



*Commonwealth of Massachusetts  
Department of the State Treasurer  
Alcoholic Beverages Control Commission  
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*Chairman*

COMPLIANCE ISSUES DURING THIS HOLIDAY SEASON

The Alcoholic Beverages Control Commission extends our best wishes to you for the upcoming holiday season. The Commission would like to remind you of certain practices, which are prohibited under the Liquor Control Act (G.L. c. 138) and Commission regulations, specified in 204 C.M.R. 4.00, *et seq.*, (commonly referred to as the “Happy Hour” regulation). These prohibited practices are available on the Commission’s website at [www.mass.gov/abcc](http://www.mass.gov/abcc).

The “Happy Hour” regulation prohibits any licensee or employee or agent of a licensee from engaging in or permitting any of the following activities:

1. offering or delivering any free drinks to any person or group of persons;
2. delivering more than two drinks to one person at one time;
3. selling, offering to sell or delivering to any person or group of persons any drinks at a price less than the price regularly charged for such drinks during the same calendar week, except at private functions not open to the public;
4. selling, offering to sell or delivering to any person an unlimited number of drinks during any set period of time for a fixed price, except at private functions not open to the public;
5. selling, offering to sell or delivering drinks to any person or group of persons on any one day at prices less than those charged the general public on that day, except at private functions not open to the public;
6. selling, offering to sell or delivering malt beverages or mixed drinks by the pitcher except to two or more persons at any one time;
7. increasing the volume of alcoholic beverages contained in a drink without increasing proportionately the price regularly charged for such drink during the same calendar week; and
8. encouraging or permitting, on the licensed premises, any game or contest, which involves drinking or the awarding of drinks as, prizes.

Therefore, licensees may not legally offer an “open bar” to customers for a fixed price, except at private functions, or offer discounted prices for drinks during a limited time period. Furthermore, no licensee shall advertise or promote in any way, either inside or outside the licensed premises, any of the practices prohibited under 204 CMR 4.03.

In addition, licensees who intend to host private functions must be aware of Commission decisions<sup>1</sup> that issued in May 2004. These decisions list the factors that the Commission will consider in determining whether an individual § 12 licensee is holding an event that will be considered a “private function” within the meaning of 204 C.M.R. §§ 4.00, et seq. The licensee must demonstrate that:

1. the private function has a host;
2. access to the private function is restricted to invited guests;
3. invited guests are not charged indirectly or directly;
4. the host is the only individual responsible for payment to the licensee;
5. the private function was not publicly advertised; and
6. written records containing the guest list exist and are available for inspection by the licensing authorities.

Please be advised that a licensee’s obligation to comply with the Liquor Control Act and Commission Regulations cannot be circumvented by using a third party. Allowing a third party to sell tickets, or any other means of admission, where the price of admission includes any alcoholic beverages results in the licensee transferring the privilege of its license to that third party. This is a violation of the Liquor Control Act. Prior approval from both the local licensing authorities and the Commission must be secured before transferring any interest in a license.

We trust that your business operations are structured, advertised and conducted in compliance with the laws and regulations of the Commonwealth. Working together, we can ensure that each license serves the public need and is operated in such a manner as to protect the common good.

Thank you for your anticipated attention, assistance and cooperation. We appreciate your efforts and wish you a safe & joyful holiday season, and a Happy New Year.

**ALCOHOLIC BEVERAGES CONTROL COMMISSION**



Jean M. Lorizio, Esq.

Chairman

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<sup>1</sup> The Commission reads its regulation to include these elements of proof for an activity to be considered a “Private Function.” In re: Bedford Dining, Inc. dba White Horse Tavern, (ABCC Decision dated May 24, 2004); In re: The Boston Leco Corporation dba Matrix, (ABCC Decision dated May 24, 2004); In re: Boylston Entertainment, Inc. dba The Big Easy, (ABCC Decision dated May 24, 2004); In re: K.M.F. Hospitality, Inc. dba Jose McIntyre’s, (ABCC Decision dated May 24, 2004).