



# House of Representatives

General Assembly

**File No. 58**

February Session, 2010

Substitute House Bill No. 5231

*House of Representatives, March 16, 2010*

The Committee on General Law reported through REP. SHAPIRO of the 144th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

## ***AN ACT CONCERNING THE SALE OF WINE AT FARMERS' MARKETS.***

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

1 Section 1. Section 30-16 of the 2010 supplement to the general  
2 statutes is repealed and the following is substituted in lieu thereof  
3 (*Effective from passage*):

4 (a) A manufacturer permit shall allow the manufacture of alcoholic  
5 liquor and the storage, bottling and wholesale distribution and sale of  
6 alcoholic liquor manufactured or bottled to permittees in this state and  
7 without the state as may be permitted by law; but no such permit shall  
8 be granted unless the place or the plan of the place of manufacture has  
9 received the approval of the Department of Consumer Protection. A  
10 holder of a manufacturer permit may apply for and shall receive an  
11 out-of-state shipper's permit for manufacturing plants and warehouse  
12 locations outside the state owned by such manufacturer or a  
13 subsidiary corporation thereof, at least eighty-five per cent of the  
14 voting stock of which is owned by such manufacturer, to bring into

15 any of its plants or warehouses in the state alcoholic liquors for  
16 reprocessing, repackaging, reshipment or sale either (1) within the  
17 state to wholesaler permittees not owned or controlled by such  
18 manufacturer, or (2) outside the state. A holder of a manufacturer  
19 permit, except a manufacturer permit for cider, may apply for and  
20 shall receive a wholesaler permit. The annual fee for a manufacturer  
21 permit shall be one thousand eight hundred fifty dollars.

22 (b) A manufacturer permit for beer shall be in all respects the same  
23 as a manufacturer permit, except that the scope of operations of the  
24 holder shall be limited to beer, but shall permit the storage of beer in  
25 any part of the state. Such permit shall also authorize the offering and  
26 tasting, on the premises of the permittee, of free samples of beer  
27 brewed on such premises and the selling at retail from the premises of  
28 sealed bottles or other sealed containers of such beer for consumption  
29 off the premises. The offering and tasting shall be limited to visitors  
30 who have attended a tour of the premises of the permittee. Such selling  
31 at retail from the premises of sealed bottles or other sealed containers  
32 shall comply with the provisions of subsection (d) of section 30-91 and  
33 shall permit not more than eight liters of beer to be sold to any person  
34 on any day on which such sale is authorized under the provisions of  
35 subsection (d) of section 30-91. The annual fee for a manufacturer  
36 permit for beer shall be one thousand dollars.

37 (c) A manufacturer permit for cider not exceeding six per cent  
38 alcohol by volume and apple wine not exceeding fifteen per cent  
39 alcohol by volume shall allow (1) the manufacture, storage, bottling  
40 and wholesale distribution and sale at retail of such cider and apple  
41 wine to permittees and nonpermittees in this state as may be permitted  
42 by law; but no such permit shall be issued unless the place or the plan  
43 of the place of manufacture has received the approval of the  
44 department; and (2) the sale and shipment by the holder of such  
45 permit of such cider and such apple wine to persons outside the state  
46 and to consumers in this state in the same manner and subject to the  
47 same conditions as such sale and shipment is permitted for wine by a  
48 farm winery manufacturer permittee pursuant to subsection (e) of this

49 section. The annual fee for a manufacturer permit for cider shall be two  
50 hundred dollars.

51 (d) A manufacturer permit for apple brandy and eau-de-vie shall be  
52 in all respects the same as a manufacturer permit, except that the scope  
53 of operations of the holder shall be limited to apple brandy or eau-de-  
54 vie, or both. The annual fee for a manufacturer permit for apple  
55 brandy and eau-de-vie shall be four hundred dollars.

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

63 (2) Such permit shall, at the single principal premises of the farm  
64 winery, authorize (A) the sale in bulk by the holder thereof from the  
65 premises where the products are manufactured pursuant to such  
66 permit; (B) as to a manufacturer who produces one hundred thousand  
67 gallons of wine or less per year, the sale and shipment by the holder  
68 thereof to a retailer of wine manufactured by the farm winery  
69 permittee in the original sealed containers of not more than fifteen  
70 gallons per container; (C) the sale and shipment by the holder thereof  
71 of wine manufactured by the farm winery permittee to persons outside  
72 the state; (D) the offering and tasting of free samples of such wine or  
73 brandy to visitors and prospective retail customers for consumption on  
74 the premises of the farm winery permittee; (E) the sale at retail from  
75 the premises of sealed bottles or other sealed containers of such wine  
76 or brandy for consumption off the premises; (F) the sale at retail from  
77 the premises of wine or brandy by the glass and bottle to visitors on  
78 the premises of the farm winery permittee for consumption on the  
79 premises; and (G) subject to the provisions of subdivision (3) of this  
80 subsection, the sale and delivery or shipment of wine manufactured by  
81 the permittee directly to a consumer in this state. Notwithstanding the

82 provisions of subparagraphs (D), (E) and (F) of this subdivision, a  
83 town may, by ordinance or zoning regulation, prohibit any such  
84 offering, tasting or selling at retail at premises within such town for  
85 which a manufacturer permit for a farm winery has been issued.

86 (3) A permittee, when selling and shipping wine directly to a  
87 consumer in this state, shall: (A) Ensure that the shipping labels on all  
88 containers of wine shipped directly to a consumer in this state  
89 conspicuously state the following: "CONTAINS ALCOHOL—  
90 SIGNATURE OF A PERSON AGE 21 OR OLDER REQUIRED FOR  
91 DELIVERY"; (B) obtain the signature of a person age twenty-one or  
92 older at the address prior to delivery, after requiring the signer to  
93 demonstrate that he or she is age twenty-one or older by providing a  
94 valid motor vehicle operator's license or a valid identity card described  
95 in section 1-1h; (C) not ship more than five gallons of wine in any two-  
96 month period to any person in this state; (D) pay, to the Department of  
97 Revenue Services, all sales taxes and alcoholic beverage taxes due  
98 under chapters 219 and 220 on sales of wine to consumers in this state,  
99 and file, with said department, all sales tax returns and alcoholic  
100 beverage tax returns relating to such sales; (E) report to the  
101 Department of Consumer Protection a separate and complete record of  
102 all sales and shipments to consumers in the state, on a ledger sheet or  
103 similar form which readily presents a chronological account of such  
104 permittee's dealings with each such consumer; (F) not ship to any  
105 address in the state where the sale of alcoholic liquor is prohibited by  
106 local option pursuant to section 30-9; and (G) hold an in-state  
107 transporter's permit pursuant to section 30-19f or make any such  
108 shipment through the use of a person who holds such an in-state  
109 transporter's permit.

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

114 (5) The farm winery permittee shall grow on the premises of the

115 farm winery or on property under the same ownership and control of  
116 said permittee or leased by the backer of a farm winery permit or by  
117 said permittee within the farm winery's principal state an average crop  
118 of fruit equal to not less than twenty-five per cent of the fruit used in  
119 the manufacture of the farm winery permittee's wine. An average crop  
120 shall be defined each year as the average yield of the farm winery  
121 permittee's two largest annual crops out of the preceding five years,  
122 except that during the first seven years from the date of issuance of a  
123 farm winery permit, an average crop shall be defined as three tons of  
124 grapes for each acre of vineyard farmed by the farm winery permittee.  
125 In the event the farm winery consists of more than one property, the  
126 aggregate acreage of the farm winery shall not be less than five acres.

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

132 (7) The annual fee for a manufacturer permit for a farm winery shall  
133 be three hundred dollars.

134 (8) A farmer's market wine sales permit shall allow the holder of a  
135 manufacturer permit for a farm winery issued pursuant to this  
136 subsection to sell wine manufactured on such permit holder's premises  
137 at a farmers' market, as defined in section 22-6r, subject to all  
138 applicable municipal zoning, health and public safety ordinances or  
139 regulations. The holder of a farmer's market wine sales permit, or such  
140 holder's duly authorized representative, may only sell such wine in  
141 sealed bottles directly to consumers at a farmers' market. Such permit  
142 shall be valid for one year for an unlimited number of farmers' market  
143 appearances at not more than three farmer's market locations during  
144 such one year period. A municipality may by ordinance or zoning  
145 regulation prohibit the sale of wine at any farmers' market located in  
146 such municipality. The annual fee for such permit shall be two  
147 hundred fifty dollars.

148 (f) A manufacturer permit for a brew pub shall allow: (1) The  
 149 manufacture, storage and bottling of beer, (2) the retail sale of alcoholic  
 150 liquor to be consumed on the premises with or without the sale of  
 151 food, (3) the selling at retail from the premises of sealed bottles or  
 152 other sealed containers of beer brewed on such premises for  
 153 consumption off the premises, and (4) the sale of sealed bottles or other  
 154 sealed containers of beer brewed on such premises to the holder of a  
 155 wholesaler permit issued pursuant to subsection (b) of section 30-17,  
 156 provided that the holder of a manufacturer permit for a brew pub  
 157 produces at least five thousand gallons of beer on the premises  
 158 annually. Such selling at retail from the premises of sealed bottles or  
 159 other sealed containers shall comply with the provisions of subsection  
 160 (d) of section 30-91 and shall permit not more than eight liters of beer  
 161 to be sold to any person on any day on which such sale is authorized  
 162 under the provisions of subsection (d) of section 30-91. The annual fee  
 163 for a manufacturer permit for a brew pub shall be three hundred  
 164 dollars.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	30-16

**GL**      *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

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**OFA Fiscal Note**

**State Impact:**

Agency Affected	Fund-Effect	FY 11 \$	FY 12 \$
Consumer Protection, Dept.	GF - Revenue Gain	Less Than 7,500	Less than 7,500
Department of Revenue Services	GF - Revenue Gain	Minimal	Minimal

Note: GF=General Fund

**Municipal Impact:** None

**Explanation**

The bill results in a potential revenue gain of as much as \$7,500 as there are currently 30 farm wineries in the state which would be eligible to sell their wine at a farmers' market. Additionally sales of wine at farmers' markets would result in a minimal revenue gain through excise and sales taxes.

**The Out Years**

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation in terms of the excise and sales tax revenue. The revenue gain due to farmers' market wine sales permits would be dependent upon the number of farm wineries in the state taking advantage of such permit.

**OLR Bill Analysis****sHB 5231*****AN ACT CONCERNING THE SALE OF WINE AT FARMERS' MARKETS.***

This bill allows holders of a manufacturer permit for farm wineries to sell wine they manufacture on their premises at farmers' markets. The farm winery must obtain a \$250 farmers' market wine sales permit in addition to the \$300 manufacturer permit for a farm winery required under existing law. A farmers' market permittee (1) may only sell wine sealed in bottles directly to consumers and (2) is subject to all applicable municipal zoning, health, and public safety ordinances or regulations.

The farmers' market wine sales permit is valid for one year. It allows unlimited visits to sell wine at up to three farmers' market locations in any year.

EFFECTIVE DATE: Upon passage

**BACKGROUND*****Farmers' Markets***

A farmers' market is a cooperative or nonprofit entity that consistently occupies a given site throughout a season. It must operate principally as a marketplace for farmers to sell Connecticut-grown fresh produce or farm products to consumers. Farm products that are sold must be produced by farmers with the sole purpose of generating a portion of household income.

**COMMITTEE ACTION**

General Law Committee

Joint Favorable Substitute

Yea 18    Nay 0    (03/02/2010)