



Senate

General Assembly

File No. 156

February Session, 2006

Substitute Senate Bill No. 501

Senate, March 28, 2006

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 substitute bill ought to pass.

AN ACT CONCERNING FARM WINERIES.

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

1 Section 1. Subsection (e) of section 30-16 of the 2006 supplement to
2 the general statutes is repealed and the following is substituted in lieu
3 thereof (*Effective from passage*):

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

11 (2) Such permit shall authorize (A) the sale in bulk by the holder
12 thereof from the premises where the products are manufactured
13 pursuant to such permit; (B) as to a manufacturer who produces one
14 hundred thousand gallons of wine or less per year, the sale and

15 shipment by the holder thereof to a retailer of wine manufactured by
16 the farm winery permittee in the original sealed containers of not more
17 than fifteen gallons per container; (C) the sale and shipment by the
18 holder thereof of wine manufactured by the farm winery permittee to
19 persons outside the state; (D) the offering and tasting of free samples
20 of such wine or brandy to visitors and prospective retail customers for
21 consumption on the premises of the farm winery permittee; (E) the sale
22 at retail from the premises of sealed bottles or other sealed containers
23 of such wine or brandy for consumption off the premises; (F) the sale
24 at retail from the premises of wine or brandy by the glass and bottle to
25 visitors on the premises of the farm winery permittee for consumption
26 on the premises; and (G) subject to the provisions of subdivision (3) of
27 this subsection, the sale and delivery or shipment of wine
28 manufactured by the permittee directly to a consumer in this state.
29 Notwithstanding the provisions of subparagraphs (D), (E) and (F) of
30 this subdivision, a town may, by ordinance or zoning regulation,
31 prohibit any such offering, tasting or selling at retail at premises within
32 such town for which a manufacturer permit for a farm winery has been
33 issued.

34 (3) A permittee, when selling and shipping wine directly to a
35 consumer in this state, shall: (A) Ensure that the shipping labels on all
36 containers of wine shipped directly to a consumer in this state
37 conspicuously state the following: "CONTAINS ALCOHOL—
38 SIGNATURE OF A PERSON AGE 21 OR OLDER REQUIRED FOR
39 DELIVERY"; (B) obtain the signature of a person age twenty-one or
40 older at the address prior to delivery, after requiring the signer to
41 demonstrate that he or she is age twenty-one or older by providing a
42 valid motor vehicle operator's license or a valid identity card described
43 in section 1-1h, as amended; (C) not ship more than five gallons of
44 wine in any sixty-day period to any person in this state; (D) pay, to the
45 Department of Revenue Services, all sales taxes and alcoholic beverage
46 taxes due under chapters 219 and 220 on sales of wine to consumers in
47 this state, and file, with said department, all sales tax returns and
48 alcoholic beverage tax returns relating to such sales; (E) report to the
49 Department of Consumer Protection a separate and complete record of

50 all sales and shipments to consumers in the state, on a ledger sheet or
51 similar form which readily presents a chronological account of such
52 permittee's dealings with each such consumer; (F) not ship to any
53 address in the state where the sale of alcoholic liquor is prohibited by
54 local option pursuant to section 30-9; and (G) hold an in-state
55 transporter's permit pursuant to section 30-19f, as amended, or make
56 any such shipment through the use of a person who holds such an in-
57 state transporter's permit.

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

62 (5) The farm winery permittee shall produce on the premises of the
63 farm winery or on property adjacent to and under the same ownership
64 and control of said permittee within the state an average crop of fruit
65 equal to not less than twenty-five per cent of the fruit used in the
66 manufacture of the farm winery permittee's wine. An average crop
67 shall be defined each year as the average yield of the farm winery
68 permittee's two largest annual crops out of the preceding five years,
69 except that during the first seven years from the date of issuance of a
70 farm winery permit, an average crop shall be defined as three tons of
71 grapes for each acre of vineyard farmed by the farm winery permittee.

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

77 (7) The annual fee for a manufacturer permit for a farm winery shall
78 be two hundred forty dollars.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>from passage</i>	30-16(e)
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GL *Joint Favorable Subst.*

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:

Agency Affected	Fund-Effect	FY 07 \$	FY 08 \$
Consumer Protection, Dept.	GF - Revenue Gain	Potential Minimal	Potential Minimal

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill facilitates the operation of a Connecticut farm winery by allowing at least 25% of the fruit used to make the wine to be grown on the property adjacent to and under the same ownership and control as the farm winery's permitted premises. There are approximately eighteen farm wineries in the state and a manufacturer permit for a farm winery is currently \$240 per year. To the degree the bill makes it easier to operate a farm winery, it could increase the number of farm wineries in the state. As a result there is potential for additional permit fee revenue of \$240 an occurrence.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

OLR Bill Analysis
sSB 501

AN ACT CONCERNING FARM WINERIES.

SUMMARY:

This bill makes it easier to meet one of the standards for operating a Connecticut farm winery. Current law requires a farm winery, as a condition for obtaining and holding its permit, to produce on its permitted premises an average crop of fruit at least equal to 25% of the fruit used to make its wine. The bill also allows the fruit to be grown on property adjacent to and under the same ownership and control as the farm winery's permitted premises.

EFFECTIVE DATE: Upon passage

COMMITTEE ACTION

General Law Committee

Joint Favorable Substitute

Yea 14 Nay 1 (03/14/2006)