

# **Alcoholic Beverage Licenses**

**Town of Ipswich, Massachusetts**

**Date Adopted: October 23, 2000**

**Policy Title/Subject:** Alcoholic Beverage Licenses

## **A. GENERAL**

1. This directive is designed to assist licensees and prospective licensees in understanding the Board of Selectmen's policy regarding the issuance of alcoholic beverage licenses.

## **B. ISSUANCE OF ALCOHOLIC BEVERAGE LICENSES**

1. The Board of Selectmen does not consider an alcoholic beverage license issued by the Town of Ipswich to be the property of the licensee; it is, rather, a privilege granted by the Board to the license holder.
2. The Board of Selectmen shall hold a public hearing to satisfy itself that the issuance of a particular alcoholic beverage license will not have a detrimental effect upon the best interests of the community, including, but not limited to, whether or not the licensed premises would adversely affect the activities of any nearby school or church. The burden shall be on the applicant to prove that he/she is entitled to licensure.
3. Available licenses will be issued on a first-come/first served basis. A waiting list will be established to furnish a record of prospective applicants.

## **C. FEES**

License fees shall be assessed in accordance with rates currently applicable in the Town of Ipswich. The annual fee for new alcoholic beverage licenses which are issued between October first and December 31 shall be assessed on a pro-rata basis in accordance with the fees assigned to seasonal licenses. No refund will be issued if the license is canceled for reasons judged by the Board of Selectmen to be in the best interests of the community.

#### **D. TRANSFER OF LICENSE**

1. Prospective licensees are warned that "paying for" or "buying" an alcoholic beverage license from a current licensee will not guarantee that the Board of Selectmen will approve the transfer of said license.
2. The Board of Selectmen shall generally allow transfer of an alcoholic beverage license between establishments of similar operation provided that:
  - a. The prospective licensee has a functioning establishment "open for business" or, in the reasonable judgment of the Board of Selectmen, the opening of said establishment is imminent.
  - b. The prospective licensee is not liable for any outstanding fees, taxes and/or other charges which have been assessed by the Town of Ipswich; and
  - c. In the judgment of the Board of Selectmen, allowing the transfer of the license would serve the best interests of the community.

#### **E. CONDITIONS ON LICENSE**

1. The Board of Selectmen may impose conditions on a license to ensure an establishment operates in a manner which the Board feels is consistent with the best interests of the community.

#### **F. INACTIVE LICENSES**

1. An alcoholic beverage license which is inactive for a period of three (3) consecutive months shall be subject to review by the Board of Selectmen. During such review, the licensee shall be asked to discuss and demonstrate his/her operating plans for the establishment and the manner in which said licensee is serving the best interests of the community. The Board will not normally ask the licensee to discuss and demonstrate his/her operating plans for the establishment more frequently than once every ninety (90) days, but reserves the right to do so as it deems necessary.

2. In the event a licensed establishment closes for reasons other than an A.B.C.C. or Town enforcement, the licensee shall be required, within fourteen (14) calendar days of closure, to notify the Board of Selectmen, by certified mail, of said closure.
3. If, in the reasonable judgment of the Board of Selectmen, the establishment will not reopen for business within a year after the owner of said establishment, or holder of the alcoholic beverage license for said establishment, has submitted said mandatory written notice of closure to the Board, the Board may at that time vote to institute proceedings under G.L. C.138, s. 77, to cancel the license within the subsequent ninety (90) days if the establishment is not reopened within said ninety (90) days.
4. If the licensee fails to notify the Board that his/her establishment has ceased to conduct business and the establishment has in fact ceased operations, the Board of Selectmen, in its reasonable judgment, may institute proceedings, to cancel the license under G.L. c. 138, s. 77, fifteen (15) days after having learned of said closure.

#### **G. PLEDGED LICENSES**

1. Although the Board of Selectmen may, in its discretion, approve a license and a pledge of the alcoholic beverage license as collateral for a loan pursuant to G.L. c. 138, s. 23, the Board of Selectmen reserves any and all rights it has to suspend, revoke, not renew, or otherwise regulate the license under G.L. c. 138, s. 1 *et seq.*
2. By its approval of the alcoholic beverage license and pledge of the license as collateral, the Board of Selectmen does not intend to become a party to the loan agreement and does not intend to bind or obligate the Town to any of the terms of the loan agreement.
3. In the event the license holder's loan and pledge of the license are approved by the Board of Selectmen, the pledge agreement and any associated loan documents must contain the following language:

Notwithstanding the Ipswich Board of Selectmen's approval of alcoholic beverage license # \_\_\_\_\_ and pledge of the same as collateral pursuant to the terms of this agreement, the Board of Selectmen expressly reserves any and all rights it has to suspend, revoke, not renew, or otherwise regulate alcoholic beverage license # \_\_\_\_\_ under G.L. C. 138, s. 1 *et. seq.* Furthermore, the Board

of Selectmen does not intend to become a party to this loan agreement and does not intend to bind or obligate the Town of Ipswich to any of the terms of this loan agreement.

4. In the event the lender requests a transfer of the alcoholic beverage license, the Board of Selectmen will not approve the transfer without the consent of the license holder or a final judgment from a court of competent jurisdiction adjudicating the lender as the sole holder of the pledged license under the terms of the loan documents.

5. The Board of Selectmen will not be bound or obligated to provide notice to the lender of any actions that it takes relative to the alcoholic beverage license or the license holder.

6. Upon suspension, revocation, or non-renewal of the alcoholic beverage license pledged as collateral, the lender shall immediately surrender the license to the Board of Selectmen in accordance with G.L. c. 138, s. 65.

#### **H. RENEWAL APPLICATION REVIEW**

1. A licensee may be requested to appear before the board at any time during the renewal process to demonstrate the manner in which he/she is serving the best interests of the Town.

#### **I. AMENDMENTS**

1. Changes to this policy may be made by majority vote of the Board of Selectmen and should be discussed at a public meeting. Notice of any change in policy should be made to all licensees in a timely manner.