

Mass. alcohol regulators say happy hours should remain banned

By Todd Feathers

Globe Correspondent

February 1, 2013 9:07 PM

Repealing the state's happy hour ban would be economically and socially detrimental to the Commonwealth and would not substantially protect restaurants from losing business to casinos, according to a report by state alcohol regulators.

Some lawmakers had floated the idea of rolling back the happy hour restriction as a concession to liquor license holders, who have opposed a provision in the 2011 Gaming Act that allows casinos to serve free alcoholic drinks in their gaming areas.

But the report, issued Thursday by the Alcoholic Beverage Control Commission, found that many restaurant owners feared the changes would create a "race to the bottom," in which establishments would try to undercut each other's prices to the extent that their business models would no longer be viable.

"It was kind of this false premise that if you allowed restaurants to have happy hours it would level the playing field [with casinos]," Massachusetts Restaurant Association President Stephen Clark said. "But restaurants can't subsidize free drinks like casinos."

The ABCC has banned businesses with liquor licenses from offering lower-priced drinks during happy hours since 1984, after a woman in Braintree was killed by a drunk driver who had consumed seven beers at a happy hour event.

Treasurer Steven Grossman, whose office oversees the ABCC, said the happy hour ban is an important factor in upholding the state's reputation and protecting its citizens.

"I think it has served us well, and I think it is a very important public safety issue," he said. "I am fully supportive of [the report's] conclusions."

Offering free drinks is a common practice among gambling establishments, which make most of their profits from the games they run and can therefore afford to offer drinks and other services as perks for customers.

The Gaming Act provision specifies that free alcoholic beverages can only be served on a casinos' gaming floors, and not in restaurants or hotels that may be attached to the casinos.

"ABCC still has oversight at casinos," Grossman said. "Casinos still have to serve in a responsible way."

Restaurant owners know that any time a new source of entertainment enters the area they must find ways to make up for the business they will inevitably lose, Clark said.

"From the very beginning we wanted casinos to play by the same rules as restaurants," he said. "But happy hours would create a race to the bottom and would actually hurt the industry."