reduction, nor shall any retailer accept or receive a quantity
7 discount or other price reduction, with respect to the sale or
8 purchase of alcoholic beverages, except malt beverages, in excess
9 of that given, allowed or accepted on fifteen cases.

10 With respect to wines, various brands and sizes may be mixed in
11 order to achieve the maximum fifteen case discount; however,
12 there shall be no such mixing with respect to other alcoholic
13 beverages, including malt beverages, for the purpose of achieving
14 the maximum fifteen case discount.

15 No wholesaler shall offer or give a quantity discount or other
16 price reduction, nor shall any retailer accept a quantity discount or
17 other price reduction, with respect to the sale or purchase of malt
18 beverages in excess of that given or allowed on one hundred cases.

19 Provided, however, that the foregoing shall not apply in special
20 circumstances if the Commission grants its written approval to the
21 wholesaler and retailer or retailers in question.

22 Additional incentive discounts may be offered, provided how-
23 ever, that such additional incentive discounts shall not in the
24 aggregate, total more than two per cent of the purchase price. Such
25 additional discounts may be offered or given on quantities to be
26 determined by the wholesaler.

1 SECTION 5. Notwithstanding any general law to the contrary,
2 the provisions of sections 14E-14K of chapter 93 shall be applicable
3 relative to the sale of alcoholic beverages.

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