



Dear MassPack Members,

As 2018 draws to a close, I want to personally thank all of you for supporting the Massachusetts Package Stores Association. The executive summary for 2018 is that our hard work paid off. Thank you to everyone who helped. Many members provided valuable input and information, showed up at hearings, wrote letters to the editor, contributed to MPSA's PAC and the Strategic Fund, attended fundraisers, met with local legislators, and so much more. I want you to know that you really made a difference!

In 2018 the beverage alcohol three-tier system in Massachusetts was under attack from every direction. National retailers were working toward blurring the tiers. Direct shippers aimed to expand their e-commerce business at the expense of independents. Breweries and farmers sought to eliminate the 3-tier system altogether by becoming producer, distributor and retailer all in one. Together, we stopped real harm from happening.

Below are some more noteworthy accomplishments. They are followed by several objectives MPSA will be working to achieve in 2019.

MPSA Accomplishments in 2018

- Defeated amendments to both the House and Senate FY2019 budgets that would have allowed manufactures of alcoholic beverages to sell at retail off-premises in MA;
- Defeated amendments to both the House and Senate FY2019 budgets that would have expanded the ability of brew pubs to sell at retail off premises in MA;
- Defeated an amendment to the Economic Development bill that would have allowed out-of-state retailers to undermine independent stores through the legalizing of coupons;
- Defeated i-lottery legislation in Massachusetts;
- Defeated legislation to ban/restrict single-use plastic bags in Massachusetts;
- Challenged on appeal the 2017 District Court ruling allowing Total Wine, Inc. to purchase at discount in a manner not previously permitted.
- Preserved the ability of package stores to sell 50-100-250 milliliter liquor bottles within cities and towns throughout Massachusetts. Proposed bans in Randolph, Everett, Fitchburg, Winthrop and Nantucket were rescinded or prevented.
- Overcome many attempts to place burdensome deposit fees on the sale of 50, 100 and 200 milliliters bottles in cities and towns throughout Massachusetts.
- Assisted in the negotiation of the "Grand Bargain" that took off the table several voter referendums allowing for extremely punitive versions of employer paid family and medical leave and a \$15 minimum wage that would have been index with inflation.
- Part of a Court challenge that declared unconstitutional a voter referendum allowing for an Income Tax Surcharge on the inventory of pass through businesses such as LLCs and S Corps.
- Co-sponsored, "Small Business Statehouse Day," which underscored the interests of small businesses. The agenda included Governor Charlie Baker and a chance for

attendees to provide direct feedback to key legislators who craft small business-related legislation. It was the first event of its kind in over 25 years.

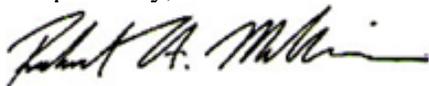
- Produced and administered 14 Beverage Alcohol Training courses throughout the state;
- Successfully petitioned the Massachusetts Senate to vote unanimously in creating a tax credit intended to ease the fiscal sting for businesses that have to pay both state EMAC and federal employee health care assessments. The tax credit was adopted into the FY2019 Budget and will allow an employer to claim a credit if they are subject to the federal assessment as well as the EMAC, ensuring that employers are not being doubly penalized in the same tax year.
- Launched a marketing campaign aimed at directing consumers to make their holiday purchases a MPSA member stores.

2019 Objectives

- Introduce legislation that allows for out-of-state IDs to be accepted as valid ID for the purchase of alcohol beverages;
- Introduce a bill mandating that suspensions by the ABCC issued to big box retailers and grocery stores who get caught selling to minors be applied to their entire building just as they are to independent retailers;
- Introduce legislation aimed at containing the number of licenses that can be held by persons or companies;
- Introduce legislation allowing for tasting rooms within the premises of Section 15 licensees;
- Work to resolve the industry dispute over cross accumulation and co-op purchasing;
- Introduce a bill allowing non-profits to purchase from Section 15 licensees for charitable events;
- Seek a decision in the Court of Appeals against the use of Cumulative Quantity Discounts,
- Prevent i-lottery from being enacted;
- Co-sponsor legislation allowing for sports wagering within section 15 licensee establishments;
- Prevent disruptive legislation from being enacted that undermines and takes business away from Section 15 independent retailers;
- Work with our many partners against single-use plastic bag bans, stricter regulations, predictive scheduling legislation, removal of licensee quotas, and much more.

Again, thank you for the continued support and commitment to the work of the Massachusetts Package Stores Association. On behalf of the MassPack Board of Directors and staff, I wish you all great happiness and fulfillment during this holiday season. I also hope for great success to your business in 2019. Enjoy the holiday season!

Respectfully,



Robert A. Mellion, Esq.
Executive Director | General Counsel