



## State of Connecticut

### HOUSE OF REPRESENTATIVES STATE CAPITOL

REPRESENTATIVE BRENDA L. KUPCHICK  
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MEMBER  
BANKS COMMITTEE  
EDUCATION COMMITTEE  
HOUSING COMMITTEE

FROM: Representative Brenda L. Kupchick

DATE: February 28, 2012

RE: HB 5021 – AN ACT CONCERNING COMPETITIVE ALCOHOLIC  
LIQUOR PRICING AND HOURS OF OPERATION FOR PERMITTEES.

I would like to thank the Honorable Co-Chairs Senator Paul Doyle and Representative Joseph Taborsak, the Honorable Vice Chairs Senator Carlo Leone and Representative David Baram, and the Ranking Members Senator Kevin Witkos and Representative Rosa Rebimbas, and the entire membership of the General Law Committee for their time this morning.

Thank you for the opportunity to testify in opposition of HB 5021, An Act Concerning Competitive Alcoholic Liquor Pricing and Hours of Operation for Permittees. While I recognize the convenience of allowing Sunday liquor sales in our State, I also recognize the heavy burden that this mandate will place on small businesses.

When I was elected last year and a similar bill was proposed I thought if it passed through committee I would vote for it. My reasoning came as an advocate for an individual's right to choose where and when they want to shop and I believed Sunday Liquor Sales would create more options for consumers.

However, after much research and thought it became obvious to me that the convenience of Sunday sales would limit small businesses from competing with the large box stores. After speaking to many small business owners in my

district, one important point became clear. In Connecticut the law has been that Sunday sales weren't permitted. The approximately, 1,100 storeowners opened their businesses under those long standing rules. And now, the state wants to change those rules.

Recent history shows that Connecticut does not support an atmosphere that promotes the growth of small businesses. I believe, allowing Sunday liquor sales will benefit the large box stores tremendously and create an environment in which the small business will not be able to compete in.

If the Sunday Sales bill is passed, it is projected that about 300 to 350 package stores will be forced to close or declare bankruptcy due the lack of business and the high costs to operate on Sunday's.

Can we afford to lose 350 or smaller businesses? Do we want to have a hand in putting small business owners out of business?

Although the bill proposed does not require the small liquor stores to open on Sundays, the mandate will certainly force the owners to keep their stores open seven days a week. The burden of being open an additional day every week will cost the small businesses an annual increase of approximately \$14,000.00 more in operation costs; including wages, utilities, and insurance.

Sunday is the second most popular day for grocery shopping in Connecticut; therefore the Supermarket industry has an obvious advantage over the private liquor stores. It is clearly more convenient for a customer to complete all of his or her shopping at one location' however, supermarkets and small liquor stores cannot be compared on the same platform because liquor stores cannot sell groceries, and are limited to the products they can sell in order to accommodate a more convenient shopping experience.

The Governor's proposal will:

Create medallions that upon purchase, allows an owner to open a liquor store in any town regardless of how many stores are in that town;

Increase the number of licenses from 2 to 9, thereby creating a pathway for the big box stores to overtake and close out the small stores;

Eliminate the State pricing minimum, which again will allow the big box stores, with their buying power and storage capacity, to under sell and drive the small business owner out of business. Right now the minimum allows the small owner to fairly compete. The premise of the Governor's proposal is to increase revenues that are lost to neighboring states, like Massachusetts. However, I

believe Connecticut loses tax revenue on liquor and gasoline because Massachusetts's taxes are lower on alcohol and gas.

The governor's budget last year included a large tax increase on liquor that added to the burden of the package store owners and consumers.

When you visit states that have little to no restriction on their liquor sales, you witness large warehouse liquor stores, aisles of liquor in grocery stores, and no small independently owned stores where you can ask for recommendations, discuss different vintages or develop a relationship with a local business owner.

This past holiday season, many American's including myself decided to purchase the majority of gifts from local merchants to help stimulate our local economies. I went out of my way to buy local which wasn't always convenient, but I felt it was important to support the small businesses in my community. Some Connecticut residents say they support Sunday Sales, but when you share the consequence with them, they change their opinion. Is it too much of an inconvenience for Connecticut residents to continue to purchase their spirits six days a week for the sake of supporting over 1,100 small business owners and their employees? I sincerely hope not.

Thank you for your time.

Best Regards,

A handwritten signature in cursive script that reads "Brenda L. Kupchick". The signature is written in black ink and is positioned above the typed name.

Brenda L. Kupchick  
State Representative, 132nd District