



State of Connecticut

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MEMBER  
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PLANNING AND DEVELOPMENT COMMITTEE

General Law Committee  
February 3, 2015

TESTIMONY IN SUPPORT OF HOUSE BILL 5168 AN ACT CONCERNING THE METHOD OF  
PAYMENT MADE TO ALCOHOLIC LIQUOR WHOLESALERS.

Dear Senator Leone, Representative Baram, Senator Larson, Representative Kiner, Senator Witkos,  
Representative Carter, and the entire membership of the General Law Committee:

I want to thank you for giving me this opportunity to testify before you this afternoon, in support of *H.B. 5168 An Act Concerning The Method Of Payment Made To Alcoholic Liquor Wholesalers*. It has been brought to my attention that there are concerns about the way monies are collected from liquor retailers to the liquor distributors. Some retailers, I'm told, send in their payments directly to their distributors; however some retailers insist that a sales representative from the distributor come by and pick up the check in person. The same representative either deposits the check into the bank or brings the check to the distributor for deposit. This system, from a distributor's point of view, has an inherent flaw that the check may be held for a day or two. As a result, the money does not get to the bank in a timely manner.

I am also told, from a sales representative's point of view, that when one goes to pick up a check the retailer will engage in coercive negotiations. Often times the negotiations involve offering better deals prior to finalizing the transaction. In order to avoid further delays in processing checks, there must be a cohesive policy among retailers and distributors that is based off of a direct payment system such as electronic debit, credit or mailed paper check. Such policies exist in other industries, such as the Energy and Medical fields. For instance, CL&P does not send someone to pick up their check at a private residence. As a Doctor, in my private office, sales transactions do not go directly through me. I would request the same set of standards for the liquor industry.

Thank you for your consideration in this matter.

Kind Regards,

Prasad Srinivasan  
State Representative, 31<sup>st</sup> District