



Massachusetts Package Stores Association, Inc.

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AUGUST 2018 NEWSLETTER

MESSAGE FROM THE EXECUTIVE DIRECTOR

Dear MassPack Members,

It continues to be a very busy year at MassPack. In February, an action plan had been presented to the Board of Directors that was aimed at energizing the association and expanding advocacy. The action plan covered four areas. The four areas were logistics, internal management, member services and advocacy. Much has already been accomplished, and more is to come.



Logistics included the physical move of the corporate office from West Springfield to the Westborough. There was also the transition between the past and present Executive Directors and the necessary implementation of scheduled events, meetings and commitments. During this time, a thorough review was conducted of all internal workings at MassPack. These actions led to many updates and revisions. There has also been the addition of member services such as 3 X 3 Insights, IntelliCheck and ConnectPay.

The initial adjustments opened the door to an updating of the MassPack brand. MassPack publications were also enhanced. Several new ones were then produced. Examples include a refreshed e-newsletter, a primer on the 3-Tier System in MA, an advocacy scorecard, a member primer on how to file an ABCC appeal, revised membership benefits materials, and a new guide on model procedures for operating a package store. Many of these publications are available for download on the MassPack website.

Revisions within MassPack programming have also been made to better serve and support the membership. The three most leveraged member benefits are the Workers Compensation Insurance program, the Beverage Alcohol Training (BAT) course and the Health Insurance Coop program. MassPack has been working to improve and better market both insurance programs. The Beverage Alcohol Training (BAT) course and certification test was revised to better address issues such as distinguishing valid ID in Massachusetts, 2 party sales and how to identify and attend to intoxicated individuals. The revised BAT program has become so popular that courses were added during the summer to accommodate member needs. The fall schedule will be published soon.

Big changes are also underway regarding operations at MassPack. A new member management system is being implemented that will provide services such as cloud-based association management, online event registrations, enhanced communications, a member's forum on the website, classified ads, downloadable publications, online membership registration and renewals, polls and surveys and a membership App for mobile devices. The goal is to launch the new member management system this fall.

The operations enhancements complement MassPack's new cloud-based advocacy-lobbying service that has been game changing in the monitoring of industry related legislation. MassPack purchased lobbying software to be ready for what has been a wild 2018 Legislative Session. The good news is that MassPack was prepared.

In May and June, MassPack succeeded in getting the withdrawal of amendments to both the MA House and Senate FY2019 Budgets that would have allowed manufactures of alcoholic beverages to sell at retail off-premises. MassPack also obtained the withdrawal of detrimental amendments to both the MA House and Senate FY2019 budgets that would have expanded the ability of brew pubs to sell at retail off-premises. MassPack additionally stopped a bill that pitted retailers against one another.

Throughout the summer, MassPack secured the rejection of amendments to the Economic Development bill that would have allowed out-of-state retailers to take business from independent stores through the legalizing of coupons. MassPack also went on the offensive by pushing for the acceptance of out of state driver's licenses as valid I.D. This effort is ongoing during the current informal session of the legislature.

MassPack has also been pushing back on the litigation front with an appeal against the 2017 District Court ruling allowing Total Wine, Inc. to purchase at discount in a manner not previously permitted. MassPack's motion to serve as an amicus was approved in June by the Appellate Court. This action formally allowed MassPack to file an amicus brief in June to the Appellate Court. Total Wine has been compelled to answer and oral arguments are anticipated in the late fall.

Another issue of importance has been MassPack's efforts in preserving the ability of package stores to sell 50-milliliter liquor bottles in cities and towns throughout Massachusetts. An example is an effort underway in the City of Chelsea. These efforts are on-going.

Improving the Massachusetts Business Climate is yet another area that MassPack has been very active. An example is MassPack's participation in the "Grand Bargain" that took off the table voter referendums scheduled this November that allowed for harsher versions of employer paid family and medical leave and a \$15 minimum wage. MassPack was also part of a coalition of business groups that successfully challenged the voter referendum allowing for an Income Tax Surcharge on pass through businesses such as LLCs and S-Corps. MassPack additionally co-sponsored the Small Business Statehouse Day. The event underscored the interests of small businesses with an agenda that included Governor Charlie Baker and a chance for attendees to provide direct feedback to key legislators who craft small business-related legislation. Small Business Statehouse Day was the first event of its kind in over 25 years.

In addressing the Employer Medical Assistance Contribution (EMAC), MassPack is part of a coalition that successfully petitioned the Massachusetts Senate to vote unanimously in creating a tax credit for businesses that must pay both state EMAC and federal employee health care assessments. The tax credit was adopted into the FY2019 Budget. It 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.

Going into the fall, the MassPack office is working to bolster its Strategic Fund. This fund will be instrumental in supporting the association's ability to defend and advocate for the membership. It is also to be used for a messaging campaign directed by MassPack to encourage consumers of alcohol beverages to shop at member stores. That is the MassPack definition of "Strength in Unity."

In conclusion, please know that MassPack has not been taking it easy this summer. I look forward to updating you in the fall on many of these exciting initiatives. Thank you for being a MassPack member.

Respectfully,
Rob Mellion, Esq.
Executive Director and General Counsel

Supreme Court Has Chance to Decide if States Can *Discriminate Against Wine Retailer Shipping?*

July 24th, 2018. Filed under [Legal Challenges](#), [State Legislation](#), [Three Tier System](#), [Wine Shipping](#).



Are there any circumstances under which the dormant commerce clause of the U.S. Constitution protects retailers and wholesalers from discriminatory state liquor laws?

This is the underlying question the Supreme Court will be forced to answer if it accepts a [Petition For A Writ Of Certiorari](#) in the case of *Tennessee Wine and Spirits Retailers Association v. Clayton Byrd* (Tenn. v. Byrd).

Filed with the Supreme Court on July 20th, this is only the second case seeking an answer to the above question since the [Granholm v. Heald](#) decision in 2005. Certiorari was not granted in the first case. This one is different, however.

Tenn. v. Byrd is a case concerning residency requirements. Total Wine wanted to open a wine retail outlet in Tennessee. In response, local retailers pointed to the Tennessee law that required retail licensees to be residents of the state for a two year period prior to being granted a retail license. Clayton Byrd, Executive Director of the Tennessee Alcoholic Beverage Commission, responded by asking the courts to render a decision on the constitutionality of the two-year residency requirement. The case got kicked to the federal courts. Eventually, the Sixth Circuit last February affirmed a lower District Court ruling that the residency requirement did violate the dormant commerce clause and as such the law was unconstitutional.

In the course of its ruling, the Sixth Circuit acknowledged that there was uncertainty as to whether the dormant commerce clause protection against economic discrimination applies only to producers or if it applies to retailers and wholesalers and that this uncertainty has caused a split in opinion among the various circuits. (**READ MORE... contact MassPack for full article.**)

New Hampshire: NH Liquor Commission Celebrates Freedom from Taxes with Tax-Free Sale for Out-of-state Customers

Massachusetts, Vermont and Maine customers to receive discounts equal to double states' sales tax rates

Source: New Hampshire Liquor Commission
August 8, 2018

To thank its out-of-state customers who make up more than 50-percent of its annual sales and to highlight New Hampshire's tax-free status, the New Hampshire Liquor Commission (NHLC) is offering other New England customers discounts equal to double their states' sales tax rates. NHLC's "No Taxation on Our Libations" sale provides customers from Maine with an 11-percent discount, Massachusetts a 13-percent discount and Vermont a 12-percent discount-double each state's sales tax rate. As a thank you to its Granite State customers, NHLC will also offer New Hampshire residents a 13-percent discount to be in line with the promotion's largest discount. Customers from all other states will be eligible for the 13-percent discount. Eligible customers will receive one-time coupons valid from now through Monday, September 3. For full details, visit: www.liquorandwineoutlets.com/notax.

To take part, customers must submit their email addresses and select their home states at www.liquorandwineoutlets.com/notax. NHLC will send customers discount coupons in accordance with their states.

"In New Hampshire, we are always tax-free and we are pleased to be able to offer this unique opportunity for major savings to our friends in neighboring states this summer," said NHLC Chairman Joseph Mollica. "With 79 statewide NH Liquor & Wine Outlets, we offer our 11 million annual customers a selection of more than 11,000 wines and spirits, the most competitive, tax-free prices and a welcoming and enjoyable shopping experience. The "No Taxation on Our Libations" sale is our way of thanking our customers for their continued loyalty in shopping with us."

The "No Taxation on Our Libations" promotion is available to eligible customers making purchases totaling up to \$149.99. Eligible customers making purchases of \$150 or more will receive a \$25 discount during the promotional period.

Dunkin' Donuts Is Getting Into the Beer Biz With a New Beverage Coming This Fall

Source: <https://www.usmagazine.com/>
By Samantha Leffler
July 19, 2018

Why settle for doughnuts and coffee when you can have doughnuts and beer?

Boston-based Dunkin' Donuts is teaming up with another Beantown staple - Harpoon Brewery - to release a beer this fall, and it could be a total game-changer.



Boston.com reports speculation first arose that Dunkin' might be dipping its toes into the beer business in early July when three labels for the upcoming beverage were filed with the Treasury Department's Alcohol and Tobacco Tax and Trade Bureau. Per the labels, which have all been approved, the beer will be called Dunkin' Coffee Porter and will be bottled and canned in the brand's iconic pink and orange colors.

What's more? Even though the drink is a collaboration between Dunkin' and Harpoon, it will technically only be classified as a flavored malt beverage. As is stated on the labels, the "roasty" and "smooth" porter will be brewed with Dunkin' coffee and have a six percent alcohol-by-volume content. *(READ MORE... contact MassPack for full article.)*

America's Pot Capital? It's Massachusetts, Not Colorado

1:00 PM 08/03/2018

Stewart Lawrence | Consultant and policy analyst

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Massachusetts is emerging as the nation's pot capital, according to statistics compiled in a state legislative report released to the public last month.

The report, part of a comprehensive assessment of the pros and cons of legalizing marijuana in the Bay State, found that 21 percent of all Massachusetts residents admitted to smoking pot in June 2018.

That's a huge jump from the 12 percent of Massachusetts residents that admitted to smoking pot in the previous statewide survey.

Even worse, young adult marijuana use in Massachusetts appears to be exploding. Roughly half of residents 18-25 years old reported using marijuana in the past 30 days — far higher than the national usage rate for this same demographic.

Many observers have long considered Colorado the nation's pot capital because it was the first state to legalize marijuana — back in 2014. But only Vermont — at 18 percent — now rivals its New England neighbor's level of pot use, according to available federal statistics. Colorado's adult use is just 15 percent, according to state data.

(READ MORE... contact MassPack for full article.)



Major Alcohol Industry Association Announces Support for Right to Legalize Cannabis Wine & Spirits Wholesalers of America Says Federal Government Should Allow Industry to Operate if Regulated Similarly to Beverage Alcohol

Jeff Solsby / jeff@swa.org / 202-371-9792 EMBARGOED UNTIL 9:00 P.M. 7/12/18

(WASHINGTON, D.C.) – Today, Wine & Spirits Wholesalers of America (WSWA) announced an official policy position in favor of a state's right to establish a legal, well-regulated, adult-use

cannabis marketplace; it is the first and only beverage alcohol association to do so. In states where cannabis is or will subsequently be legalized, the association calls on the federal government to respect the right of states to legalize cannabis if they adopt cannabis market regulations that meet a framework similar to that governing beverage alcohol.

“Eight decades ago, Americans acknowledged that the Prohibition of alcohol was a failed policy. The state-based system of regulation, adopted after Prohibition, created a U.S. beverage alcohol market that is the safest, most competitive and best regulated in the world,” WSWA Acting Executive Vice President, External Affairs, Dawson Hobbs said.

The legal cannabis market continues to expand in the United States, generating \$7.2 billion in economic activity in 2016. *(READ MORE... contact MassPack for full article.)*

These Are the 5 Best American Whiskeys, According to More Than 50 Experts

Source: <https://gearpatrol.com/>

By WILL PRICE

JULY 20, 2018

Only five American whiskeys won golds at this year's International Spirit Challenge, most of which are surprisingly available.

The 23rd year of the competition, which wrapped earlier this week, featured its usual rigorous blind tasting judging process as well as entrants from more than 70 countries around the world (they judge far more than just whiskey). These five award winners took home the highest honor for individual bottles and, for the most part, can be found at spirits stores nationwide.



Eagle Rare 10 Year Old Kentucky Straight Bourbon Whiskey

This is not the 10-year variety of Eagle Rare's first award. It's not even its 10th or 20th. Going back to its gold in the very same competition in 2003, this Buffalo Trace umbrella brand's bottle has been storming spirit competitions since it first landed on the scene. Eagle Rare 10-year took gold in the Straight Bourbon 10 years old and under category, one of three American whiskeys to do so. *(READ MORE... contact MassPack for full article.)*

Family Dollar wants to sell you booze in Cincinnati

Family Dollar is amid a push to obtain liquor licenses to sell beer and wine in Cincinnati-area stores.

Source: <https://www.bizjournals.com/>

By Andy Brownfield

July 12, 2018

A retailer known for discount consumer products wants to be Cincinnati's new source for alcoholic beverages.

Charlotte, N.C.-based Family Dollar, owned by Dollar Tree (NYSE: DLTR), has applied for more than two dozen liquor permits to sell beer and wine in the four-county Greater Cincinnati region.

The discount store chain has applied and is pending approval for 28 liquor permits in Hamilton, Clermont, Butler and Warren counties. Those permits would allow 14 stores to sell packaged beer and wine to-go. The vast majority of those, 21 pending liquor applications, are in Hamilton County. *(READ MORE... contact MassPack for full article.)*



'Costco for millennials' moves into spirits

Source: <https://www.thespiritsbusiness.com/>

by Owen Bellwood

24th July, 2018

Wholesale mobile shopping app Boxed has expanded its offering with the launch of a bulk spirits delivery service in the US.

The online wholesaler, described as the "Costco for millennials", has added a range of spirits to its portfolio, available for delivery in California and Massachusetts.

Since its launch in 2013, the company has offered a service delivering bulk packages of non-perishable grocery items, such as laundry detergent and snacks.

The addition products such as Diageo's Tanqueray gin, Cîroc vodka and Crown Royal Canadian whisky to the New York-based e-commerce company's portfolio marks its first foray into spirits.

After an initial rollout in California and Massachusetts, Boxed plans to expand its bulk spirits delivery service into Florida and Texas in the coming months.

The company, described as the "Costco for millennials", was founded by CEO Chieh Huang. Over the past five years, Boxed has expanded out of its founder's garage to become a US\$100 million business with distribution centres across the US.

IMPORTANT DATES TO REMEMBER

Mark your calendars and "Save the Date" for these important association events:

November 7, 2018 -
Annual Meeting of the Membership

May 8, 2019 -
MassPack Spring Beverage Show



MASSACHUSETTS PACKAGE STORES ASSOCIATION

**We acknowledge those suppliers who have shown their support
for the package store industry in Massachusetts by becoming...**

2018 ASSOCIATE MEMBERS

3 x 3 Insights	J Polep Distribution
Abacus Distributing LLC	Latitude Beverage Co.
Alberta Payments	Lemate of New England, Inc.
American Insulated Panel Co.	Martignetti Companies
Anheuser Busch, Inc.	MA Beverage Business Journal
Association Members Insurance	Merrimack Valley Distributing
Atlantic Beverage Distributors	Miller Coors
Atlas Distributing, Inc.	mPower Beverage Software
Atlas Distributing, Inc.	M.S. Walker, Inc.
Bacardi USA	Narragansett Brewing Co.
BayState Business Brokers	Payment Alliance International
Baystate Wine Co. Inc.	PC Solutions
Black Lab Alarm, Inc.	POS Advisors LLC
Burke Distributing Corp.	Protastings
Carolina Wine & Spirits	Quality Beverage Ltd.
Charles River Wine Co.	Retail Control Systems
CheckWriters Payroll	Ruby Wines Inc.
Classic Wine Imports	Seaboard Products Co.
Colonial Wholesale Beverage	Squizzero, Carp & Associates
Commercial Distributing Co.	Summit Ice Inc.
Commonwealth Wine & Spirits	The Business Exchange
ConnectPay Payroll Services	The Tap Brewing Co.
CoveRisk Services, LLC	TOMRA of North America
Craft Brewers Guild	Treasury Wine Estates
Distilled Spirits Council	Tri Wine Company
Drync	Truro Vineyards of Cape Cod
ENVIPCO	Turn-Key Distrib. Systems
First Data	United Liquors
Forbes Snyder - dba Advanced Business solutions	WB Mason Co., Inc.
George & Co. Business Brokers	Westborough Books Inc.
Harold Levinson Associates	White Lion Brewing
Horizon Beverage Co.	Williams Distributing Co.
HUB International NE	Winebow Boston
Intellicheck ID	Yiannis Distributing

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