

Commonwealth of Massachusetts Department of the State Treasurer Alcoholic Beverages Control Commission 239 Causeway Street Boston, Massachusetts 02114

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ALCOHOLIC BEVERAGES CONTROL COMMISSION ("ABCC") ADVISORY REGARDING OWNERSHIP OF § 12 AND § 15 LICENSES IN THE SAME CITY OR TOWN

On August 10, 2016, Governor Baker signed into law H4569, "An Act relative to job creation and workforce development." This Act, in part, updates the Liquor Control Act, Mass. Gen. Laws Chapter 138.

This Act eliminates the long-standing prohibition of a licensee from owning both a § 12 license (a restaurant, tavern, general-on-premises, club, hotel, war veterans' club, or continuing care retirement community) and a § 15 license (a package store) in the same city or town. Now a licensee may own both a § 12 and § 15 license in the same city or town, subject to any and all other restrictions and conditions found in Chapter 138.

If a § 12 <u>restaurant</u> licensee wants to have a § 15 licensed premises physically connected to its § 12 licensed premises, then two conditions must be met. First, at least 50% of the revenue generated at the premises licensed under § 15 must be from the sale of grocery items.³ Second, the physical connection between the two licensed premises must be clearly delineated, including in the interior connection of the two premises, in such a way as to (1) make the boundaries of each licensed premises clearly separate and identifiable to customers, alcohol distributors, and regulatory authorities; (2) enable each licensed premises to maintain control of their respective licensed areas, egress, and the sale, storage and service of alcoholic beverages; and (3) otherwise conform with Chapter 138. Please be aware these restrictions only apply to § 12 <u>restaurant</u> licensees seeking to have a § 15 license <u>physically connected</u> to their § 12 licensed premises, and not to any other § 12 licensees.

As a reminder, all licensees must ensure that they are in compliance with the Laws of the Commonwealth of Massachusetts and that sale of alcoholic beverages take place only as authorized by applicable law.

(Issued August 12, 2016)

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¹ This prohibition was found in M.G.L. c. 138, § 17, ¶ 10.

² As one example, a licensee may own up to seven § 15 licenses. <u>See M.G.L. c. 138, § 15.</u>

³ "Grocery item" is defined as "any food, pet food or supply, soap, household cleaner of any type, laundry product, light bulbs or disposable paper or plastic products." M.G.L. c. 94, § 184B.