



General Assembly

Substitute Bill No. 6584

January Session, 2003

AN ACT CONCERNING CHANGES IN OWNERSHIP OF RETAIL LIQUOR PERMIT PREMISES.

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

1 Section 1. Section 30-48 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2003*):

3 (a) No backer or permittee of one permit class shall be a backer or
4 permittee of any other permit class except in the case of any class of
5 airport, railroad, airline and boat permits, and except that: (1) A backer
6 of a hotel or restaurant permit may be a backer of both such classes; (2)
7 a holder or backer of a manufacturer permit for a brew pub, a
8 restaurant permit or a cafe permit may be a holder or backer of any
9 other or all of such classes; (3) a holder or backer of a restaurant permit
10 may be a holder or backer of a bowling establishment permit; (4) a
11 backer of a restaurant permit may be a backer of a coliseum permit or a
12 coliseum concession permit, or both, when such restaurant is within a
13 coliseum; (5) a backer of a hotel permit may be a backer of a coliseum
14 permit or a coliseum concession permit, or both; (6) a backer of a
15 coliseum permit may be a backer of a coliseum concession permit; (7) a
16 backer of a coliseum concession permit may be a backer of a coliseum
17 permit; (8) a backer of a grocery store beer permit may be a backer of a
18 package store permit if such was the case on or before May 1, 1996; (9)
19 a backer of a university permit may be a backer of a nonprofit theater
20 permit; (10) subject to the discretion of the department, a backer of a

21 permit provided for in section 30-33b, may be a backer of any other
22 retail on-premise consumption permit, including those permits
23 provided for in section 30-33b; (11) a backer of a nonprofit theater
24 permit may be a holder or backer of a hotel permit; (12) a holder or
25 backer of a restaurant permit may be a holder or backer of a special
26 outing facility permit; and (13) a backer of a concession permit may be
27 a backer of a coliseum permit or a coliseum concession permit, or both.
28 Any person may be a permittee of more than one permit. A person
29 may be a permittee under a permit provided for in section 30-33b and
30 a backer of any other retail on-premise consumption permit, including
31 those permits provided for in section 30-33b. The operator of a racing
32 or jai alai exhibition with pari-mutuel betting licensed by the Gaming
33 Policy Board may be a backer of any permit provided for in section 30-
34 33b. No holder of a manufacturer permit for a brew pub and no spouse
35 or child of such holder may be a holder or backer of more than three
36 restaurant permits or cafe permits.

37 (b) No permittee or backer thereof and no employee or agent of
38 such permittee or backer shall borrow money or receive credit in any
39 form for a period in excess of thirty days, directly or indirectly, from
40 any manufacturer permittee, or backer thereof, or from any wholesaler
41 permittee, or backer thereof, of alcoholic liquor or from any member of
42 the family of such manufacturer permittee or backer thereof or from
43 any stockholder in a corporation manufacturing or wholesaling such
44 liquor, and no manufacturer permittee or backer thereof or wholesaler
45 permittee or backer thereof or member of the family of either of such
46 permittees or of any such backer, and no stockholder of a corporation
47 manufacturing or wholesaling such liquor shall lend money or
48 otherwise extend credit, directly or indirectly, to any such permittee or
49 backer thereof or to the employee or agent of any such permittee or
50 backer. A wholesaler permittee or backer, or a manufacturer permittee
51 or backer, that has not received payment in full from a retailer
52 permittee or backer within thirty days after the date such credit was
53 extended to such retailer or backer or to an employee or agent of any
54 such retailer or backer, shall give a written notice of obligation to such

55 retailer within the five days following the expiration of the thirty-day
56 period of credit. The notice of obligation shall state: The amount due;
57 the date credit was extended; the date the thirty-day period ended, and
58 that the retailer is in violation of this section. A retailer who disputes
59 the accuracy of the "notice of obligation" shall, within the ten days
60 following the expiration of the thirty-day period of credit, give a
61 written response to notice of obligation to the department and give a
62 copy to the wholesaler or manufacturer who sent the notice. The
63 response shall state the retailer's basis for dispute and the amount, if
64 any, admitted to be owed for more than thirty days; the copy
65 forwarded to the wholesaler or manufacturer shall be accompanied by
66 the amount admitted to be due, if any, and such payment shall be
67 made and received without prejudice to the rights of either party in
68 any civil action. Upon receipt of the retailer's response, the chairman of
69 the commission or [his] such chairman's designee shall conduct an
70 informal hearing with the parties being given equal opportunity to
71 appear and be heard. If the chairman or [his] such chairman's designee
72 determines that the notice of obligation is accurate, the department
73 shall forthwith issue an order directing the wholesaler or manufacturer
74 to promptly give all manufacturers and wholesalers engaged in the
75 business of selling alcoholic liquor to retailers in this state, a "notice of
76 delinquency". The notice of delinquency shall identify the delinquent
77 retailer, and state the amount due and the date of the expiration of the
78 thirty-day credit period. No wholesaler or manufacturer receiving a
79 notice of delinquency shall extend credit by the sale of alcoholic liquor
80 or otherwise to such delinquent retailer until after the manufacturer or
81 wholesaler has received a "notice of satisfaction" from the sender of the
82 notice of delinquency. If the chairman or [his] such chairman's
83 designee determines that the notice of obligation is inaccurate, the
84 department shall forthwith issue an order prohibiting a notice of
85 delinquency. The party for whom the determination by the chairman
86 or [his] such chairman's designee was adverse, shall promptly pay to
87 the department a part of the cost of the proceedings as determined by
88 the chairman or [his] such chairman's designee, which shall not be less
89 than fifty dollars. The department may suspend or revoke the permit

90 of any permittee who, in bad faith, gives an incorrect notice of
91 obligation, an incorrect response to notice of obligation, or an
92 unauthorized notice of delinquency. If the department does not receive
93 a response to the notice of obligation within such ten-day period, the
94 delinquency shall be deemed to be admitted and the wholesaler or
95 manufacturer who sent the notice of obligation shall, within the three
96 days following the expiration of such ten-day period, give a notice of
97 delinquency to the department and to all wholesalers and
98 manufacturers engaged in the business of selling alcoholic liquor to
99 retailers in this state. A notice of delinquency identifying a retailer who
100 does not file a response within such ten-day period shall have the same
101 effect as a notice of delinquency given by order of the chairman or [his]
102 such chairman's designee. A wholesaler permittee or manufacturer
103 permittee that has given a notice of delinquency and that receives full
104 payment for the credit extended, shall, within three days after the date
105 of full payment, give a notice of satisfaction to the department and to
106 all wholesalers and manufacturers to whom a notice of delinquency
107 was sent. The prohibition against extension of credit to such retailer
108 shall be void upon such full payment. The department may revoke or
109 suspend any permit for a violation of this section. An appeal from an
110 order of revocation or suspension issued in accordance with this
111 section may be taken in accordance with section 30-60.

112 (c) If there is a proposed change or change in ownership of a retail
113 permit premises, no application for a permit shall be approved until
114 the applicant files with the department [:(1) An affidavit executed by
115 the predecessor permittee or backer listing all unpaid obligations of the
116 predecessor for the purchase of alcoholic liquor at such permit
117 premises and (2)] an affidavit executed by the applicant stating that all
118 [such listed] obligations of the predecessor permittee for the purchase
119 of alcoholic liquor at such permit premises have been paid [, unless,
120 after hearing, the department finds that such predecessor abandoned
121 the premises prior to the filing of the application and finds that such
122 predecessor did not receive any consideration, direct or indirect, for
123 his abandonment] or that such applicant did not receive direct or

124 indirect consideration from the predecessor permittee. If a wholesaler
125 permittee alleges the applicant received direct or indirect consideration
126 from the predecessor permittee or that there remains outstanding
127 liquor obligations, such wholesaler permittee may file with the
128 department an affidavit, along with supporting documentation to
129 establish receipt of such consideration or outstanding liquor
130 obligations. The commissioner, in the commissioner's sole discretion,
131 shall determine whether a hearing is warranted on such allegations.

132 (d) A permittee may file a designation of an authorized agent with
133 the department to issue or receive all notices or documents provided
134 for in this section. The permittee shall be responsible for the issuance
135 or receipt of such notices or documents by the agent.

136 (e) The period of credit permitted under this section shall be
137 calculated as the time elapsing between the date of receipt of the
138 alcoholic liquors by the purchaser and the date of full legal discharge
139 of the purchaser through the payment of cash or its equivalent from all
140 indebtedness arising from the transaction except that, if the last day for
141 payment falls on a Saturday, Sunday or legal holiday, the last day for
142 payment shall then be the next business day.

This act shall take effect as follows:	
Section 1	October 1, 2003

GL *Joint Favorable Subst.*