



**Senate Bill No. 122**

**Public Act No. 05-274**

**AN ACT CONCERNING THE SHIPMENT OF WINE TO STATE RESIDENTS.**

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

Section 1. Subsection (e) of section 30-16 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(e) (1) A manufacturer permit for a farm winery shall be in all respects the same as a manufacturer permit, except that the scope of operations of the holder shall be limited to wine and brandies distilled from grape products or other fruit products, including grappa and eau-de-vie. As used in this section, "farm winery" means any place or premises, located on a farm in the state in which wine is manufactured and sold.

(2) Such permit shall authorize (A) the sale in bulk by the holder thereof from the premises where the products are manufactured pursuant to such permit; [and shall authorize the holder thereof to sell from such farm winery premises] (B) as to a manufacturer who produces one hundred thousand gallons of wine or less per year, the sale and shipment by the holder thereof to a retailer of wine manufactured by the farm winery permittee in the original sealed

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containers of not more than fifteen gallons per container; [and to sell or deliver such] (C) the sale and shipment by the holder thereof of wine [or brandy] manufactured by the farm winery permittee to persons outside the state; [ Such permit shall also authorize: (1) The] (D) the offering and tasting of free samples of such wine or brandy to visitors and prospective retail customers for consumption on the premises of the farm winery permittee; [(2) the selling] (E) the sale at retail from the premises of sealed bottles or other sealed containers of such wine or brandy for consumption off the premises; [and (3) the selling] (F) the sale at retail from the premises of wine or brandy by the glass and bottle to visitors on the premises of the farm winery permittee for consumption on the premises; [ , provided] and (G) subject to the provisions of subdivision (3) of this subsection, the sale and delivery or shipment of wine manufactured by the permittee directly to a consumer in this state. Notwithstanding the provisions of subparagraphs (D), (E) and (F) of this subdivision, a town may, by ordinance or zoning regulation, prohibit any such offering, tasting or selling at retail at premises within such town for which a manufacturer permit for farm winery has been issued.

(3) A permittee, when selling and shipping wine directly to a consumer in this state, shall: (A) Ensure that the shipping labels on all containers of wine shipped directly to a consumer in this state conspicuously state the following: "CONTAINS ALCOHOL—SIGNATURE OF A PERSON AGE 21 OR OLDER REQUIRED FOR DELIVERY"; (B) obtain the signature of a person age twenty-one or older at the address prior to delivery, after requiring the signer to demonstrate that he or she is age twenty-one or older by providing a valid motor vehicle operator's license or a valid identity card described in section 1-1h; (C) not ship more than five gallons of wine in any sixty-day period to any person in this state; (D) pay, to the Department of Revenue Services, all sales taxes and alcoholic beverage taxes due under chapters 219 and 220 on sales of wine to consumers in this state,

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and file, with said department, all sales tax returns and alcoholic beverage tax returns relating to such sales; (E) report to the Department of Consumer Protection a separate and complete record of all sales and shipments to consumers in the state, on a ledger sheet or similar form which readily presents a chronological account of such permittee's dealings with each such consumer; (F) not ship to any address in the state where the sale of alcoholic liquor is prohibited by local option pursuant to section 30-9; and (G) hold an in-state transporter's permit pursuant to section 30-19f, as amended by this act, or make any such shipment through the use of a person who holds such an in-state transporter's permit.

(4) No licensed farm winery may sell any such wine or brandy not manufactured by such winery, except a licensed farm winery may sell from the premises wine manufactured by another farm winery located in this state.

(5) The farm winery permittee shall produce within the state an average crop of fruit equal to not less than twenty-five per cent of the fruit used in the manufacture of the farm winery permittee's wine. An average crop shall be defined each year as the average yield of the farm winery permittee's two largest annual crops out of the preceding five years, except that during the first seven years from the date of issuance of a farm winery permit, an average crop shall be defined as three tons of grapes for each acre of vineyard farmed by the farm winery permittee.

(6) A holder of a manufacturer permit for a farm winery, when advertising or offering wine for direct shipment to a consumer in this state via the Internet or any other on-line computer network, shall clearly and conspicuously state such liquor permit number in its advertising.

(7) The annual fee for a manufacturer permit for a farm winery shall

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be two hundred forty dollars.

Sec. 2. Section 30-18 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) An out-of-state shipper's permit for alcoholic liquor other than beer shall allow the sale of such alcoholic liquor to manufacturer and wholesaler permittees in this state as permitted by law and, as to any out-of-state shipper operating a farm winery who produces not more than one hundred thousand gallons of wine per year, the sale and shipment by the holder thereof to a retailer of wine manufactured by such permittee on the permitted premises in the original sealed containers of not more than fifteen gallons per container. The permit premises of an out-of-state shipper's permit for alcoholic liquor may be located within this state or outside this state. The annual fee for an out-of-state shipper's permit for alcoholic liquor other than beer shall be forty-five dollars for a Connecticut manufacturer or wholesaler holding such a permit and shall be one thousand dollars for any other person holding such a permit. For purposes of this subsection, "farm winery" means any place or premises, located on a farm in which wine is manufactured and sold provided not less than twenty-five per cent of the fruit used in the manufacture of such wine is produced on such farm.

(b) Subject to the provisions of this subsection, an out-of-state shipper's permit for alcoholic liquor other than beer shall allow the sale and delivery or shipment of wine manufactured by the permittee on the permitted premises directly to a consumer in this state. Such permittee, when selling and shipping wine directly to a consumer in this state, shall: (1) Ensure that the shipping labels on all containers of wine shipped directly to a consumer in this state conspicuously state the following: "CONTAINS ALCOHOL – SIGNATURE OF A PERSON AGE 21 OR OLDER REQUIRED FOR DELIVERY"; (2) obtain the signature of a person age twenty-one or older at the address prior to

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delivery, after requiring the signer to demonstrate that he or she is age twenty-one or older by providing a valid motor vehicle operator's license or a valid identity card described in section 1-1h; (3) not ship more than five gallons of wine in any sixty-day period to any person in this state and not ship any wine until such permittee is registered, with respect to the permittee's sales of wine to consumers in this state, for purposes of the taxes imposed under chapters 219 and 220, with the Department of Revenue Services; (4) pay, to the Department of Revenue Services, all sales taxes and alcoholic beverage taxes due under chapters 219 and 220 on sales of wine to consumers in this state, and file, with said department, all sales tax returns and alcoholic beverage tax returns relating to such sales, with the amount of such taxes to be calculated as if the sale were in this state at the location where delivery is made; (5) report to the Department of Consumer Protection a separate and complete record of all sales and shipments to consumers in the state, on a ledger sheet or similar form which readily presents a chronological account of such permittee's dealings with each such consumer; (6) permit the Department of Consumer Protection and Department of Revenue Services, separately or jointly, to perform an audit of the permittee's records upon request; (7) not ship to any address in the state where the sale of alcoholic liquor is prohibited by local option pursuant to section 30-9; (8) hold an in-state transporter's permit pursuant to section 30-19f, as amended by this act, or make any such shipment through the use of a person who holds such an in-state transporter's permit; and (9) execute a written consent to the jurisdiction of this state, its agencies and instrumentalities and the courts of this state concerning the enforcement of this section and any related laws, rules, or regulations, including, but not limited to, tax laws, rules or regulations.

(c) The Department of Consumer Protection, in consultation with the Department of Revenue Services, may adopt regulations, in accordance with the provisions of chapter 54, to assure compliance

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with the provisions of subsection (b) of this section.

(d) A holder of an out-of-state shipper's permit for alcoholic liquor other than beer, when advertising or offering wine for direct shipment to a consumer in this state via the Internet or any other on-line computer network, shall clearly and conspicuously state such liquor permit number in its advertising.

(e) (1) For purposes of chapter 219, the holder of an out-of-state shipper's permit for alcoholic liquor other than beer, when shipping wine directly to a consumer in this state, shall be deemed to be a retailer engaged in business in this state, as defined in chapter 219, and shall be required to be issued a seller's permit pursuant to chapter 219.

(2) For purposes of chapter 220, the holder of an out-of-state shipper's permit for alcoholic liquor other than beer, when shipping wine directly to a consumer in this state, shall be deemed to be a distributor as defined in chapter 220 and shall be required to be licensed pursuant to chapter 220.

(f) As used in this section, "out-of-state" means any state other than Connecticut, any territory or possession of the United States, the District of Columbia or the Commonwealth of Puerto Rico, but does not include any foreign country.

Sec. 3. Section 30-18a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) An out-of-state [small] winery shipper's permit for wine shall allow the sale of wine to manufacturer and wholesaler permittees in this state as permitted by law and for those shippers that produce not more than one hundred thousand gallons of wine per year, the sale and shipment by the holder thereof to a retailer of wine manufactured by such permittee in the original sealed containers of not more than fifteen gallons per container.

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(b) Subject to the provisions of this subsection, an out-of-state winery shipper's permit for wine shall allow the sale and delivery or shipment of wine manufactured by the permittee directly to a consumer in this state. Such permittee, when selling and shipping wine directly to a consumer in this state, shall: (1) Ensure that the shipping labels on all containers of wine shipped directly to a consumer in this state conspicuously state the following: "CONTAINS ALCOHOL—SIGNATURE OF A PERSON AGE 21 OR OLDER REQUIRED FOR DELIVERY"; (2) obtain the signature of a person age twenty-one or older at the address prior to delivery, after requiring the signer to demonstrate that he or she is age twenty-one or older by providing a valid motor vehicle operator's license or a valid identity card described in section 1-1h; (3) not ship more than five gallons of wine in any sixty-day period to any person in this state and not ship any wine until such permittee is registered, with respect to the permittee's sales of wine to consumers in this state, for purposes of the taxes imposed under chapters 219 and 220, with the Department of Revenue Services; (4) pay, to the Department of Revenue Services, all sales taxes and alcoholic beverage taxes due under chapters 219 and 220 on sales of wine to consumers in this state, and file, with said department, all sales tax returns and alcoholic beverage tax returns relating to such sales, with the amount of such taxes to be calculated as if the sale were in this state at the location where delivery is made; (5) report to the Department of Consumer Protection a separate and complete record of all sales and shipments to consumers in the state, on a ledger sheet or similar form which readily presents a chronological account of such permittee's dealings with each such consumer; (6) permit the Department of Consumer Protection and Department of Revenue Services, separately or jointly, to perform an audit of the permittee's records upon request; (7) not ship to any address in the state where the sale of alcoholic liquor is prohibited by local option pursuant to section 30-9; (8) hold an in-state transporter's permit pursuant to section 30-19f, as amended by this act, or make any

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such shipment through the use of a person who holds such an in-state transporter's permit; and (9) execute a written consent to the jurisdiction of this state, its agencies and instrumentalities and the courts of this state concerning the enforcement of this section and any related laws, rules, or regulations, including tax laws, rules or regulations.

(c) The Department of Consumer Protection, in consultation with the Department of Revenue Services, may adopt regulations in accordance with the provisions of chapter 54 to assure compliance with the provisions of subsection (b) of this section.

(d) A holder of an out-of-state winery shipper's permit for wine, when advertising or offering wine for direct shipment to a consumer in this state via the Internet or any other on-line computer network, shall clearly and conspicuously state such liquor permit number in its advertising.

(e) (1) For purposes of chapter 219, the holder of an out-of-state winery shipper's permit for wine, when shipping wine directly to a consumer in this state, shall be deemed to be a retailer engaged in business in this state as defined in chapter 219 and shall be required to be issued a seller's permit pursuant to chapter 219.

(2) For purposes of chapter 220, the holder of an out-of-state winery shipper's permit for wine, when shipping wine directly to a consumer in this state, shall be deemed to be a distributor as defined in chapter 220 and shall be required to be licensed pursuant to chapter 220.

(f) Any person who applies for [such] an out-of-state winery shipper's permit for wine or for the renewal of such permit shall furnish an affidavit to the Department of Consumer Protection, in such form as may be prescribed by the department, affirming [that] whether the out-of-state [small] winery [which] that is the subject of such

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permit [did not produce] produced more than one hundred thousand gallons of wine during the most recently completed calendar year.

(g) The annual fee for an out-of-state [small] winery shipper's permit for wine shall be two hundred fifty dollars.

(h) As used in this section, "out-of-state" means any state other than Connecticut, any territory or possession of the United States, the District of Columbia or the Commonwealth of Puerto Rico, but does not include any foreign country.

Sec. 4. Section 30-19f of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) An in-state transporter's permit for alcoholic liquor shall allow the commercial transportation of any alcoholic liquor as permitted by law. The annual fee for an in-state transporter's liquor permit shall be one thousand dollars.

(b) No person, corporation, trust, partnership, incorporated or unincorporated association, and any other legal entity except: (1) The holder of an out-of-state shipper's permit issued pursuant to section 30-18 or 30-19; (2) the holder of a manufacturer's permit issued pursuant to section 30-16 other than the holder of a manufacturer's permit for a farm winery; and (3) the holder of a wholesaler's permit issued pursuant to section 30-17 shall transport any alcoholic beverages imported into this state unless such person holds an in-state transporter's permit and the tax imposed on such alcoholic liquor by section 12-435 has been paid and, if applicable, the tax imposed on the sale of such alcoholic liquor pursuant to chapter 219 has been paid.

(c) An in-state transporter, when shipping or delivering wine directly to a consumer in this state, shall: (1) Ensure that the shipping labels on all containers of wine shipped directly to a consumer in this state conspicuously state the following: "CONTAINS ALCOHOL—

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SIGNATURE OF A PERSON AGE 21 OR OLDER REQUIRED FOR DELIVERY"; (2) obtain the signature of a person age twenty-one or older at the address prior to delivery, after requiring the signer to demonstrate that he or she is age twenty-one or older by providing a valid motor vehicle operator's license or a valid identity card described in section 1-1h; and (3) not ship to any address in the state where the sale of alcoholic liquor is prohibited by local option pursuant to section 30-9.

~~[(c)]~~ (d) Any person convicted of violating subsections (a), ~~[and]~~ (b) and (c) of this section shall be fined not more than two thousand dollars for each offense.

Sec. 5. Subsection (a) of section 30-48 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

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

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permit; (10) subject to the discretion of the department, a backer of a permit provided for in section 30-33b, may be a backer of any other retail on-premise consumption permit, including those permits provided for in section 30-33b; (11) a backer of a nonprofit theater permit may be a holder or backer of a hotel permit; (12) a holder or backer of a restaurant permit may be a holder or backer of a special outing facility permit; [and] (13) a backer of a concession permit may be a backer of a coliseum permit or a coliseum concession permit, or both; (14) a holder of an out-of-state winery shipper's permit for wine may be a holder of an in-state transporter's permit; (15) a holder of an out-of-state shipper's permit for alcoholic liquor other than beer may be a holder of an in-state transporter's permit; and (16) a holder of a manufacturer's permit for a farm winery may be a holder of an in-state transporter's permit. Any person may be a permittee of more than one permit. A person may be a permittee under a permit provided for in section 30-33b and a backer of any other retail on-premise consumption permit, including those permits provided for in section 30-33b. The operator of a racing or jai alai exhibition with pari-mutuel betting licensed by the Gaming Policy Board may be a backer of any permit provided for in section 30-33b. No holder of a manufacturer permit for a brew pub and no spouse or child of such holder may be a holder or backer of more than three restaurant permits or cafe permits.

Sec. 6. Subsection (b) of section 12-436 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(b) (1) No person, except a licensed distributor and railroad or airline companies so far as they conduct such beverage business in cars or passenger trains or airplanes, shall sell any alcoholic beverages in this state or possess such beverages with intent to sell, unless such beverages have previously been subject to the tax imposed by this chapter.

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(2) [No] (A) Except as otherwise provided in this subdivision, and sections 30-18 and 30-18a, as amended by this act, no person shall ship, transport or import alcoholic beverages into this state unless such alcoholic beverages are delivered to a licensed distributor or to an internal revenue or United States customs bonded warehouse under regulations prescribed by the Commissioner of Revenue Services, or are transported in bonded trucks to vessels in Connecticut ports for export. [; provided (A) any]

(B) (i) Any individual may import alcoholic beverages purchased by such individual within the territorial limits of the United States to an amount not to exceed five gallons in any sixty-day period for such individual's own consumption, [(B)] (ii) any individual may import alcoholic beverages, whether or not purchased by such individual, from outside the territorial limits of the United States to an amount not to exceed five gallons in any three-hundred-sixty-five-day period for such individual's own consumption, and [(C)] (iii) any individual who has resided outside the United States for a period of six months or more may, on one occasion and in conjunction with the return of such individual's personal and household goods and effects upon the termination of such foreign residency, import wine to an amount not to exceed one hundred gallons, of which not more than twenty gallons shall be of the same brand and spirits not to exceed ten gallons of which not more than two gallons shall be of the same brand, after making application in each such case to the Department of Revenue Services and presenting with the application a tax return prescribed by the Commissioner of Revenue Services and reporting the taxes under this chapter and under chapter 219 for which the applicant is liable. Payment of such taxes shall accompany such application and tax return. A copy of the importation certificate issued by the Department of Revenue Services shall accompany each such shipment.

(3) The provisions of this section shall not apply to alcoholic

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beverages which are actually brought into the state by any individual in quantities of four gallons or less.

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