



Senate

General Assembly

File No. 334

January Session, 2011

Substitute Senate Bill No. 994

Senate, April 4, 2011

The Committee on Environment reported through SEN. MEYER of the 12th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT AUTHORIZING THE SALE OF CONNECTICUT WINE AT FARMERS' MARKETS AND ESTABLISHING A FARMERS' MARKET WINE PERMIT.

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2 repealed and the following is substituted in lieu thereof (*Effective July*
3 *1, 2011*):

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, at the single principal premises of the farm
12 winery, authorize (A) the sale in bulk by the holder thereof from the

13 premises where the products are manufactured pursuant to such
14 permit; (B) as to a manufacturer who produces one hundred thousand
15 gallons of wine or less per year, the sale and shipment by the holder
16 thereof to a retailer of wine manufactured by the farm winery
17 permittee in the original sealed containers of not more than fifteen
18 gallons per container; (C) the sale and shipment by the holder thereof
19 of wine manufactured by the farm winery permittee to persons outside
20 the state; (D) the offering and tasting of free samples of such wine or
21 brandy to visitors and prospective retail customers for consumption on
22 the premises of the farm winery permittee; (E) the sale at retail from
23 the premises of sealed bottles or other sealed containers of such wine
24 or brandy for consumption off the premises; (F) the sale at retail from
25 the premises of wine or brandy by the glass and bottle to visitors on
26 the premises of the farm winery permittee for consumption on the
27 premises; and (G) subject to the provisions of subdivision (3) of this
28 subsection, the sale and delivery or shipment of wine manufactured by
29 the permittee directly to a consumer in this state. Notwithstanding the
30 provisions of subparagraphs (D), (E) and (F) of this subdivision, a
31 town may, by ordinance or zoning regulation, prohibit any such
32 offering, tasting or selling at retail at premises within such town for
33 which a manufacturer permit for a farm winery has been 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 two-
44 month period to any person in this state; (D) pay, to the Department of
45 Revenue Services, all sales taxes and alcoholic beverage taxes due
46 under chapters 219 and 220 on sales of wine to consumers in this state,
47 and file, with said department, all sales tax returns and alcoholic

48 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 or make any such
56 shipment through the use of a person who holds such an in-state
57 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 grow on the premises of the
63 farm winery or on property under the same ownership and control of
64 said permittee or leased by the backer of a farm winery permit or by
65 said permittee within the farm winery's principal state an average crop
66 of fruit equal to not less than twenty-five per cent of the fruit used in
67 the manufacture of the farm winery permittee's wine. An average crop
68 shall be defined each year as the average yield of the farm winery
69 permittee's two largest annual crops out of the preceding five years,
70 except that during the first seven years from the date of issuance of a
71 farm winery permit, an average crop shall be defined as three tons of
72 grapes for each acre of vineyard farmed by the farm winery permittee.
73 In the event the farm winery consists of more than one property, the
74 aggregate acreage of the farm winery shall not be less than five acres.

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

80 (7) A holder of a manufacturer permit for a farm winery may sell

81 wine manufactured from such winery at a farmers' market, as defined
82 in section 22-6r, that is operated as a nonprofit enterprise or association
83 provided such farmers' market invites such holder to sell wine at such
84 farmers' market and such holder has a farmers' market wine sales
85 permit issued by the Commissioner of Consumer Protection in
86 accordance with the provisions of section 2 of this act.

87 [(7)] (8) The annual fee for a manufacturer permit for a farm winery
88 shall be three hundred dollars.

89 Sec. 2. (NEW) (*Effective July 1, 2011*) The Commissioner of Consumer
90 Protection shall issue a farmers' market wine sales permit to a holder
91 of a manufacturer permit for a farm winery upon submission of proof
92 to the commissioner that such holder is in compliance with the
93 requirements of subsection (e) of section 30-16 of the general statutes,
94 as amended by this act. Such permit shall authorize the sale of wine
95 manufactured from such farm winery during an unlimited number of
96 appearances at a farmers' market at not more than three farmers'
97 market locations per year provided such holder: (1) Has an invitation
98 from such farmers' market to sell wine at such farmers' market, (2)
99 only sells wine by the bottle at such farmers' markets, and (3) is
100 present, or has an authorized representative present, at the time of sale
101 of any such bottle of wine from such farm winery at such farmers'
102 market. Any such farmers' market wine sales permit shall be valid for
103 a period of one year from the date of issuance. The annual fee for a
104 farmers' market wine sales permit shall be two hundred fifty dollars.
105 The commissioner shall collect a one-hundred-dollar, nonrefundable,
106 filing fee for any such permit.

107 Sec. 3. (NEW) (*Effective July 1, 2011*) Any town or municipality may,
108 by ordinance or zoning regulation, prohibit the sale of wine by the
109 holder of a farmers' market wine sales permit at a farmers' market held
110 in such town or municipality.

111 Sec. 4. Subsection (a) of section 30-48 of the general statutes is
112 repealed and the following is substituted in lieu thereof (*Effective July*
113 *1, 2011*):

114 (a) No backer or permittee of one permit class shall be a backer or
115 permittee of any other permit class except in the case of any class of
116 airport, railroad, airline and boat permits, and except that: (1) A backer
117 of a hotel or restaurant permit may be a backer of both such classes; (2)
118 a holder or backer of a manufacturer permit for a brew pub, a
119 restaurant permit or a cafe permit may be a holder or backer of any
120 other or all of such classes; (3) a holder or backer of a restaurant permit
121 may be a holder or backer of a bowling establishment permit; (4) a
122 backer of a restaurant permit may be a backer of a coliseum permit or a
123 coliseum concession permit, or both, when such restaurant is within a
124 coliseum; (5) a backer of a hotel permit may be a backer of a coliseum
125 permit or a coliseum concession permit, or both; (6) a backer of a
126 coliseum permit may be a backer of a coliseum concession permit; (7) a
127 backer of a coliseum concession permit may be a backer of a coliseum
128 permit; (8) a backer of a grocery store beer permit may be a backer of a
129 package store permit if such was the case on or before May 1, 1996; (9)
130 a backer of a university permit may be a backer of a nonprofit theater
131 permit; (10) subject to the discretion of the department, a backer of a
132 permit provided for in section 30-33b, may be a backer of any other
133 retail on-premise consumption permit, including those permits
134 provided for in section 30-33b; (11) a backer of a nonprofit theater
135 permit may be a holder or backer of a hotel permit; (12) a holder or
136 backer of a restaurant permit may be a holder or backer of a special
137 outing facility permit; (13) a backer of a concession permit may be a
138 backer of a coliseum permit or a coliseum concession permit, or both;
139 (14) a holder of an out-of-state winery shipper's permit for wine may
140 be a holder of an in-state transporter's permit or an out-of-state entity
141 wine festival permit issued pursuant to section 30-37m, or of both such
142 permits; (15) a holder of an out-of-state shipper's permit for alcoholic
143 liquor other than beer may be a holder of an in-state transporter's
144 permit; and (16) a holder of a manufacturer's permit for a farm winery
145 may be a holder of an in-state transporter's permit, [or] a wine festival
146 permit issued pursuant to section 30-37l, a farmers' market wine sales
147 permit issued pursuant to section 2 of this act or of [both] any
148 combination of such permits. Any person may be a permittee of more

149 than one permit. A person may be a permittee under a permit
 150 provided for in section 30-33b and a backer of any other retail on-
 151 premise consumption permit, including those permits provided for in
 152 section 30-33b. The operator of a racing or jai alai exhibition with pari-
 153 mutuel betting licensed by the Gaming Policy Board may be a backer
 154 of any permit provided for in section 30-33b. No holder of a
 155 manufacturer permit for a brew pub and no spouse or child of such
 156 holder may be a holder or backer of more than three restaurant
 157 permits or cafe permits.

158 Sec. 5. Section 30-91 of the general statutes is amended by adding
 159 subsection (l) as follows (*Effective July 1, 2011*):

160 (NEW) (l) The sale of wine at a farmers' market by a permittee
 161 holding a farmers' market wine sales permit pursuant to section 2 of
 162 this act shall be unlawful on Sunday and on any other day before eight
 163 o'clock a.m. and after nine o'clock p.m., provided such permittee shall
 164 not sell such wine at a farmers' market at any time during such hours
 165 that the farmers' market is not open to the public. Any town may, by
 166 vote of a town meeting or by ordinance, reduce the number of hours
 167 during which sales of wine under this subsection shall be permissible.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2011</i>	30-16(e)
Sec. 2	<i>July 1, 2011</i>	New section
Sec. 3	<i>July 1, 2011</i>	New section
Sec. 4	<i>July 1, 2011</i>	30-48(a)
Sec. 5	<i>July 1, 2011</i>	30-91

ENV 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.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 12 \$	FY 13 \$
Consumer Protection, Dept.	GF - Revenue Gain	10,500	7,500
Department of Revenue Services	GF - Revenue Gain	up to \$5,000	up to \$5,000

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill is anticipated to result in a General Fund revenue gain of up to \$15,500 in FY 12 and up to \$12,500 in FY 13. Below provides a further explanation.

The bill results in a revenue gain to the state of \$10,500 in FY 12 and \$7,500 in FY 13 by creating a farmers' market wine sales permit. The permit is valid for one year and requires an annual fee of \$250, with an initial \$100 nonrefundable filing fee. There are thirty farm wineries in the state.

To the extent that there are additional sales of wine bottles at farmers' markets, this bill would result in an increase in the alcoholic beverages and sales tax revenues of up to \$5,000.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to the number of permits, sales and inflation.

OLR Bill Analysis**sSB 994*****AN ACT AUTHORIZING THE SALE OF CONNECTICUT WINE AT FARMERS' MARKETS AND ESTABLISHING A FARMERS' MARKET WINE PERMIT.*****SUMMARY:**

This bill creates a farmers' market wine sales permit that allows farm wineries to sell wine they manufactured on their premises under a manufacturer's permit at a farmer's market under specified conditions. Under the bill, a municipality may ban, by ordinance or zoning regulation, wine sales at a farmers' market by a farmers' market wine sales permittee.

The law allows liquor permittees to hold only one permit, with specific exceptions. Currently, the holder of a manufacturer's permit for a farm winery can hold an in-state transporter's permit, a wine festival permit, or any combination of such permits. The bill allows him or her to hold a market wine sales permit as well.

EFFECTIVE DATE: July 1, 2011

FARMERS' MARKET WINE SALES PERMIT

The bill requires the consumer protection commissioner to issue a farmers' market wine sales permit to a farm winery when the permittee submits proof that he or she is in compliance with the farm winery manufacturing permit statute. The farmers' market wine sales permit authorizes the farm winery to sell wine it manufactures at up to three farmers' market locations per year for an unlimited number of appearances. The permittee must (1) have an invitation from the farmers' market; (2) sell wine only by the bottle; and (3) be present, or have an authorized representative present, when wine is sold.

The permit is valid for a year and has an annual fee of \$250, with a \$100 nonrefundable filing fee. It allows wine sales from 8:00 a.m. to 9:00 p.m. on Monday through Saturday, but not on Sunday or when the farmers' market is not open to the public.

The bill allows any town, by town meeting vote or ordinance, reduce the wine selling hours at farmers' markets. It also authorizes any town or municipality, by ordinance or zoning regulation, to prohibit the sale of wine by a farmers' market wine sales permittee at farmers' markets.

BACKGROUND

Farmers' Markets

A farmers' market is a cooperative or nonprofit enterprise or association 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.

Related Bill

sSB 462 (File 215), reported favorably by the General Law Committee, is identical to this bill.

COMMITTEE ACTION

Environment Committee

Joint Favorable Substitute

Yea 27 Nay 0 (03/18/2011)