State of Connecticut

HOUSE OF REPRESENTATIVES
STATE CAPITOL

REPRESENTATIVE RICHARD A. SMITH
ONE HUNDRED EIGHTH ASSEMBLY DISTRICT

LEGISLATIVE OFFICE BUILDING
ROOM 4200
HARTFORD, CT 06106-1591

TOLL FREE: (800) 842-1423
CAPITOL: (860) 240-8700
CELL: (203) 460-4871
EMAIL: Richard.Smith@housegop.ct.gov

MEMBER
FINANCE, REVENUE AND BONDING COMMITTEE
JUDICIARY COMMITTEE
PLANNING AND DEVELOPMENT COMMITTEE

FROM: Representative Richard A. Smith, 108th Assembly District

DATE: February 28, 2012

RE: HB 5021 – AN ACT PROPOSING A LOSS OF OVER 7000 JOBS.

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 addressing this controversial issue- **HB 5021- An Act Concerning Competitive Alcoholic Liquor Pricing And Hours Of Operation For Permittees**.

I am asking all of you to remember today what was shouted out loud and clear by the Governor in his inaugural address and reiterated again when he addressed the House and Senate on opening day: **"CONNECTICUT IS OPEN FOR BUSINESS."** And, when deliberating this Bill, if you keep that simple statement in mind, and if you truly support the premise therein applying it to all businesses, the controversy looses its fervor. Here is why: Passage of this Bill in its current form **will cause over nine hundred small business to close over the next five years**, representing **over seventy-five percent** of the current package stores in operation, **resulting in approximately 7,000 Connecticut residents losing their job**. How, in good faith, can we as a Legislature proclaim we are open for business and pass a Bill that will close over nine hundred businesses and put thousands on the unemployment line? Not only will small business owners be forced to close their doors and lay off employees, they likely will be exposed to foreclosure and stifle whatever progress has been made to turn our economy around in this State.

You see, when we say we are "Open for Business" that means we are open for businesses of all types and sizes, not just big business – which has been the focus of our Governor to date and which surely is the focus of this Bill. How does this Bill favor big business – let's take a look:

1) It 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 package stores;
2) It creates a medallion system that, upon purchase, allows an owner, who can have up to nine licenses, to open up a liquor store in any town regardless of how many stores are in that town already and create an uncompetitive balance;
3) It eliminates 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.

Clearly, the net effect of the Bill will be to close small businesses, create more foreclosures and drive up unemployment, ultimately contradicting the Governor's motto that "Connecticut is open for business".

Let us be true to our word and take a stand for business – not just big business. Please reject HB 5021.

Thank you for your consideration. Should you have any questions please do not hesitate to contact my office.

Best Regards,

Richard A. Smith
State Representative, 108th District