



Senate

General Assembly

File No. 23

January Session, 2007

Senate Bill No. 1204

Senate, March 13, 2007

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 ALCOHOL SHIPPING PERMITS.

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 general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective*
3 *October 1, 2007*):

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; (C) not ship more than five gallons of wine in any
44 [sixty-day] two-month period to any person in this state; (D) pay, to
45 the Department of Revenue Services, all sales taxes and alcoholic
46 beverage taxes due under chapters 219 and 220 on sales of wine to
47 consumers in this state, and file, with said department, all sales tax
48 returns and alcoholic beverage tax returns relating to such sales; (E)
49 report to the Department of Consumer Protection a separate and

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

79 Sec. 2. Subsection (b) of section 30-18 of the general statutes is
80 repealed and the following is substituted in lieu thereof (*Effective*
81 *October 1, 2007*):

82 (b) Subject to the provisions of this subsection, an out-of-state
83 shipper's permit for alcoholic liquor other than beer shall allow the sale
84 and delivery or shipment of wine manufactured by the permittee on
85 the permitted premises directly to a consumer in this state. Such
86 permittee, when selling and shipping wine directly to a consumer in
87 this state, shall: (1) Ensure that the shipping labels on all containers of
88 wine shipped directly to a consumer in this state conspicuously state
89 the following: "CONTAINS ALCOHOL—SIGNATURE OF A PERSON
90 AGE 21 OR OLDER REQUIRED FOR DELIVERY"; (2) obtain the
91 signature of a person age twenty-one or older at the address prior to
92 delivery, after requiring the signer to demonstrate that he or she is age
93 twenty-one or older by providing a valid motor vehicle operator's
94 license or a valid identity card described in section 1-1h; (3) not ship
95 more than five gallons of wine in any [sixty-day] two-month period to
96 any person in this state and not ship any wine until such permittee is
97 registered, with respect to the permittee's sales of wine to consumers in
98 this state, for purposes of the taxes imposed under chapters 219 and
99 220, with the Department of Revenue Services; (4) pay, to the
100 Department of Revenue Services, all sales taxes and alcoholic beverage
101 taxes due under chapters 219 and 220 on sales of wine to consumers in
102 this state, and file, with said department, all sales tax returns and
103 alcoholic beverage tax returns relating to such sales, with the amount
104 of such taxes to be calculated as if the sale were in this state at the
105 location where delivery is made; (5) report to the Department of
106 Consumer Protection a separate and complete record of all sales and
107 shipments to consumers in the state, on a ledger sheet or similar form
108 which readily presents a chronological account of such permittee's
109 dealings with each such consumer; (6) permit the Department of
110 Consumer Protection and Department of Revenue Services, separately
111 or jointly, to perform an audit of the permittee's records upon request;
112 (7) not ship to any address in the state where the sale of alcoholic
113 liquor is prohibited by local option pursuant to section 30-9; (8) hold
114 an in-state transporter's permit pursuant to section 30-19f or make any
115 such shipment through the use of a person who holds such an in-state
116 transporter's permit; and (9) execute a written consent to the

117 jurisdiction of this state, its agencies and instrumentalities and the
118 courts of this state concerning the enforcement of this section and any
119 related laws, rules, or regulations, including, but not limited to, tax
120 laws, rules or regulations.

121 Sec. 3. Subsection (b) of section 30-18a of the general statutes is
122 repealed and the following is substituted in lieu thereof (*Effective*
123 *October 1, 2007*):

124 (b) Subject to the provisions of this subsection, an out-of-state
125 winery shipper's permit for wine shall allow the sale and delivery or
126 shipment of wine manufactured by the permittee directly to a
127 consumer in this state. Such permittee, when selling and shipping
128 wine directly to a consumer in this state, shall: (1) Ensure that the
129 shipping labels on all containers of wine shipped directly to a
130 consumer in this state conspicuously state the following: "CONTAINS
131 ALCOHOL—SIGNATURE OF A PERSON AGE 21 OR OLDER
132 REQUIRED FOR DELIVERY"; (2) obtain the signature of a person age
133 twenty-one or older at the address prior to delivery, after requiring the
134 signer to demonstrate that he or she is age twenty-one or older by
135 providing a valid motor vehicle operator's license or a valid identity
136 card described in section 1-1h; (3) not ship more than five gallons of
137 wine in any [sixty-day] two-month period to any person in this state
138 and not ship any wine until such permittee is registered, with respect
139 to the permittee's sales of wine to consumers in this state, for purposes
140 of the taxes imposed under chapters 219 and 220, with the Department
141 of Revenue Services; (4) pay, to the Department of Revenue Services,
142 all sales taxes and alcoholic beverage taxes due under chapters 219 and
143 220 on sales of wine to consumers in this state, and file, with said
144 department, all sales tax returns and alcoholic beverage tax returns
145 relating to such sales, with the amount of such taxes to be calculated as
146 if the sale were in this state at the location where delivery is made; (5)
147 report to the Department of Consumer Protection a separate and
148 complete record of all sales and shipments to consumers in the state,
149 on a ledger sheet or similar form which readily presents a
150 chronological account of such permittee's dealings with each such

151 consumer; (6) permit the Department of Consumer Protection and
152 Department of Revenue Services, separately or jointly, to perform an
153 audit of the permittee's records upon request; (7) not ship to any
154 address in the state where the sale of alcoholic liquor is prohibited by
155 local option pursuant to section 30-9; (8) hold an in-state transporter's
156 permit pursuant to section 30-19f or make any such shipment through
157 the use of a person who holds such an in-state transporter's permit;
158 and (9) execute a written consent to the jurisdiction of this state, its
159 agencies and instrumentalities and the courts of this state concerning
160 the enforcement of this section and any related laws, rules, or
161 regulations, including tax laws, rules or regulations.

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

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

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

176 (2) For purposes of chapter 220, the holder of an out-of-state winery
177 shipper's permit for wine, when shipping wine directly to a consumer
178 in this state, shall be deemed to be a distributor as defined in chapter
179 220 and shall be required to be licensed pursuant to chapter 220.

180 (f) Any person who applies for an out-of-state winery shipper's
181 permit for wine or for the renewal of such permit shall furnish an
182 affidavit to the Department of Consumer Protection, in such form as

183 may be prescribed by the department, affirming whether the out-of-
 184 state winery that is the subject of such permit produced more than one
 185 hundred thousand gallons of wine during the most recently completed
 186 calendar year.

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

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

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2007</i>	30-16(e)
Sec. 2	<i>October 1, 2007</i>	30-18(b)
Sec. 3	<i>October 1, 2007</i>	30-18a(b)

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 chamber thereof for any purpose:

OFA Fiscal Note

State Impact: None

Municipal Impact: None

Explanation

This bill makes a minor adjustment, changing the term “sixty-day” to “two month” for alcohol shipping permits. There is no fiscal impact associated with this change.

The Out Years

State Impact: None

Municipal Impact: None

OLR Bill Analysis**SB 1204*****AN ACT CONCERNING ALCOHOL SHIPPING PERMITS.*****SUMMARY:**

This bill prohibits shippers of wine from directly shipping more than five gallons in a two-month, rather than a 60-day period, to any one consumer in Connecticut (see BACKGROUND). The shippers are in-state farm wineries, and out-of-state shippers and wineries.

EFFECTIVE DATE: October 1, 2007

BACKGROUND***Direct Shipment of Wine to Consumers***

By law, Connecticut farm wineries, and out-of-state shippers and wineries may ship wine directly to Connecticut consumers. To do so they must, among other things:

1. make certain that all packages of wine shipped to Connecticut consumers bear labels stating, "CONTAINS ALCOHOL—SIGNATURE OF A PERSON AGE 21 OR OLDER REQUIRED FOR DELIVERY;"
2. obtain the signature of a person age 21 or older before delivering, after requiring the signer to prove his age by showing a valid driver's license or Connecticut identity card;
3. pay all sales and alcoholic beverage taxes due on the sales to the Department of Revenue Services and file related tax returns; and
4. hold an in-state transporter's permit or ship to Connecticut consumers using a delivery company that holds such a permit.

COMMITTEE ACTION

General Law Committee

Joint Favorable

Yea 18 Nay 0 (02/27/2007)