



Senate

General Assembly

File No. 127

February Session, 2002

Senate Bill No. 505

Senate, March 25, 2002

The Committee on General Law reported through SEN. COLAPIETRO of the 31st Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

**AN ACT CONCERNING THE ADVERTISEMENT OF
MANUFACTURERS' REBATES FOR ALCOHOLIC LIQUOR
PRODUCTS.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective July 1, 2002*) (a) For the purposes of this
2 section: (1) "Advertise" means the making of any statement or
3 representation in connection with the solicitation of business in any
4 manner by a retail permittee and includes, but is not limited to,
5 statements and representations published in any newspaper or other
6 publication or statements or representations printed in any catalog,
7 circular or other sales literature or brochure; (2) "manufacturer's
8 rebate" means that amount due and payable in accordance with an
9 offer by a permittee other than a retail permittee to refund to a
10 consumer all or a portion of the purchase price of an alcoholic liquor
11 product; and (3) "net price" means the ultimate price paid by a
12 consumer for an alcoholic liquor product after the consumer has
13 redeemed the manufacturer's rebate offered for the alcoholic liquor

14 product.

15 (b) A retail permittee may advertise the existence of a
16 manufacturer's rebate or the net price of an alcoholic liquor product
17 provided such permittee makes all of the following disclosures in such
18 advertisement in type that is the same color, style and size: (1) The
19 sales price of the alcoholic liquor product before the manufacturer's
20 rebate; (2) the amount and expiration date of the manufacturer's
21 rebate; and (3) the net price of the alcoholic liquor product.

This act shall take effect as follows:	
Section 1	<i>July 1, 2002</i>

GL *Joint Favorable*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact: None

Municipal Impact: None

Explanation

This bill allows liquor retailers to advertise the availability of manufacturers' rebates and the product's net price. The Commissioner of Consumer Protection will amend regulations, if necessary, with no need for additional resources.

OLR Bill Analysis

SB 505

AN ACT CONCERNING THE ADVERTISEMENT OF MANUFACTURERS' REBATES FOR ALCOHOLIC LIQUOR PRODUCTS**SUMMARY:**

This bill allows liquor retailers to advertise the availability of a manufacturer's rebate and a product's net price. The advertisement must contain the selling price before the rebate is deducted, the amount of the rebate, the net price, and the date the rebate offer expires. All statements must be made in the same font size, color, and style.

The bill defines "advertise" as making any statement in connection with the solicitation of business by a holder of a liquor retail permit. It includes statements in newspapers or other publications. "Manufacturer's rebate" means the amount due and payable in accordance with an offer by a liquor seller other than the retailer to refund all or a portion of the selling price to a consumer. "Net price" means the final price paid by the consumer after the rebate amount is deducted.

EFFECTIVE DATE: July 1, 2002

BACKGROUND***Advertising Rebate Offers***

State regulations prohibit all retailers from advertising the net price after deduction of the amount of a manufacturer's rebate unless the retailer redeems the rebate coupon at the time of the sale. The regulation does not prohibit a retailer from advertising the availability or amount of a rebate (Conn. Agencies Reg. Sec. 42-110b-119). A violation is an unfair trade practice.

State regulations prohibit liquor retailers from offering free goods to consumers (Conn. Agencies Reg. Sec. 30-6-A40(f)). The attorney general issued an opinion stating that the net effect of the two

regulations is to prohibit liquor retailers from advertising the availability of a manufacturer's rebate under any circumstances (8 Op. Conn. Atty. Gen. 31 (1989)).

COMMITTEE ACTION

General Law Committee

Joint Favorable Report

Yea 17 Nay 0