



Senate

General Assembly

File No. 348

January Session, 2015

Substitute Senate Bill No. 386

Senate, April 1, 2015

The Committee on General Law reported through SEN. LEONE of the 27th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING ALCOHOLIC LIQUOR.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective October 1, 2015*) (a) As used in this
2 section, "powdered alcohol" means molecularly encapsulated alcohol
3 in powdered form that may be used in such form or reconstituted as
4 an alcoholic beverage when mixed with water or other liquid.

5 (b) No person shall knowingly purchase, possess or sell powdered
6 alcohol.

7 (c) Any person who knowingly purchases or possesses powdered
8 alcohol in violation of subsection (b) of this section shall be fined one
9 hundred dollars for the first offense, two hundred fifty dollars for the
10 second offense and five hundred dollars for each subsequent offense.

11 (d) Any person who knowingly sells powdered alcohol in violation
12 of subsection (b) of this section shall be fined two hundred fifty dollars
13 for the first offense, five hundred dollars for the second offense and

14 one thousand dollars for each subsequent offense.

15 Sec. 2. Subsection (c) of section 30-91 of the general statutes is
16 repealed and the following is substituted in lieu thereof (*Effective July*
17 *1, 2015*):

18 (c) Notwithstanding any provisions of subsections (a) and (b) of this
19 section, such sale or dispensing or consumption or presence in glasses
20 in places operating under a bowling establishment permit shall be
21 unlawful before [two p.m.] eleven a.m. on any day, except in that
22 portion of the permit premises which is located in a separate room or
23 rooms entry to which, from the bowling lane area of the establishment,
24 is by means of a door or doors which shall remain closed at all times
25 except to permit entrance and egress to and from the lane area. Any
26 alcoholic liquor sold or dispensed in a place operating under a bowling
27 establishment permit shall be served in containers such as, but not
28 limited to, plastic or glass. Any town may, by vote of a town meeting
29 or by ordinance, reduce the number of hours during which sales under
30 this subsection shall be permissible.

31 Sec. 3. Section 30-90a of the general statutes is repealed and the
32 following is substituted in lieu thereof (*Effective from passage*):

33 Any person sixteen years of age or over [age eighteen] may be
34 employed by an employer holding a permit issued under this chapter,
35 except that (1) any person fifteen years of age or older may be so
36 employed by such an employer on premises operating under a grocery
37 store beer permit, and (2) any person under the age of eighteen who is
38 employed on any permit premises shall not serve or sell alcoholic
39 liquor. A minor performing paid or volunteer services of an emergency
40 nature shall be deemed to be an employee subject to the provisions of
41 this section.

42 Sec. 4. Subsection (e) of section 30-16 of the general statutes is
43 repealed and the following is substituted in lieu thereof (*Effective July*
44 *1, 2015*):

45 (e) (1) A manufacturer permit for a farm winery shall be in all
46 respects the same as a manufacturer permit, except that the scope of
47 operations of the holder shall be limited to wine and brandies distilled
48 from grape products or other fruit products, including grappa and
49 eau-de-vie. As used in this section, "farm winery" means any place or
50 premises [J] that is located on a farm in the state in which wine is
51 manufactured and sold.

52 (2) Such permit shall, at the single principal premises of the farm
53 winery, authorize (A) the sale in bulk by the holder thereof from the
54 premises where the products are manufactured pursuant to such
55 permit; (B) as to a manufacturer who produces one hundred thousand
56 gallons of wine or less per year, the sale and shipment by the holder
57 thereof to a retailer of wine manufactured by the farm winery
58 permittee in the original sealed containers of not more than fifteen
59 gallons per container; (C) the sale and shipment by the holder thereof
60 of wine manufactured by the farm winery permittee to persons outside
61 the state; (D) the offering and tasting of free samples of such wine or
62 brandy, dispensed out of bottles or containers having capacities of not
63 more than two gallons per bottle or container, to visitors and
64 prospective retail customers for consumption on the premises of the
65 farm winery permittee; (E) the sale at retail from the premises of sealed
66 bottles or other sealed containers of such wine or brandy for
67 consumption off the premises; (F) the sale at retail from the premises of
68 wine or brandy by the glass and bottle to visitors on the premises of
69 the farm winery permittee for consumption on the premises; and (G)
70 subject to the provisions of subdivision (3) of this subsection, the sale
71 and delivery or shipment of wine manufactured by the permittee
72 directly to a consumer in this state. Notwithstanding the provisions of
73 subparagraphs (D), (E) and (F) of this subdivision, a town may, by
74 ordinance or zoning regulation, prohibit any such offering, tasting or
75 selling at retail at premises within such town for which a manufacturer
76 permit for a farm winery has been issued.

77 (3) A permittee, when selling and shipping wine directly to a
78 consumer in this state, shall: (A) Ensure that the shipping labels on all

79 containers of wine shipped directly to a consumer in this state
80 conspicuously state the following: "CONTAINS ALCOHOL—
81 SIGNATURE OF A PERSON AGE 21 OR OLDER REQUIRED FOR
82 DELIVERY"; (B) obtain the signature of a person age twenty-one or
83 older at the address prior to delivery, after requiring the signer to
84 demonstrate that he or she is age twenty-one or older by providing a
85 valid motor vehicle operator's license or a valid identity card described
86 in section 1-1h; (C) not ship more than five gallons of wine in any two-
87 month period to any person in this state; (D) pay, to the Department of
88 Revenue Services, all sales taxes and alcoholic beverage taxes due
89 under chapters 219 and 220 on sales of wine to consumers in this state,
90 and file, with said department, all sales tax returns and alcoholic
91 beverage tax returns relating to such sales; (E) report to the
92 Department of Consumer Protection a separate and complete record of
93 all sales and shipments to consumers in the state, on a ledger sheet or
94 similar form which readily presents a chronological account of such
95 permittee's dealings with each such consumer; (F) not ship to any
96 address in the state where the sale of alcoholic liquor is prohibited by
97 local option pursuant to section 30-9; and (G) hold an in-state
98 transporter's permit pursuant to section 30-19f or make any such
99 shipment through the use of a person who holds such an in-state
100 transporter's permit.

101 (4) No licensed farm winery may sell any such wine or brandy not
102 manufactured by such winery, except a licensed farm winery may sell
103 from the premises wine manufactured by another farm winery located
104 in this state.

105 (5) The farm winery permittee shall grow on the premises of the
106 farm winery or on property under the same ownership and control of
107 said permittee or leased by the backer of a farm winery permit or by
108 said permittee within the farm winery's principal state an average crop
109 of fruit equal to not less than twenty-five per cent of the fruit used in
110 the manufacture of the farm winery permittee's wine. An average crop
111 shall be defined each year as the average yield of the farm winery
112 permittee's two largest annual crops out of the preceding five years,

113 except that during the first seven years from the date of issuance of a
114 farm winery permit, an average crop shall be defined as three tons of
115 grapes for each acre of vineyard farmed by the farm winery permittee.
116 Such seven-year period shall not begin anew if the property for which
117 the farm winery permit is held is transferred or sold during such
118 seven-year period. In the event the farm winery consists of more than
119 one property, the aggregate acreage of the farm winery shall not be
120 less than five acres.

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

126 (7) A holder of a manufacturer permit for a farm winery may sell
127 wine manufactured from such winery at a farmers' market, as defined
128 in section 22-6r, that is operated as a nonprofit enterprise or
129 association, provided such farmers' market invites such holder to sell
130 wine at such farmers' market and such holder has a farmers' market
131 wine sales permit issued by the Commissioner of Consumer Protection
132 in accordance with the provisions of subsection (a) of section 30-37o.

133 (8) The annual fee for a manufacturer permit for a farm winery shall
134 be three hundred dollars.

135 Sec. 5. Subsection (a) of section 30-16 of the general statutes is
136 repealed and the following is substituted in lieu thereof (*Effective from*
137 *passage*):

138 (a) A manufacturer permit shall allow the manufacture of alcoholic
139 liquor and the storage, bottling and wholesale distribution and sale of
140 alcoholic liquor manufactured or bottled to permittees in this state and
141 without the state as may be permitted by law; but no such permit shall
142 be granted unless the place or the plan of the place of manufacture has
143 received the approval of the Department of Consumer Protection. The
144 holder of a manufacturer permit who produces less than twenty-five

145 thousand gallons of alcoholic liquor in a calendar year may sell at
146 retail from the premises sealed bottles or other sealed containers of
147 alcoholic liquor manufactured on the premises for consumption off the
148 premises, provided such holder shall not sell to any one consumer
149 more than one and one-half liters of alcoholic liquor per day nor more
150 than five gallons of alcoholic liquor in any two-month period. Retail
151 sales by a holder of a manufacturer permit shall occur only on the days
152 and times permitted under subsection (d) of section 30-91. A holder of
153 a manufacturer permit, alone or in combination with any parent or
154 subsidiary business or related or affiliated party, who sells more than
155 ten thousand gallons of alcoholic liquor in any calendar year may not
156 sell alcoholic liquor at wholesale to retail permittees within this state.
157 Such permit shall also authorize the offering and tasting, either with or
158 without charge, on the premises of the permittee, of [free] samples of
159 spirits distilled on the premises. Tastings shall not exceed [one-half
160 ounce] two ounces per patron per day and shall not be allowed on
161 such premises on Sunday before eleven o'clock a.m. and after eight
162 o'clock p.m. and on any other day before ten o'clock a.m. and after
163 eight o'clock p.m. No tastings shall be offered to or allowed to be
164 consumed by any minor or intoxicated person. A holder of a
165 manufacturer permit may apply for and shall receive an out-of-state
166 shipper's permit for manufacturing plants and warehouse locations
167 outside the state owned by such manufacturer or a subsidiary
168 corporation thereof, at least eighty-five per cent of the voting stock of
169 which is owned by such manufacturer, to bring into any of its plants or
170 warehouses in the state alcoholic liquors for reprocessing, repackaging,
171 reshipment or sale either (1) within the state to wholesaler permittees
172 not owned or controlled by such manufacturer, or (2) outside the state.
173 A holder of a manufacturer permit, alone or in combination with any
174 parent or subsidiary business or affiliated party, who sells ten
175 thousand gallons of alcoholic liquor or less in any calendar year,
176 except the holder of a manufacturer permit for cider, may apply for
177 and shall receive a wholesaler permit. The annual fee for a
178 manufacturer permit shall be one thousand eight hundred fifty dollars.

179 Sec. 6. Subsection (c) of section 30-16 of the general statutes is

180 repealed and the following is substituted in lieu thereof (*Effective from*
181 *passage*):

182 (c) A manufacturer permit for cider not exceeding six per cent
183 alcohol by volume and apple wine not exceeding fifteen per cent
184 alcohol by volume shall allow (1) the manufacture, storage, bottling
185 and wholesale distribution and sale at retail of such cider and apple
186 wine to permittees and nonpermittees in this state as may be permitted
187 by law; but no such permit shall be issued unless the place or the plan
188 of the place of manufacture has received the approval of the
189 department; [and] (2) the sale and shipment by the holder of such
190 permit of such cider and such apple wine to persons outside the state
191 and to consumers in this state in the same manner and subject to the
192 same conditions as such sale and shipment is permitted for wine by a
193 farm winery manufacturer permittee pursuant to subsection (e) of this
194 section; and (3) the offering and tasting, on the premises of the
195 permittee, of free samples of cider and apple wine manufactured on
196 such premises. Tastings shall not exceed two ounces per patron and
197 shall not be allowed on such premises on Sunday before eleven o'clock
198 a.m. and after eight o'clock p.m. and on any other day before ten
199 o'clock a.m. and after eight o'clock p.m. No tasting shall be offered to
200 or allowed to be consumed by any minor or intoxicated person.
201 Offerings and tastings may be limited to visitors who have attended a
202 tour of the premises of the permittee. The annual fee for a
203 manufacturer permit for cider shall be two hundred dollars.

204 Sec. 7. (NEW) (*Effective July 1, 2015*) (a) The holder of an alcoholic
205 liquor permit issued by the Department of Consumer Protection
206 pursuant to subsections (b) to (g), inclusive, of section 30-16 of the
207 general statutes, as amended by this act, or an agent of such permit
208 holder, shall furnish potable water without charge to any person on
209 the permit premises requesting such water or shall offer nonalcoholic
210 beverages for sale to such person.

211 (b) A permittee or such permittee's agent shall not be required to
212 furnish such water or offer nonalcoholic beverages for sale during the

213 hours and days that the sale or dispensing of alcoholic liquor is
214 prohibited pursuant to subsection (a) of section 30-91 of the general
215 statutes. Such potable water shall meet all federal and state
216 requirements concerning purity of drinking water and shall be
217 supplied in a receptacle suitable to permit the individual consumption
218 of not less than twelve ounces per serving.

219 (c) The Department of Consumer Protection may, in its discretion,
220 suspend, revoke or refuse to grant or renew an alcoholic liquor permit
221 pursuant to subsection (a) of section 30-47 of the general statutes if the
222 department has reasonable cause to believe a permittee has violated
223 any provision of this section.

224 Sec. 8. Subsection (e) of section 30-16 of the general statutes is
225 repealed and the following is substituted in lieu thereof (*Effective from*
226 *passage*):

227 (e) (1) A manufacturer permit for a farm winery shall be in all
228 respects the same as a manufacturer permit, except that the scope of
229 operations of the holder shall be limited to wine and brandies distilled
230 from grape products or other fruit products, including grappa and
231 eau-de-vie. As used in this section, "farm winery" means any place or
232 premises, located on a farm in the state in which wine is manufactured
233 and sold.

234 (2) Such permit shall, at the single principal premises of the farm
235 winery, authorize (A) the sale in bulk by the holder thereof from the
236 premises where the products are manufactured pursuant to such
237 permit; (B) as to a manufacturer who produces one hundred thousand
238 gallons of wine or less per year, the sale and shipment by the holder
239 thereof to a retailer of wine manufactured by the farm winery
240 permittee in the original sealed containers of not more than fifteen
241 gallons per container; (C) the sale and shipment by the holder thereof
242 of wine manufactured by the farm winery permittee to persons outside
243 the state; (D) the offering and tasting of free samples of such wine or
244 brandy to visitors and prospective retail customers for consumption on
245 the premises of the farm winery permittee; (E) the sale at retail from

246 the premises of sealed bottles or other sealed containers of such wine
247 or brandy for consumption off the premises; (F) the sale at retail from
248 the premises of wine or brandy by the glass and bottle to visitors on
249 the premises of the farm winery permittee for consumption on the
250 premises; and (G) subject to the provisions of subdivision (3) of this
251 subsection, the sale and delivery or shipment of wine manufactured by
252 the permittee directly to a consumer in this state. Notwithstanding the
253 provisions of subparagraphs (D), (E) and (F) of this subdivision, a
254 town may, by ordinance or zoning regulation, prohibit any such
255 offering, tasting or selling at retail at premises within such town for
256 which a manufacturer permit for a farm winery has been issued.

257 (3) A permittee, when selling and shipping wine directly to a
258 consumer in this state, shall: (A) Ensure that the shipping labels on all
259 containers of wine shipped directly to a consumer in this state
260 conspicuously state the following: "CONTAINS ALCOHOL—
261 SIGNATURE OF A PERSON AGE 21 OR OLDER REQUIRED FOR
262 DELIVERY"; (B) obtain the signature of a person age twenty-one or
263 older at the address prior to delivery, after requiring the signer to
264 demonstrate that he or she is age twenty-one or older by providing a
265 valid motor vehicle operator's license or a valid identity card described
266 in section 1-1h; (C) not ship more than five gallons of wine in any two-
267 month period to any person in this state; (D) pay, to the Department of
268 Revenue Services, all sales taxes and alcoholic beverage taxes due
269 under chapters 219 and 220 on sales of wine to consumers in this state,
270 and file, with said department, all sales tax returns and alcoholic
271 beverage tax returns relating to such sales; (E) report to the
272 Department of Consumer Protection a separate and complete record of
273 all sales and shipments to consumers in the state, on a ledger sheet or
274 similar form which readily presents a chronological account of such
275 permittee's dealings with each such consumer; (F) not ship to any
276 address in the state where the sale of alcoholic liquor is prohibited by
277 local option pursuant to section 30-9; and (G) hold an in-state
278 transporter's permit pursuant to section 30-19f or make any such
279 shipment through the use of a person who holds such an in-state
280 transporter's permit.

281 (4) No licensed farm winery may sell any such wine or brandy not
282 manufactured by such winery, except a licensed farm winery may sell
283 from the premises (A) wine manufactured by another farm winery
284 located in this state, and (B) brandy manufactured from fruit harvested
285 in this state and distilled off the premises in this state.

286 (5) The farm winery permittee shall grow on the premises of the
287 farm winery or on property under the same ownership and control of
288 said permittee or leased by the backer of a farm winery permit or by
289 said permittee within the farm winery's principal state an average crop
290 of fruit equal to not less than twenty-five per cent of the fruit used in
291 the manufacture of the farm winery permittee's wine. An average crop
292 shall be defined each year as the average yield of the farm winery
293 permittee's two largest annual crops out of the preceding five years,
294 except that during the first seven years from the date of issuance of a
295 farm winery permit, an average crop shall be defined as three tons of
296 grapes for each acre of vineyard farmed by the farm winery permittee.
297 Such seven-year period shall not begin anew if the property for which
298 the farm winery permit is held is transferred or sold during such
299 seven-year period. In the event the farm winery consists of more than
300 one property, the aggregate acreage of the farm winery shall not be
301 less than five acres.

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

307 (7) A holder of a manufacturer permit for a farm winery may sell
308 wine manufactured from such winery at a farmers' market, as defined
309 in section 22-6r, that is operated as a nonprofit enterprise or
310 association, provided such farmers' market invites such holder to sell
311 wine at such farmers' market and such holder has a farmers' market
312 wine sales permit issued by the Commissioner of Consumer Protection
313 in accordance with the provisions of subsection (a) of section 30-37o.

314 (8) The annual fee for a manufacturer permit for a farm winery shall
315 be three hundred dollars.

316 Sec. 9. Subsection (a) of section 30-20 of the general statutes is
317 repealed and the following is substituted in lieu thereof (*Effective from*
318 *passage*):

319 (a) A package store permit shall allow the retail sale of alcoholic
320 liquor not to be consumed on the premises, such sales to be made only
321 in sealed bottles or other containers. The holder of a package store
322 permit may, in accordance with regulations adopted by the
323 Department of Consumer Protection pursuant to the provisions of
324 chapter 54, offer free samples of alcoholic liquor for tasting on the
325 premises, conduct fee-based wine education and tasting classes and
326 demonstrations and conduct tastings or demonstrations provided by a
327 permittee or backer of a package store for a nominal charge to
328 charitable nonprofit organizations. Any offering, tasting, wine
329 education and tasting class or demonstration held on permit premises
330 shall be conducted only during the hours a package store is permitted
331 to sell alcoholic liquor under section 30-91, as amended by this act. No
332 tasting of wine on the premises shall be offered from more than ten
333 uncorked bottles at any one time. No store operating under a package
334 store permit shall sell any commodity other than alcoholic liquor
335 except that, notwithstanding any other provision of law, such store
336 may sell (1) cigarettes and cigars, (2) publications, (3) bar utensils,
337 which shall include, but need not be limited to, corkscrews, beverage
338 strainers, stirrers or other similar items used to consume or related to
339 the consumption of alcoholic liquor, (4) gift packages of alcoholic
340 liquor shipped into the state by a manufacturer or out-of-state shipper,
341 which may include a nonalcoholic item in the gift package that may be
342 any item, except food or tobacco products, provided the dollar value of
343 the nonalcoholic items does not exceed the dollar value of the alcoholic
344 items of the package, (5) complementary fresh fruits used in the
345 preparation of mixed alcoholic beverages, (6) cheese or crackers, or
346 both, (7) olives, [(7)] (8) nonalcoholic beverages, [(8)] (9) concentrates
347 used in the preparation of mixed alcoholic beverages, [(9)] (10) beer

348 and wine-making kits and products related to beer and wine-making
 349 kits, [(10)] (11) ice in any form, [(11)] (12) articles of clothing imprinted
 350 with advertising related to the alcoholic liquor industry, [(12)] (13) gift
 351 baskets or other containers of alcoholic liquor, [(13)] (14) multiple
 352 packages of alcoholic liquors, as defined in subdivision (3) of section
 353 30-1, provided in all such cases the minimum retail selling price for
 354 such alcoholic liquor shall apply, [(14)] (15) lottery tickets authorized
 355 by the Department of Consumer Protection, if licensed as an agent to
 356 sell such tickets by said department, and [(15)] (16) gift baskets
 357 containing only containers of alcoholic liquor and commodities
 358 authorized for sale under subdivisions (1) to [(14)] (15), inclusive, of
 359 this subsection. A package store permit shall also allow the taking and
 360 transmitting of orders for delivery of such merchandise in other states.
 361 Notwithstanding any other provision of law, a package store permit
 362 shall allow the participation in any lottery ticket promotion or
 363 giveaway sponsored by the Department of Consumer Protection. The
 364 annual fee for a package store permit shall be five hundred thirty-five
 365 dollars.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2015</i>	New section
Sec. 2	<i>July 1, 2015</i>	30-91(c)
Sec. 3	<i>from passage</i>	30-90a
Sec. 4	<i>July 1, 2015</i>	30-16(e)
Sec. 5	<i>from passage</i>	30-16(a)
Sec. 6	<i>from passage</i>	30-16(c)
Sec. 7	<i>July 1, 2015</i>	New section
Sec. 8	<i>from passage</i>	30-16(e)
Sec. 9	<i>from passage</i>	30-20(a)

GL *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 15 \$	FY 16 \$	FY 17 \$
Department of Revenue Services	GF - Revenue Gain	At least 3,750	At least 45,000	At least 45,000

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill makes various changes to the liquor control act, which results in no cost to the Department of Consumer Protection as it does not substantially alter the duties or responsibilities of the agency.

The bill results in a revenue gain to the state, which are enumerated below:

Section 2 results in a potential revenue gain of at least \$10,000 annually by extending the hours in which bowling establishments may serve alcohol. The actual revenue gain is dependent upon (1) the number of bowling establishments that extend their hours and (2) consumer demand for alcohol during those hours.

Currently there are 32 bowling establishments permitted in the state.

Section 5 results in a potential revenue gain of up to 3,750 in FY 15 and up to \$15,000 annually by allowing manufacturer permittees that produce less than 25,000 gallons of alcoholic liquor to sell at retail liquor it manufactures for consumption off-premise. The bill restricts sales to not more than (1) 1.5 litres of alcoholic liquor to any one

individual per day or (2) more than five gallons in a two month period. The actual revenue gain is dependent upon (1) the number of manufacturers who sell their products at retail as allowed under the bill and (2) the consumer demand for such product.

Currently there are six permits for the manufacture of alcoholic liquor in the state.

Section 7 results in a minimal revenue gain by requiring alcoholic liquor permittees to offer either (1) free potable water or (2) nonalcoholic beverages for sale. The actual revenue gain is dependent upon (1) the number of establishments that provide nonalcoholic drinks for sale in addition to or in lieu of free water, (2) consumer demand for such beverages.

Section 8 allows any farm winery to sell on its premise brandy manufactured from fruit harvested on the premise but distilled off-site. To the extent that farm wineries sell such product, there will be a revenue gain to the state from the alcoholic beverages and sales taxes applied to such products.

For illustrative purposes, assuming that 50% of the state's wineries produce such brandy for sale on premise as a result of the bill, it is estimated that the alcoholic beverages and sales taxes generated would be up to \$20,000 annually. This estimate assumes that the production of brandy at these wineries would be small relative to the production of wine.

Section 9 results in a potential minimal revenue gain by allowing package store permittees to sell cigars. The actual revenue gain is dependent upon an increase in consumption of cigars, if any, as a result of the availability of cigars in package stores in addition to other establishments.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

OLR Bill Analysis**sSB 386*****AN ACT CONCERNING ALCOHOLIC LIQUOR.*****SUMMARY:**

This bill makes several unrelated changes to the Liquor Control Act by:

1. banning powdered alcohol;
2. expanding the hours a bowling establishment permittee may sell alcohol outside of its bar area by allowing alcohol sales in the bowling alley area after 11:00 a.m., rather than after 2:00 p.m.;
3. generally allowing those age 16 and 17, rather than age 18, to be employed by businesses holding an alcoholic permit;
4. (a) limiting licensed farm wineries that offer tastings of free wine or brandy samples to dispensing such samples out of bottles or containers that hold up to two gallons and (b) allowing wineries to sell on their premises brandy manufactured from Connecticut-harvested fruit and distilled in-state but off the premises;
5. (a) allowing manufacturer permittees who produce less than 25,000 gallons to sell alcoholic liquor at retail, (b) limiting wholesale distribution to manufacturers that produce under 10,000 gallons a year, and (c) allowing all manufacturer permittees to charge for tastings and changing certain tasting requirements;
6. allowing cider manufacturer permittees to offer free samples of cider and apple wine;

7. requiring certain manufacturer permittees to offer nonalcoholic beverages; and
8. allowing package stores to sell cigars.

EFFECTIVE DATE: Upon passage; except July 1, 2015 for the bowling alley, farm winery dispensing, and nonalcoholic drink provisions; and October 1, 2015 for the powdered alcohol provision.

BANNING POWDERED ALCOHOL

The bill bans anyone from knowingly purchasing, possessing, or selling powdered alcohol. Powdered alcohol means molecularly encapsulated alcohol in powdered form that may be used in such form or reconstituted as an alcoholic beverage.

Anyone who knowingly (1) purchases or possesses powdered alcohol is subject to a \$100 fine for the first offense, \$250 for the second offense, and \$500 for subsequent offenses or (2) sells powdered alcohol is subject to a \$250 fine for the first offense, \$500 for the second offense, and \$1,000 for subsequent offenses.

AGE 16 AND 17 TO WORK IN BUSINESSES WITH ALCOHOLIC PERMITS

The bill generally allows those age 16 and 17 to be employed by businesses holding an alcoholic permit. Under current law, employees must be over age 18 to work at businesses with an alcoholic permit, except those over age 15 may work at businesses with a grocery store beer permit. The bill also prohibits those under age 18, including those under the grocery store beer permit, from serving or selling alcoholic liquor.

ALCOHOLIC MANUFACTURER LICENSE

Retail Sales for Off-premises Consumption

The bill allows manufacturer permittees that produce less than 25,000 gallons of alcoholic liquor a calendar year to sell alcoholic liquor they manufacture at retail from their premises, in sealed bottles or other containers for off-premises consumption. Permittees must not

sell to any individual more than (1) 1.5 liters of alcoholic liquor per day or (2) five gallons in a two month period. (The bill does not specify how the permittees must keep track of such sales.)

Retail sales are only allowed during the allowable hours of alcohol sales for off-premises consumption. By law, off-premises sale and dispensing of alcohol are only allowed from Monday to Saturday between 8:00 a.m. and 9:00 p.m. and Sundays between 10:00 a.m. and 5:00 p.m. The law also prohibits permittees from selling or dispensing alcohol on Thanksgiving Day, New Year's Day, and Christmas Day.

Wholesale Distribution

Under current law, manufacturer permittees may (1) wholesale distribute their own product to retailers and (2) obtain a wholesaler permit to distribute other alcohol permittees' products. Under the bill, only manufacturers, either alone or in combination with any parent or subsidiary business or related or affiliated party that sells less than 10,000 gallons in a calendar year, can continue to wholesale distribute their own product in the state or receive a wholesaler permit.

Tastings

Current law allows manufacturer permits to offer free tastings of up to 0.5 ounces. The bill allows manufacturers to charge for the tastings and increases the tasting amount to two ounces, but it limits such tastings to a once daily basis.

CIDER TASTING

The bill allows manufacturer permittees for cider to offer free on-premises samples of cider and apple wine manufactured on-premises. The cider manufacturers may limit these tastings to visitors who have taken a tour of the premises.

The tastings must not be more than two ounces per patron and only be on the premises between (1) 10:00 a.m. and 8:00 p.m. Monday through Saturday and (2) 11:00 a.m. and 8:00 p.m. on Sunday. Permittees must not offer or allow tasting consumption by any minor or intoxicated person. By law, any permittee that sells or delivers

alcoholic liquor to a minor or drunkard may be subject to a maximum civil fine of \$1,000 and a criminal penalty of up to a \$1,000 fine, up to one year imprisonment, or both.

NONALCOHOLIC DRINKS

The bill requires manufacturer permittees for beer, cider, apple brandy and eau-de-vie, farm wineries, brewpubs, and beer and brew pubs to offer either (1) free potable water to anyone who requests it or (2) nonalcoholic beverages for sale.

Permittees are only required to provide these nonalcoholic beverages during hours alcoholic liquor may be sold for on-premises consumption. By law, these activities are allowed between 9:00 a.m. and 1:00 a.m. the next morning on Monday through Thursday, 9:00 a.m. and 2:00 a.m. the next morning for Friday and Saturday, and 11:00 a.m. and 1:00 a.m. the next morning on Sunday.

The potable water must meet all federal and state requirements for drinking water purity and be served in a container that holds at least 12 ounces. The Department of Consumer Protection may suspend, revoke, or refuse to grant or renew an alcoholic permit if the department has reasonable cause to believe the permittee has violated any portion of the bill’s nonalcoholic drink requirements.

COMMITTEE ACTION

General Law Committee

Joint Favorable Substitute

Yea 18 Nay 0 (03/12/2015)