

WINE AND SPIRITS WHOLESALERS OF CONNECTICUT, INC.

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February 19, 2015

TESTIMONY OF WINE AND SPIRITS WHOLESALERS OF CONNECTICUT

RE: Proposed SB Bill 828 An Act Requiring Municipalities with High Population Densities to Authorize the Issuance and Renewal of Permits for the Sale of Alcoholic Liquor.

The WSWC appreciates the opportunity to provide this testimony to the General Law Committee relative to Proposed Senate Bill 828.

The members of the Wine and Spirits Wholesalers of Connecticut sell and ship beverage alcohol to licensed retailers (package stores, restaurants and bars). Many also import beverage alcohol product into the State of Connecticut. They do not make sales to the public at large. Most wholesalers either take orders through their salesman network, by the telephone or through the internet. Deliveries are made to the retailers' place of business. Like all other businesses who sell or transport beverage alcohol within the state, wholesalers are issued and hold a license to do so.

While the current proposal is unclear as to whether or not it was intended to include either wholesalers or importers, the WSWC strongly opposes any effort to grant to municipalities the power to determine whether or not a wholesale license or importer's license should be issued or renewed. Connecticut wholesalers and importers do not have any unique impact upon their respective municipalities. Put another way the mere fact that they sell and distribute alcoholic beverages does not result in unique impact to the municipalities in which they are located.

To operate their businesses, wholesalers have made significant investments in their warehouse facilities (not to mention their other infra-structures), which range in size from tens of thousands square feet to several hundred thousand square feet. These businesses cannot be easily relocated and any relocation could result in significant financial hardship and displacement of employees. To place this investment at risk, annually, because of requiring town approval to renew its license is unfair, and anti-business.

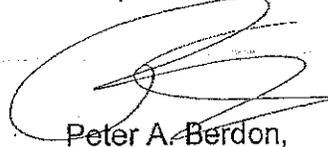
Who is the WSWC? The Wine & Spirits Wholesalers of Connecticut, Inc. was established in 1964 and since that date has been the trade association representing wine and spirits wholesalers in Connecticut. The WSWC membership totals 53 and its members distribute the vast majority of wines and spirits sold in the state of Connecticut. The members of the WSWC span a diversity of size from very large to very small, but all are family owned businesses. Individually, they employ as many as 230 employees and as few as a one person working part-time. Collectively, they are a significant and integral part of Connecticut's economy. The members of the WSWC:

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- contribute in excess of \$200 million dollars in direct and in-direct benefits to the state's economy;
- provide in excess of 1,700 direct jobs to Connecticut residents;
- Pay in excess of \$167 million dollars in wages;
- pay in excess of \$60.2 million dollars in state excise taxes;¹
- promote, market, sell, warehouse and deliver nearly 36,000 different brands; and
- assist the Department of Revenue Services in the collection of Sales and Use Taxes in excess of \$141 Million Dollars annually².

The members of the WSWC are committed to ensuring that the best possible safeguards to prevent the sale of beverage alcohol to minors are in place and adults of legal drinking age consume beverage alcohol responsibly, while at the same time providing an efficient method of distribution which provides access to a wide variety of quality wine and spirits from all over the world.

Respectfully submitted,



Peter A. Berdon,
Executive Director/General Counsel

¹ FYE June 30, 2014.

² \$141 million is the total sales and use taxes estimated to be collected on the retail sale of wine, spirits and beer in 2010. Spencer Kane, Cain Associates, LLC, Economic Impact, March 2012. Each year the Department of Revenue Services requests that wholesalers furnish sales made to retailers to determine if individual retailers are fully accounting for all sales.