



# OLR RESEARCH REPORT

September 10, 2012

2012-R-0370

## **ALCOHOL PERMIT RESTRICTIONS IN NEIGHBORING STATES**

By: Duke Chen, Legislative Analyst II

You asked how certain Connecticut alcohol permit restrictions compare to neighboring states, specifically if there are restrictions (1) on the number of permits an on- or off-premises retailer may own and (2) based on population.

### **SUMMARY**

Connecticut and its neighboring states (Massachusetts, New York, and Rhode Island) are all “license” states, which means retailers must apply for state permits before they may sell alcohol. These states have different permits for on- and off-premises alcohol consumption, each with its own requirements and restrictions.

None of these states limits the amount of permits an on-premises retailer may own. So, for example, a permittee may own a restaurant chain, each with the ability to sell alcohol. But, all of these states place some sort of limit on off-premises retailers, either by limiting ownership by population, permit type, or both.

### **CONNECTICUT**

In Connecticut, package stores may sell liquor, wine, and beer, while grocery stores may sell only beer.

State law places certain permit restrictions on package stores. It allows package store owners to own up to three stores in the state ([CGS § 30-48a\(a\)](#)). There is no such restriction on the number of grocery stores that sell beer.

The law also limits the number of package stores in a town to one for every 2,500 residents ([CGS § 30-14a](#)).

## **MASSACHUSETTS**

In Massachusetts, grocery, convenience, and package stores may all sell liquor, wine, and beer. However, during the local approval process, a city or town may limit the license for grocery and convenience stores to only beer and wine.

State law allows a single owner to hold up to five off-premises permits. Of these, the owner may only hold one permit in an individual town or two in a city. The number of allowable permits will increase to seven in 2016 and from seven to nine in 2020 (Mass. Gen. Laws ch. 138, § 15). Unlike Connecticut, these restrictions apply to both package and grocery store permits. This means a grocery store chain may only have five individual stores that sell alcohol.

The law allows one permit for every 5,000 people in a town and additional fraction thereof. But regardless of population, a town may grant up to two permits (Mass. Gen. Laws ch. 138, § 17).

## **NEW YORK**

In New York, package stores may only sell liquor and wine, while grocery and convenience stores may sell only beer.

New York law allows multiple permits for off-premises retailers (i.e., grocery and convenience stores); it limits package store ownership to one per person (N.Y. Alco. Bev. Cont. Law § 105(16)).

Although New York does not have any specific population restrictions, the New York State Liquor Authority (SLA) states that it is the responsibility of the applicant to prove the new store (1) is a public convenience, (2) will not put other stores out of business, and (3) is not in an oversaturated area.

## **RHODE ISLAND**

In Rhode Island, alcohol for off-premises consumption may be purchased only in package stores. This means grocery and convenience stores do not sell alcohol.

Although the state does not restrict the number of permits a package store owner can have, it allows one permit for every 6,000 residents. But if a town has less than 20,000 residents, it is allowed one permit for every 4,000 residents (R.I. Gen. Laws § 3-5-16).

**STATE-BY-STATE ALCOHOL PERMIT COMPARISON**

Table 1 summarizes and compares certain alcohol permit restrictions for Connecticut and neighboring states.

**Table 1: Alcohol Permit Comparison For Off-Premises Sales**

<i>State</i>	<i>Premises type; Alcohol Sold</i>	<i>Permit Limitations for Off-premises Ownership</i>	<i>Population-Based Limits</i>
Connecticut	Package Store: All alcohol types (liquor, wine, beer)	Three package stores per owner	One package store per town for every 2,500 residents
	Grocery Store: Beer	No restriction on grocery stores	
Massachusetts	Package Store: All alcohol types	For all off-premises permits:	One per town for every 5,000 residents
	Grocery Store: All alcohol types	Currently five per owner, but will increase to seven in 2016, and nine in 2020	
New York	Package Store: liquor and wine	One package store per owner	None, but SLA requires applicant to prove public convenience and that the area is not oversaturated
	Grocery Store: beer	No restrictions on grocery stores	
Rhode Island	Package Store: All alcohol types	None	One per town for every 6,000 residents; one for every 4,000 if the town has less than 20,000 residents
	Grocery Store: No alcohol sold		

DC:tjo