

HOUSE No. 187

The Commonwealth of Massachusetts

PRESENTED BY:

Kimberly N. Ferguson and Jennifer L. Flanagan

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act relative to tenant brewers.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
<i>Kimberly N. Ferguson</i>	<i>1st Worcester</i>
<i>Jonathan D. Zlotnik</i>	<i>2nd Worcester</i>
<i>Jennifer L. Flanagan</i>	<i>Worcester and Middlesex</i>
<i>F. Jay Barrows</i>	<i>1st Bristol</i>
<i>Joseph D. McKenna</i>	<i>18th Worcester</i>
<i>Susannah M. Whipps Lee</i>	<i>2nd Franklin</i>
<i>Leonard Mirra</i>	<i>2nd Essex</i>
<i>Alice Hanlon Peisch</i>	<i>14th Norfolk</i>
<i>David K. Muradian, Jr.</i>	<i>9th Worcester</i>
<i>Paul K. Frost</i>	<i>7th Worcester</i>
<i>Stephen L. DiNatale</i>	<i>3rd Worcester</i>
<i>Frank A. Moran</i>	<i>17th Essex</i>
<i>Walter F. Timilty</i>	<i>7th Norfolk</i>
<i>Steven S. Howitt</i>	<i>4th Bristol</i>
<i>Sheila C. Harrington</i>	<i>1st Middlesex</i>
<i>Elizabeth A. Poirier</i>	<i>14th Bristol</i>
<i>Donald H. Wong</i>	<i>9th Essex</i>
<i>Anne M. Gobi</i>	<i>Worcester, Hampden, Hampshire and</i>

	<i>Middlesex</i>
<i>Bradley H. Jones, Jr.</i>	<i>20th Middlesex</i>
<i>Stephen Kulik</i>	<i>1st Franklin</i>
<i>Angelo L. D'Emilia</i>	<i>8th Plymouth</i>
<i>Mary S. Keefe</i>	<i>15th Worcester</i>
<i>Susan Williams Gifford</i>	<i>2nd Plymouth</i>
<i>Kevin J. Kuros</i>	<i>8th Worcester</i>
<i>Peter V. Kocot</i>	<i>1st Hampshire</i>
<i>Kay Khan</i>	<i>11th Middlesex</i>
<i>Paul A. Schmid, III</i>	<i>8th Bristol</i>
<i>Kate D. Campanale</i>	<i>17th Worcester</i>
<i>Chris Walsh</i>	<i>6th Middlesex</i>
<i>John J. Mahoney</i>	<i>13th Worcester</i>
<i>Harold P. Naughton, Jr.</i>	<i>12th Worcester</i>

HOUSE No. 187

By Representative Ferguson of Holden and Senator Flanagan, a joint petition (accompanied by bill, House, No. 187) of Kimberly N. Ferguson and others relative to the issuance of tenant/host brewer licenses for the purpose of producing and packaging beer. Consumer Protection and Professional Licensure.

The Commonwealth of Massachusetts

**In the One Hundred and Eighty-Ninth General Court
(2015-2016)**

An Act relative to tenant brewers.

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 1 of chapter 138 of the General Laws, as most recently amended by
2 Chapter 165 of the acts of 2014, is hereby amended by inserting after the definition of “Hotel”
3 the following definition:--

4 “Hotel brewer”, any person or entity licensed under this chapter to manufacture malt
5 beverages who has entered into an alternating proprietorship arrangement with a tenant brewer
6 approved by the US Department of the Treasury Alcohol and Tobacco Tax Trade Bureau for the
7 purpose of producing or packaging beer on behalf of the tenant brewer.

8

9 SECTION 2. Section 1 of said chapter 138 is hereby further amended by adding after the
10 definition of “Tavern” the following new definition: --

11 “Tenant Brewer:, a person or entity that has a brewer’s notice or other license who has
12 entered into an alternating proprietorship arrangement with a host brewer approved by the United
13 States Department of the Treasury Alcohol and Tobacco Tax and Trade Bureau for the purpose
14 of producing or packaging beer at a host brewer’s premises.

15

16 SECTION 3. Section 18 of said chapter 138 is hereby amended by adding at the end
17 thereof the following paragraph:--

18 In order to ensure the necessary control of traffic in alcoholic beverages for the
19 preservation of the public peace and order, the shipment of such beverages into the
20 commonwealth, except as provided in this section, section 19F and 19G, is hereby prohibited.

21

22 SECTION 4. Said chapter 138 is hereby amended by creating the following new section:

23 --

24 Section 19G. Tenant/Host Brewer License. –

25

26 The commission may issue a tenant brewer license which authorizes the holder thereof to
27 produce or package malt beverages on the premises of a host brewer to any individual applicant
28 who is a resident and citizen of the commonwealth and to any corporation, partnership or other
29 entity which complies with the requirements set forth in section 26.

30 To be eligible for a tenant brewer license, the applicant must have a brewer's notice
31 approved by the United States Department of the Treasury Alcohol and Tobacco Tax and Trade
32 Bureau and must have an approved alternating proprietorship arrangement that allows the
33 applicant to use the facilities, equipment, and employees of a host brewer.

34 A tenant brewer may import such raw materials as are required solely for the production
35 and packaging of the malt beverage, including without limitation bulk malt beverage produced
36 by the tenant brewer at its brewery of origin. The bulk malt beverage imported by the tenant
37 brewer must be packaged and shipped back to the tenant brewer's brewery of origin or to another
38 licensed premises designated by the tenant brewer within 10 days of receipt by the host brewer.

39 Any product produced or packaged at the host brewer's premises must be removed from
40 the host brewer's premises within 10 days after the brewing or packaging process is completed.
41 The finished product must be returned to the tenant brewer's brewery of origin or to another
42 licensed premises designated by the tenant brewer.

43 The Commission may require a tenant brewer to maintain a record or log indicating
44 which equipment is being used at any time by the tenant brewer in the production or packaging
45 of malt beverages and which employees are working on production or packaging of the tenant
46 brewer's product. A tenant brewer is subject to the same reporting requirements as the host
47 brewer.

48 A tenant brewer's license issued pursuant to this section 19G does not grant the holder
49 thereof any right to sell its product in the commonwealth to any person or entity except a Section
50 18 license holder. A tenant brewer's license only permits the tenant brewer to produce or
51 package malt beverages as specifically set forth in this Section 19G.

52 For the purposes of this section, a package means kegs, casks, barrels, bottles, cans and
53 all other packages approved by the United States Department of the Treasury Alcohol and
54 Tobacco Tax and Trade Bureau for malt beverages. A brewery of origin means any brewery at
55 which the tenant brewer's is duly licensed to manufacture of malt beverages other than at the
56 host brewer's premises.

57 The annual fee for each license issued under this section shall be:

58 5,000 barrels or less per year: \$ 22.00/per year

59 More than 5,000 and less than 20,000 barrels per year: \$ 44.00/per year

60 More than 20,000 barrels and less than 100,000 barrels per year: \$ 82.00/per year

61 More than 100,000 and less than 200,000 barrels per year: \$110.00/per year

62 More than 200,000 and less than 1,000,000 barrels per year: \$110.00/per year

63 Each additional 1,000,000 barrels per year: \$111.00/per year