




To: Board of Selectmen

From: Marc Strange, Town Administrator 

Date: November 26, 2024

Re: Prorating Local Liquor Licensing Fees

Dear Board Members,

The town currently requires that new liquor license owners and recipients of liquor license transfers pay a full year's fee regardless of when the license gets approved by the ABCC and comes into ownership by the new licensee. For example, most recently the Brookside Café came into ownership of its transferred license on November 1, 2024. Under existing rules, they are required to pay \$1300 for the 2024 Town of Ludlow fee and then another \$1300 in January for the 2025 fee. This seems unfair and unfriendly to our business community. To make the process fairer and more business friendly, we are proposing the Board consider adopting the following policy:

The local fee for new or transferred annual liquor licenses granted in a month other than January shall be prorated at a rate equal to the number of months remaining in the year, inclusive of the month the license is granted, with the cost of each month being the cost of the annual license divided by 12. The Alcoholic Beverage Control Commission (ABCC)'s approval of the license will be used to determine the month of granting for the purpose of this policy. For example, an owner whose license is approved by the ABCC on November 1 will be required to pay 2/12 of the local annual licensing fee for that calendar year. Note that the ABCC imposes its own fee, which cannot be prorated by the town.

We look forward to discussing this proposed policy at the Board's December 3, 2024 meeting.