



General Assembly

January Session, 2007

**Raised Bill No. 7053**

LCO No. 3655

\*03655 \_\_\_\_\_ INS\*

Referred to Committee on Insurance and Real Estate

Introduced by:  
(INS)

**AN ACT CONCERNING DRAM SHOP LIABILITY.**

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

1 Section 1. Subsection (b) of section 30-39 of the general statutes is  
2 repealed and the following is substituted in lieu thereof (*Effective July*  
3 *1, 2007*):

4 (b) (1) Any person desiring a liquor permit or a renewal of such a  
5 permit shall make a sworn application therefor to the Department of  
6 Consumer Protection upon forms to be furnished by the department,  
7 showing the name and address of the applicant and of the applicant's  
8 backer, if any, the location of the club or place of business which is to  
9 be operated under such permit and a financial statement setting forth  
10 all elements and details of any business transactions connected with  
11 the application. Such application shall include a detailed description of  
12 the type of live entertainment that is to be provided. A club or place of  
13 business shall be exempt from providing such detailed description if  
14 the club or place of business (A) was issued a liquor permit prior to  
15 October 1, 1993, and (B) has not altered the type of entertainment  
16 provided. The application shall also indicate any crimes of which the  
17 applicant or the applicant's backer may have been convicted.

18 Applicants shall submit documents sufficient to establish that state and  
19 local building, fire and zoning requirements and local ordinances  
20 concerning hours and days of sale will be met, except that local  
21 building and zoning requirements and local ordinances concerning  
22 hours and days of sale shall not apply to any class of airport permit.  
23 The State Fire Marshal or the marshal's certified designee shall be  
24 responsible for approving compliance with the State Fire Code at  
25 Bradley International Airport. Any person desiring a permit provided  
26 for in section 30-33b shall file a copy of such person's license from the  
27 Division of Special Revenue or the Gaming Policy Board with such  
28 application. The department may, at its discretion, conduct an  
29 investigation to determine whether a permit shall be issued to an  
30 applicant.

31 (2) (A) On and after July 1, 2007, the department shall not issue,  
32 continue or renew a liquor permit for any person subject to liability  
33 under section 30-102 until such person submits proof of financial  
34 responsibility sufficient to satisfy any claim for damages in the amount  
35 of liability imposed by section 30-102. Such proof of financial  
36 responsibility may be evidenced by (i) a bond of a surety company or a  
37 bond with an individual surety who owns real estate, which bond shall  
38 be conditioned on the payment of such amounts and shall not be  
39 cancellable except after ten days' written notice to the department, or  
40 which bond shall constitute a lien in favor of the state upon the named  
41 real estate of such surety, which lien shall exist in favor of any holder  
42 of a judgment on account of liability imposed by section 30-102; (ii)  
43 submitting to the department the receipt for a deposit made with the  
44 State Treasurer of a sum of money or collateral in the amount of  
45 liability imposed by section 30-102, for which the State Treasurer shall  
46 issue said receipt and, if such deposit is a sum of money, the state shall  
47 pay interest on said sum if so directed by the Secretary of the Office of  
48 Policy and Management at a rate not greater than the amount received  
49 by the state, provided the State Treasurer may deposit any such money  
50 in a bank, as defined in section 36a-2, that is located in this state; or (iii)  
51 an insurance contract. If an insurance producer certifies that such

52 person is insured by an insurance company for whom the producer is  
53 authorized to solicit, negotiate or effect contracts of insurance, such  
54 insurance company shall notify the department of the cancellation or  
55 termination of the policy not later than ten days prior to the effective  
56 date of such cancellation or termination, except that such notice shall  
57 not be required if the policy is renewed by such company or a  
58 replacement policy is issued with no lapse in dates of coverage. The  
59 department may require additional evidence of financial responsibility  
60 at any time. The requirements of this subdivision shall not apply to a  
61 nonprofit organization or to an establishment where liquor is sold for  
62 consumption off-premises. For purposes of this subdivision, "nonprofit  
63 organization" includes, but is not limited to, a charitable organization,  
64 as defined in section 30-1, a nonprofit public television corporation  
65 pursuant to section 30-37d, a nonprofit service club pursuant to section  
66 30-24a, a nonprofit theater pursuant to section 30-35a, a nonprofit  
67 public museum pursuant to section 30-37a, a nonprofit golf  
68 tournament pursuant to section 30-37g and a nonprofit corporation  
69 pursuant to section 30-37h; and "establishment where liquor is sold for  
70 consumption off-premises" includes, but is not limited to, a person  
71 who holds a permit issued pursuant to sections 30-14a to 30-20,  
72 inclusive, provided such permit does not allow the retail sale of  
73 alcoholic liquor to be consumed on the premises of such person.

74 (B) If a person fails to furnish required proof of financial  
75 responsibility, the department shall, until such proof is furnished,  
76 refuse to grant or renew the permit or may suspend or revoke such  
77 permit. Such proof of financial responsibility shall be furnished in such  
78 manner as the department prescribes pursuant to regulations adopted  
79 in accordance with the provisions of chapter 54.

80 [(2)] (3) The applicant shall pay to the department a nonrefundable  
81 application fee, which fee shall be in addition to the fees prescribed in  
82 this chapter for the permit sought. An application fee shall not be  
83 charged for an application to renew a permit. The application fee shall  
84 be in the amount of ten dollars for the filing of each application for a

85 permit by a charitable organization, including a nonprofit public  
86 television corporation, a nonprofit golf tournament permit, a  
87 temporary permit or a special club permit; and for all other permits in  
88 the amount of one hundred dollars for the filing of an initial  
89 application. Any permit issued shall be valid only for the purposes and  
90 activities described in the application.

91 [(3)] (4) The applicant, immediately after filing an application, shall  
92 give notice thereof, with the name and residence of the permittee, the  
93 type of permit applied for and the location of the place of business for  
94 which such permit is to be issued and the type of live entertainment to  
95 be provided, all in a form prescribed by the department, by publishing  
96 the same in a newspaper having a circulation in the town in which the  
97 place of business to be operated under such permit is to be located, at  
98 least once a week for two successive weeks, the first publication to be  
99 not more than seven days after the filing date of the application and  
100 the last publication not more than fourteen days after the filing date of  
101 the application. The applicant shall affix, and maintain in a legible  
102 condition upon the outer door of the building wherein such place of  
103 business is to be located and clearly visible from the public highway,  
104 the placard provided by the department, not later than the day  
105 following the receipt of the placard by the applicant. If such outer door  
106 of such premises is so far from the public highway that such placard is  
107 not clearly visible as provided, the department shall direct a suitable  
108 method to notify the public of such application. When an application is  
109 filed for any type of permit for a building that has not been  
110 constructed, such applicant shall erect and maintain in a legible  
111 condition a sign not less than six feet by four feet upon the site where  
112 such place of business is to be located, instead of such placard upon  
113 the outer door of the building. The sign shall set forth the type of  
114 permit applied for and the name of the proposed permittee, shall be  
115 clearly visible from the public highway and shall be so erected not  
116 later than the day following the receipt of the placard. Such applicant  
117 shall make a return to the department, under oath, of compliance with  
118 the foregoing requirements, in such form as the department may

119 determine, but the department may require any additional proof of  
120 such compliance. Upon receipt of evidence of such compliance, the  
121 department may hold a hearing as to the suitability of the proposed  
122 location. The provisions of this subdivision shall not apply to  
123 applications for airline permits, charitable organization permits,  
124 temporary permits, special club permits, concession permits, military  
125 permits, railroad permits, boat permits, warehouse permits, brokers'  
126 permits, out-of-state shippers' permits for alcoholic liquor and out-of-  
127 state shippers' permits for beer, coliseum permits, coliseum concession  
128 permits, special sporting facility restaurant permits, special sporting  
129 facility employee recreational permits, special sporting facility guest  
130 permits, special sporting facility concession permits, special sporting  
131 facility bar permits, nonprofit golf tournament permits, nonprofit  
132 public television permits and renewals. The provisions of this  
133 subdivision regarding publication and placard display shall also be  
134 required of any applicant who seeks to amend the type of  
135 entertainment upon filing of a renewal application.

136 [(4)] (5) In any case in which a permit has been issued to a  
137 partnership, if one or more of the partners dies or retires, the  
138 remaining partner or partners need not file a new application for the  
139 unexpired portion of the current permit, and no additional fee for such  
140 unexpired portion shall be required. Notice of any such change shall  
141 be given to the department and the permit shall be endorsed to show  
142 correct ownership. When any partnership changes by reason of the  
143 addition of one or more persons, a new application with new fees shall  
144 be required.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2007	30-39(b)

**Statement of Purpose:**

To require insurance coverage for the statutory dram shop liability and to make such coverage a condition for obtaining or continuing certain liquor permits.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*