

OFFICE OF LEGISLATIVE RESEARCH  
PUBLIC ACT SUMMARY



**PA 12-17—sHB 5021**

*General Law Committee*

*Finance, Revenue and Bonding Committee*

**AN ACT CONCERNING COMPETITIVE ALCOHOLIC LIQUOR  
PRICING AND HOURS OF OPERATION FOR PERMITTEES**

**SUMMARY:** This act makes various changes in the liquor control act. It expands the days and hours for off-premises alcohol sales, including allowing sales on Sundays. It also allows retailers who sell alcohol for off-premises consumption (off-premises retailers) to sell one item below cost each month and establishes the Competitive Alcoholic Liquor Pricing Task Force to study Connecticut's liquor permitting and pricing laws and compare them with surrounding states.

The act also:

1. increases the number of package stores a permittee may own,
2. expands the items that may be offered for sale and allows fee-based demonstrations in package stores,
3. creates a new beer permit and increases allowable daily retail sales for existing beer permittees,
4. changes various permit fees, and
5. makes several other minor liquor permitting changes.

**EFFECTIVE DATE:** Upon passage, except for the provisions on beer permits, package store permits (except the increase in the number of stores a permittee may own), fee changes, and minor permitting changes (except the first selectman allowance), which are effective July 1, 2012.

**§§ 10, 11, & 15 — EXPANDING DAYS AND HOURS FOR SALES**

*Off-Premises Sales*

The act allows the off-premises sale and dispensing of alcohol on Sundays from 10:00 a.m. to 5:00 p.m. and on Memorial Day, Independence Day, and Labor Day. It also allows selling and dispensing on the Mondays following any Independence Day, Christmas, or New Year's Day that falls on a Sunday.

*Café Permit*

The act extends the hours café permittees may serve food to the public. It allows them to begin serving food at 6:00 a.m. daily, instead of 9:00 a.m., but does not change when they can sell alcohol or must close. By law, with certain exceptions, they may be open until 1:00 a.m. during the week and until 2:00 a.m. on the weekend.

*Taverns, Cafés, and Films*

## OLR PUBLIC ACT SUMMARY

The act allows a tavern or café being used as a site for projects eligible for the state film production tax credit to be open to the public beyond regular hours of operation. Sale or consumption of alcohol beyond the authorized hours of operation is still prohibited.

### *Casino Permit*

The act allows alcohol consumption at a casino gaming facility in glasses or other suitable containers, other than bottles of liquor or wine, at any time, as long as the alcohol is served to a casino patron during the allowable hours for on-premises alcohol sales. By regulation, a permittee may only serve one drink to an individual at a time (Conn. Agency Regs. § 30-6-A24b (b)).

### *Farmers' Markets*

The act allows farmers' market wine sales permittees to sell wine on any day between the hours of 8:00 a.m. and 9:00 p.m. Under prior law, Sunday sales were prohibited. By law, sales may only occur when the farmers' market is open and a town may limit the permissible hours for sale.

## § 12 — ONE MONTHLY DISCOUNTED ITEM

Prior law prohibited off-premises retailers from selling below cost. The act allows them to discount each month one beer or alcoholic liquor item other than beer, identified by a single stock-keeping unit number (SKU), for sale below cost. For alcoholic liquor, the law defines cost as the wholesaler's posted bottle price plus what the retailer pays for shipping or delivery to his or her business location. For beer, cost means the lowest posted price for the month plus any shipping or delivery charge the permittee pays that exceeds the price he or she originally paid.

The act limits the amount of a discount. The item must not be sold for less than 90% of the permittee's cost. A permittee that intends to sell an item below cost must notify the Department of Consumer Protection (DCP) of the sale by the second day of the month the item will be on sale.

## § 14 — COMPETITIVE ALCOHOLIC LIQUOR PRICING TASK FORCE

The act establishes a 15-member Competitive Alcoholic Liquor Pricing Task Force. The task force must examine, review, and analyze Connecticut's alcoholic liquor taxes, quantity and volume discounts, existing liquor permit restrictions, and minimum pricing and price posting laws. It must compare its findings to the laws in surrounding states and note the impacts on Connecticut's consumers and alcohol industry.

The governor must appoint three task force members and the six legislative leaders, one member each. The remaining members are the commissioners of consumer protection and revenue services and the General Law Committee chairpersons and ranking members, or their designees. The leaders' appointees may be members of the General Assembly.

All appointments must be made by June 13, 2012. Any vacancy is filled by

## OLR PUBLIC ACT SUMMARY

the appointing authority. The House speaker and Senate president pro tempore select the task force chairpersons from among the task force members. The chairpersons must schedule the first meeting by July 13, 2012.

The General Law Committee's administrative staff serves as the task force's administrative staff.

The task force must submit a report on its findings and recommendations to the General Law Committee by January 1, 2013. The task force terminates when it submits its report or on January 1, 2013, whichever is later.

### §§ 5 & 7 — PACKAGE STORE PERMIT

#### *Ownership Limit*

The act increases the number of package stores in which a person may have an interest from two to three.

#### *Expanding Package Store Items Sold*

The act expands the types of commodities a package store permittee may sell to include (1) complementary fresh fruits used in the preparation of mixed alcoholic beverages, (2) cheese and crackers, and (3) olives. Prior law limited package stores to selling 12 specified items, such as cigarettes, bar utensils, and lottery tickets.

#### *Wine-Related Class Fees*

The law allows package store permittees, during the hours they are allowed to sell alcohol, to (1) offer free samples of alcoholic liquor for on-premises tasting and (2) conduct tastings and demonstrations for a nominal charge on behalf of a charitable, nonprofit organization.

The act also allows them to conduct wine education and tasting classes for a fee during such hours.

### §§ 1-3, 9 & 10 — BEER PERMITTEES

#### *New License for Manufacturer for Beer and Brew Pub*

The act creates a new manufacturer for beer and brew pub permit that combines the permissible uses of separate permits for manufacturers and brew pubs. The combined permit's annual fee is \$1,500. The annual fee for a manufacturer's permit for beer is \$1,000 and a brew pub permit fee is \$300.

The manufacturer for beer and brew pub permit gives the permittee the combined rights and abilities of the separate permits if he or she annually produces at least 5,000 gallons of beer. Generally, this means a manufacturer for beer and brew pub permittee can manufacture, bottle, store, distribute at wholesale, sell, and offer free samples of beer in the state. He or she may also offer beer for retail sale for on-premises consumption with or without food.

The act sets the same hours for manufacturer for beer and brew pub permits to sell, dispense, and consume alcohol as for other on-premises alcohol permits. By law, these activities are allowed from 9:00 a.m. to 1:00 a.m. the next morning on

## OLR PUBLIC ACT SUMMARY

Monday through Thursday, from 9:00 a.m. to 2:00 a.m. the next morning for Friday and Saturday, and 11:00 a.m. to 1:00 a.m. the next morning on Sunday.

It also sets the same hours for manufacturer for beer and brew pub permits to sell and dispense alcohol as for other off-premises alcohol permit holders.

### *Manufacturer for Beer*

The act allows manufacturer for beer permittees to provide beer offerings and tastings without requiring a visitor to first take a tour of the premises, which prior law required.

It increases the amount of beer a manufacturer for beer permittee may sell at retail to an individual from eight to nine liters per day.

### *Manufacturer for Brew Pub*

The act increases the amount of beer a brew pub permittee may sell at retail to an individual from eight to nine liters per day.

## §§ 5 & 6 — PERMIT FEES

### *Grocery Store Beer Permit Annual Fee*

The act increases the grocery store beer permit's annual fee from \$170 to \$1,500 for stores that have annual food and grocery sales of at least \$2 million. Under prior law, all grocery stores paid the \$170 annual fee, regardless of sales.

### *Bowling Establishment and Racquetball Facility Permits*

The act reduces, from \$2,250 to \$1,000, the annual fees for bowling establishment and racquetball facility permits.

Bowling establishment permittees may sell at retail, alcoholic liquor on the premises of commercial bowling establishments with at least 10 lanes. Racquetball facility permittees may sell alcoholic liquor on the premises of a commercial racquetball facility containing at least five courts.

## §§ 4, 8, & 13 — MINOR LIQUOR PERMITTING PROVISIONS

### *Wholesaler's Salesman Certificate*

The act makes the wholesaler's salesman certificate expire biennially on January 31 rather than only when the salesman changes employment. The biennial certificate renewal fee is \$20.

### *Higher Education Exemption*

The act allows a person at a regionally accredited higher education institution to make and dispense wine on the institution's premises without a permit as part of an approved academic course.

### *First Selectmen*

The act allows a first selectman who also acts as a town's police chief to hold

OLR PUBLIC ACT SUMMARY

a liquor permit in that town. Under prior law, DCP had to refuse such permits.

OLR Tracking: DC:LH:JSL:DY/ts:eh