



Message from the Executive Director

A lot is happening on Beacon Hill that could impact your business. Of the more than 6000 bills filed this session, about 1% directly affect the alcohol beverages industry in Massachusetts. More importantly is that over 80 of the bills modify the state's alcohol beverages laws. In contrast, last year there were 12 bills impacting the industry.

What is driving all this legislative activity? The executive summary is that the beverage alcohol three-tier system in Massachusetts is under attack from every direction. National retailers have introduced bills to legalize various discounts schemes. Direct shippers aim to expand e-commerce into the state. Manufacturers and brewers are working to bust up the system altogether with the introduction of bills that allow them to be all 3 tiers under one umbrella. Then there are the threats of I-lottery, nips deposits and bills to circumvent or remove municipal quotas. The result is a legislative free for all with great implications to the entire industry.

It is also important to acknowledge that many of these bills directly target MPSA's membership. An example is the unashamed and blatant advocacy by the Brewers Guild and its members to expand into the off-premise retail sphere. These actions are in direct conflict with the Massachusetts 3-tier system that was established to prevent the ills of pre-prohibition from being repeated. Bills to be mindful of this session include:

- **HD262** - An Act relative to the wholesale of malt beverages produced by a pub brewer, sponsored by Rep. Jonathan D. Zlotnik (D), allows for the sale of malt beverages at retail by the bottle to consumers for consumption off premises;
- **HD558** - An Act expanding access to craft beer, allows farmers and pub brewers to fill empty growlers provided by consumers for retail sale;
- **HD1283** - An Act relative to the direct sale of alcoholic beverages for off-premises consumption, sponsored by Rep. Kimberly Ferguson (R), allows a manufacturer to sell alcoholic beverages in kegs, casks, barrels, cans or bottles for consumption off a manufacturer's premises;
- **HD2107** - An Act authorizing pub brewer self-distribution and sales on Sundays, sponsored by Rep. Bradley H. Jones, Jr. (R), allows for sales at breweries on and off premise on Sundays.
- **HD321** - An Act returning liquor license control to municipalities, sponsored by Rep. Joseph McKenna (R), amends provisions of GL c.138 (Alcoholic Liquors) to strike out provisions that currently cap the number of liquor licenses that a city or town may issue based on the size of the population. There are 2 other bills that are similar in language to HD321 that essentially do the same thing;
- **HD389** - An Act promoting the proper disposal of miniatures, sponsored by Rep. Randy Hunt (R), amends provisions of the Bottle Bill (GL 94:321) by adding 'miniatures' (or 'nips') within the orbit of the bottle bill and its bottle deposit requirements;
- **HD712** - An Act establishing farmer-cideries and authorizing the sale off premise of farmer-cider products at farmers' markets;
- **HD2984** - An Act relative to retailer-backed coupons, sponsored by Rep. Theodore C. Speliotis (D), allows for coupons to be used toward discounting alcohol purchases;
- **HD3578** - An Act to Promote Alcohol Storage Space, sponsored by Rep. Michael Soter (R), allows a Section 15 licensee to store its licensed alcoholic beverages in an off premise licensed and bonded warehouse.
- **HD2807** - An Act increasing the excise tax on alcoholic beverages, sponsored by Rep. Kay Khan (D), would increase the excise tax on alcohol by 5¢ for that which is sold in containers of

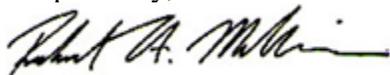
more than one gallon, and 3¢ for alcohol sold in containers of one gallon or less. There are 6 bills this session that raise the excise taxes.

Mindful to the overall intent behind these bills, MPSA is actively engaged in preventing them from being enacted. A strategy has been underway since January aimed at educating elected officials, stakeholders and the media about the economic merits of our members who employ almost 19,000 Massachusetts residents, generate over \$3billion in revenue to the state and serve as gatekeeper in preventing illegal sales of alcohol beverages. MPSA has also introduced a record setting nine (9) bills on behalf of its members. The nine MPSA bills are as follows:

- **HD 2068** - An Act Relative to the Sale of Alcohol at Retail, which bans self-checkout of alcohol beverages;
- **HD 1041** - An Act Relative to License Suspensions, which mandates that the suspension applies to the entire commercial activities and premises, including non-alcohol sections of the commercial business. The suspension would apply to the 4 corners of the premises;
- **HD 982** - An Act Relative to Alcoholic Beverage Containers, which allows to be sold in Massachusetts all bottles (including Nips) authorized by TTB. This bill essentially prohibits local licensing authorities from banning individual container sizes;
- **HD 1347** - An Act Relative to the Sale of Alcoholic Beverages, which eliminates requirement that 50% of revenue produced by a restaurant licensed as a common victualler be derived from the sale of grocery items. This bill allows for tasting rooms on the premise of a Section 15 licensee;
- **HD 831** - An Act Relative to Alcohol Purchasing Discounts, which allows licensees with 2 or more licenses to combine the alcoholic beverages purchases of up to 9 licenses to attain a quantity wholesale discount. It also allows 3 or more license holders, but no more than 7, or the maximum number of licenses one licensee can hold under section 15, not to exceed 9 in the aggregate, to enter into a cooperative agreement to make joint purchases of alcoholic beverages in larger quantities than might otherwise be purchased to attain a quantity discount offered by a wholesaler.
- **HD 698** - An Act Relative to Notification of Licensees, which requires the local licensing authority to notify licensees if a license is being sold and/or transferred;
- **HD 587** - An Act to Allow Non-Profits to Purchase Alcohol from Retail Package Stores for Charitable Events, which eliminates requirement that non-profits purchase from wholesaler;
- **SD 691** - An Act relative to retail liquor sales to caterers – Permits purchasing by caterers from retailers for events;
- **SD 692** - An Act relative to identification for the sale of alcoholic beverages, allows a liquor store clerk to rely on a valid photographic, non-duplicate motor vehicle license issued by the registry or department of motor vehicles of another state.

Needless to say, 2019 is off to a busy start. Please know that MPSA is effectively advocating for your interests. It is also important to acknowledge that through your support, MPSA was very successful last year in preventing over 12 harmful bills from being enacted. That is why there is room for optimism. In the meantime, MPSA will continue to support and help sustain your business, educate legislators about your importance, while also directing people to shop at independently owned off-premise retailers of alcohol beverages. We will also keep you informed.

Respectfully,



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Executive Director | General Counsel