# **HOUSE . . . . . . . . . . . . . . . . No. 252**

### The Commonwealth of Massachusetts

PRESENTED BY:

Kate Hogan

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 establishing farmer-cideries and authorizing the sale of farmer-cidery products at farmers' markets.

#### PETITION OF:

| NAME:                   | DISTRICT/ADDRESS: | DATE ADDED: |
|-------------------------|-------------------|-------------|
| Kate Hogan              | 3rd Middlesex     | 1/14/2019   |
| Hannah Kane             | 11th Worcester    | 1/15/2019   |
| William M. Straus       | 10th Bristol      | 1/15/2019   |
| Kimberly N. Ferguson    | 1st Worcester     | 1/15/2019   |
| Jennifer E. Benson      | 37th Middlesex    | 1/31/2019   |
| Susan Williams Gifford  | 2nd Plymouth      | 1/15/2019   |
| Norman J. Orrall        | 12th Bristol      | 1/15/2019   |
| Richard M. Haggerty     | 30th Middlesex    | 1/16/2019   |
| William L. Crocker, Jr. | 2nd Barnstable    | 1/16/2019   |
| Elizabeth A. Poirier    | 14th Bristol      | 1/17/2019   |
| David Paul Linsky       | 5th Middlesex     | 1/24/2019   |
| Tricia Farley-Bouvier   | 3rd Berkshire     | 1/24/2019   |
| Josh S. Cutler          | 6th Plymouth      | 1/24/2019   |
| Ann-Margaret Ferrante   | 5th Essex         | 1/24/2019   |
| Mary S. Keefe           | 15th Worcester    | 1/28/2019   |
| David Allen Robertson   | 19th Middlesex    | 1/25/2019   |
| Steven S. Howitt        | 4th Bristol       | 1/29/2019   |

| Anne M. Gobi            | Worcester, Hampden, Hampshire and Middlesex   | 1/29/2019 |
|-------------------------|---|-----------|
| Sarah K. Peake          | 4th Barnstable                                | 1/29/2019 |
| Rebecca L. Rausch       | Norfolk, Bristol and Middlesex                | 1/30/2019 |
| Adam G. Hinds           | Berkshire, Hampshire, Franklin and<br>Hampden | 1/30/2019 |
| Joseph D. McKenna       | 18th Worcester                                | 1/31/2019 |
| Michael D. Brady        | Second Plymouth and Bristol                   | 2/1/2019  |
| Paul W. Mark            | 2nd Berkshire                                 | 2/1/2019  |
| Harold P. Naughton, Jr. | 12th Worcester                                | 2/1/2019  |
| James K. Hawkins        | 2nd Bristol                                   | 2/1/2019  |
| Natalie M. Blais        | 1st Franklin                                  | 2/1/2019  |

## **HOUSE . . . . . . . . . . . . . . . . . No. 252**

By Ms. Hogan of Stow, a petition (accompanied by bill, House, No. 252) of Kate Hogan and others that the Alcoholic Beverages Control Commission be authorized to establish farmer-cidery licenses and authorizing the sale of farmer-cidery products at farmers' markets. Consumer Protection and Professional Licensure.

### The Commonwealth of Alassachusetts

In the One Hundred and Ninety-First General Court (2019-2020)

An Act establishing farmer-cideries and authorizing the sale of farmer-cidery products at farmers' markets.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

- SECTION 1. Section 1 of chapter 138 of the General Laws, as appearing in the 2016
- 2 Official Edition, is hereby amended by inserting after the definition of "alcoholic beverages" the
- 3 following:—
- 4 "Cider", a beverage made from fermented apple juice having 6 percent or less of alcohol
- 5 by volume.
- 6 SECTION 2. Section 1 of chapter 138 of the General Laws, as so appearing, is hereby
- 7 further amended by inserting after the definition of "Farmer-brewery" the following:—
- 8 "Farmer-cider maker", any person who grows apples for the purpose of producing cider
- 9 from fermented apple juice and who is licensed to operate a farmer-cidery under section 19I.

- "Farmer-cidery", any plant or premise where cider is produced from the fermented juice
- of apples, provided that said apples are grown by the farmer cider-maker.
- SECTION 3. Section 15 of chapter 138, as so appearing, is hereby amended by striking out, in lines 4, 5, 6, 69, 71, 168, 182, 192, 194 and 195, the words "wines and malt beverages" and inserting in place thereof, in each instance, the following:— "wines, malt beverages and
- 15 cider"

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- SECTION 4. Section 15 of chapter 138, as so appearing, is hereby amended by striking out, in line 19, the words "sections 18, 18A, 19, 19B and 19C", and inserting in place thereof the following:— "sections 18, 18A, 19, 19B, 19C and 19I"
- SECTION 5. Said section 15 is hereby further amended by striking out, in line 84, the words "sections 18, 18A, 19, 19B and 19C", and inserting in place thereof the following:—

  "sections 18, 18A, 19, 19B, 19C and 19I"
  - SECTION 6. Said section 15 is hereby further amended by inserting after the words "farmer-winery under said section 19B", in line 20, the following:—"or farmer-cidery under said section 19I"
- SECTION 7. Said section 15 is hereby further amended by inserting after the words

  "farmer-winery under said section 19B", in line 85, the following:—"or farmer-cidery under said

  section 19I"
  - SECTION 8. Said section 15 is hereby further amended by striking out, in line 144, the words "wine or malt beverage tastings" and inserting in place thereof the following:— "wine, malt beverage or cider tastings"

- 31 SECTION 9. Said section 15 is hereby further amended by inserting, in line 147, after the words "malt beverages" the following:— "or cider" 32
- 33 SECTION 10. Said section 15 is hereby further amended by striking out the words "wine 34 or malt beverage" in lines 149, 154, 155 and 156, and inserting in place thereof, in each instance, 35 the following:— "wine, malt beverage or cider"
- 36 SECTION 11. Section 15F of chapter 138, as so appearing, is hereby amended by 37 inserting, in line 5, after the words "section 19B" the following:— "or an applicant authorized to 38 operate a farmer-cidery under section 19I"
  - SECTION 12. Said section 15F is hereby further amended by inserting after the word "wine", in lines 8, 11 and 12, in each instance, the following:— "or cider"

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- 41 SECTION 13. Said section 15F is hereby further amended by inserting, in line 16, after the words "one (1) ounce of wine" the following:— "or two (2) ounces of cider" 42
- 43 SECTION 14. Chapter 138 of the General Laws, as so appearing, is hereby amended by inserting after section 19H the following section:—
  - Section 19I. (a) For the purpose of encouraging the development of domestic farms, the commission shall issue a farmer-cidery license to any applicant who is both a citizen and resident of the commonwealth and to applying partnerships composed solely of such individuals, and to applying corporations organized under the laws of the commonwealth or organized under the laws of any other state of the United States and admitted to do business in the commonwealth and to applying limited liability companies and limited liability partnerships organized under the laws of the commonwealth, subject to such conditions as the commission may prescribe by

regulation to address issues of citizenship and residency and the need for a license manager under section 26 as qualifications for a limited liability company or limited liability partnership to hold a license pursuant to this section and sections 15, 18, 18A, 19, 19B and 19C, unless: (1) such person does not comply with reasonable application procedures required by the commission; or

- (2) the commission determines that such person is not of responsible character; or
- (3) a church or school located within 500 feet of the cidery premises has objected to issuance of the license in accordance with section 16C; or
- (4) the commission determines that the applicant retains or owns an interest, directly or indirectly, in the business of a licensee under section 12 or 15; or
- (5) the commission determines that the applicant retains or owns an interest, directly or indirectly in more than one business licensed under section 18; or
  - (6) the applicant has not furnished the requisite license fee or bond; or
- (7) the commission determines that the co-partners, corporate officials or stockholders of the applicant do not meet the requirements of clauses (2), (4) and (5), or that the manager or agent intended to conduct the farmer-cidery business on the applicant's behalf does not meet such requirements, or that such co-partners, officials, stockholders, agent or manager remain undisclosed.
- (b) The commission may on its own motion, and shall upon the written request of any applicant who has been refused a farmer-cidery license or has been refused transfer or renewal of such a license, hold an evidentiary hearing, notice of which shall be mailed to the applicant at the

address given in his application. Such hearing shall be before the commission, or a member thereof. The commission shall present its reasons for refusing issuance. The applicant may appear in person or by counsel, may cross-examine witnesses for the commission and may present evidence. The hearing shall be stenographically or sound recorded. If the hearing is conducted by an examiner, the examiner shall report on the hearing to the commission. The commission shall decide within thirty days of the completion of the hearing whether to issue the farmer-cidery license or grant the transfer or renewal. If the commission refuses the license, transfer or renewal following the hearing, notice in writing of the refusal shall be mailed to the applicant. In all such cases, the commission shall keep on file a statement in the form of an opinion of the reasons for the refusal, and shall furnish a copy thereof to the applicant.

- (c) Any applicant who has appeared before the commission at such a hearing and who has been refused a farmer-cidery license or the transfer or renewal of such a license may appeal to the superior court of the county where the applicant resides or has his principal place of business within the commonwealth, or to the superior court for Suffolk county.
- (d) Every applicant for an original cidery license or for a transfer of such a license shall, within seven days after filing an application with the commission, send written notice of his application by registered mail, return receipt requested, to:
- (1) each school which offers instruction and training to children of compulsory school age in accordance with sections one and four of chapter seventy-one and which is located within a radius of 500 feet from the premises on which the cidery is to be operated; and
- (2) each church as defined in section 16C which is located within a radius of 500 feet from such premises.

The notice shall also state that the church or school has the right to object under section 16C to the issuance or transfer of the cidery license. If the authorities in charge of any such school or church complain to the commission in writing that a cidery license has been issued or transferred without the mailing of the requisite notice, and that they object to such issuance or transfer, the commission shall hold a hearing to determine whether the requisite notice was mailed. If after a hearing the commission determines that notice was not mailed as required, then the commission shall cancel the farmer-cidery license unless, such school or church had actual notice, prior to issuance or transfer, of the application and of the right to object under said sixteen C, or such school or church did not complain as soon as possible after actual notification of the application and of the right to object.

Any farmer-cider maker aggrieved by the cancellation of his license or any school or church aggrieved by the commission's refusal to cancel such a license may appeal as provided herein.

- (e) A farmer-cider maker may operate a farmer's cidery under such conditions as the commission may prescribe by regulation.
- (f) A farmer-cider maker may import apples and other materials necessary to making cider but may not import cider made from fermented apple juice or alcohol into the commonwealth.
  - (g) A farmer-cider maker may sell cider:

(1) at wholesale to any person holding a valid license to manufacture alcoholic beverages under section nineteen;

116 (2) at wholesale to any person holding a valid wholesaler's and importer's license under 117 section eighteen;

- (3) at wholesale to any person holding a valid farmer-cidery license under this section;
- (4) at wholesale in kegs, casks, barrels or bottles to any person holding a license to sell under section twelve, thirteen or fourteen, and, for the sole purpose of resale in containers in which the cider was delivered, to any person holding a license to sell under section fifteen; provided that the total annual sales to sections twelve, thirteen, fourteen, and fifteen licensees shall not exceed fifty thousand gallons;
- (5) at wholesale to any registered pharmacist holding a certificate of fitness under section thirty;
- (6) at wholesale to churches and religious societies, educational institutions, incorporated hospitals, homes for the aged, manufacturers of food products, and manufacturers of drugs and chemicals as authorized by, and subject to the provisions of section 28;
  - (7) at retail by the bottle to consumers for consumption off the cidery premises;
- (8) at wholesale to any person in any state or territory in which the importation and sale of cider made from fermented apple juice is not prohibited by law; and
  - (9) at wholesale to any person in any foreign country.
- (h) A farmer-cider maker may not sell at retail to consumers any cider product not produced by the cidery or produced for the cidery and sold under the cidery brand name. All retail sales must be made on the cidery premises.

- (i) A farmer-cider maker may be licensed by the local licensing authorities to sell cider for consumption on the cidery premises in accordance with this section and such regulations as the commission may prescribe.
  - (j) All cider sold by a licensee hereunder shall be sold and delivered in such manner and under such conditions and with such labels or other marks to identify the producer as the commission may prescribe.
  - (k) Every farmer-cider maker under this section shall keep such records as the commission may prescribe, and shall file with the commission, whenever and as often as it may require, duplicates of copies of such records. The commission shall at all times, through its designated officers or agents, have access to all books, records or other documents of every licensed farmer-cider maker relating to the licensee's cidery business.
  - (l) The annual license fee for each farmer-cider maker in respect of each cidery shall be computed based on the number of gallons produced by the cidery as follows:
- 5,000 gallons or less per year \$ 22. per year

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- More than 5,000 and less than 20,000 gallons per year: \$ 44. per year
- More than 20,000 gallons and less than 100,000 gallons per year: \$82. per year
- More than 100,000 and less than 200,000 gallons per year: \$110. per year
- More than 200,000 and less than 1,000,000 gallons per year: \$110. per year
- Each additional 1,000,000 gallons per year: \$111. per year

(m) Every applicant for a farmer-cidery license shall, at the time of filing an application, pay a license fee based on a reasonable estimate of the amount of cider to be produced during the year covered by the license. Persons holding farmer-cidery licenses shall report annually at the end of the year covered by the license the amount of cider produced during such year. If the total amount of such cider exceeds the amount permitted by the fee already paid, the licensee shall pay whatever additional fee is owing under this section.

(n) Notwithstanding section 17, a local licensing authority, subject to the approval of the commission, may grant a license to sell cider for consumption on the premises at any location it deems reasonable and proper, and approves in writing, on the grounds of a farmer-cidery licensed under this section and on the grounds of the farm operated as appurtenant and contiguous to, and in conjunction with, such farmer-cidery; provided, however, that such licensees may sell for on-premises consumption only cider produced by the cidery or produced for the cidery and sold under the cidery brand name. All the procedures under section 15A shall apply to the granting of a license under this subsection.

SECTION 15. Section 17 of chapter 138 of the General Laws, as so appearing, is hereby amended by striking out, in lines 21, 27 and 41, the words "wine or malt beverages" and inserting in place thereof, in each instance, the following:— "wines, malt beverages or cider"

SECTION 16. Said section 17 of chapter 138 is hereby further amended by striking out, in lines 36, 104, 112, 113, 118, 122, 145 and 182, the words "wine and malt beverages" and inserting in place thereof, in each instance, the following:— "wines, malt beverages and cider"

- SECTION 17. Said section 17 of chapter 138 is hereby further amended by inserting, in line 229, after the words "farmer-winery license under section 19B" the following:— "or a farmer-cidery license under section 19I"
- SECTION 18. Said section 17 of chapter 138 is hereby further amended by inserting, in line 229, after the words "sale of wine" the following:— "or cider"
- SECTION 19. Section 18 of chapter 138, as so appearing, is hereby amended by striking out, in lines 14 and 15, the words "sections 15, 18A, 19, 19B and 19C" and inserting in place thereof the following:— "sections 15, 18A, 19, 19B, 19C and 19I"
- SECTION 20. Section 18A of chapter 138, as so appearing, is hereby amended by striking out, in lines 13 and 14, the words "sections 15, 18, 19, 19B and 19C" and inserting in place thereof the following:— "sections 15, 18, 19, 19B, 19C and 19I"
- SECTION 21. Section 19 of chapter 138, as so appearing, is hereby amended by striking out, in lines 12 and 13, the words "sections 15, 18, 18A, 19B and 19C" and inserting in place thereof the following:— "sections 15, 18, 18A, 19B, 19C and 19I"
- SECTION 22. Section 19B of chapter 138, as so appearing, is hereby amended by striking out, in line 14, the words "sections 15, 18, 18A, 19 and 19C" and inserting in place thereof the following:— "sections 15, 18, 18A, 19, 19C and 19I"
  - SECTION 23. . Section 19C of chapter 138, as so appearing, is hereby amended by striking out, in line 14, the words "sections 15, 18, 18A, 19 and 19B" and inserting in place thereof the following:— "sections 15, 18, 18A, 19, 19B and 19I"

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