

Testimony in Opposition of HB-5036
General Law Committee
March 6, 2018

Dear Members of the General Law Committee,

My name is Larry Cass-Owner/Permittee of GlenRo Spirit Shoppe In Monroe as well as Shelton. I want to thank the gentleman to my right. Rep JP Sredzinski (Monroe/Newtown) for allowing me his time to testify and all of the reps/senators in front of us who have the daunting task of keeping CT alive and well. My background simply put is 12 years restaurant industry/3 years selling for the 2nd largest wholesaler in the state and the last 11 years back at the liquor store I worked when I was 18 (That's 30 years ago).

First, I want to refute a few items in HB 5036. The elimination of min bottle/selling below cost has been on the table before. Do we really envision a sales tax increase when a few rogue stores decided to break a CT general statute by reducing their prices:

\$30 X 2 equals \$60

\$25 X 2 Equals \$50

\$10 lost in revenue

\$.64 lost in sales tax

I can only look at the result of past changes-increased hours, Sunday sales which combined have added over 1,000 hours a year to the consumer's ability to buy alcohol. 1200 permits with 2 extra employees at state min causes a tax return loss of \$12,000,000. We wonder why the deficit is headed in the wrong direction. I have a solution. You want a guaranteed \$2,000,000 from just the package stores. Raise our permit \$1,665 to \$2,200 and that will generate the \$\$ That increase is just in our tier of the 3 tier system. Try hitting up the wholesalers, distributors, etc and we could turn our portion of the revenue pie into a larger slice for the state of CT.

Secondly, wine in grocery stores. Do you really want 15 year old kids tempted to steal wine while at work. Beer in grocery accounts for relatively tiny portion of beer sales and creates more fines than almost all of the liquor stores combined. Why double down with trouble and take another piece of our business. We got cheese for Sunday sales, do we get cold cuts for wine in grocery?? Sorry, but we have a viable business model with blue laws that cap the number of stores etc. We have an active working free market system. Over the last few years wine has flourished and the liquor companies have responded in this little state of ours by lowering the MIN BOTTLE on Absolut, Bacardi, Captain Morgan, Grey Goose, Makers mark, Leroux Polish Brandy, Stoli etc. We are speaking to multi-million case brands. CT is not a vacuum; we have supply and demand working just like heating oil or milk. Prices are not inelastic. I sold Absolut 15 years ago at a min bottle of \$35.99 and today it is \$29.99 for a 1.75L.

Finally, the pricing is set for us not by us. So, when I buy a product for 90 days because that is how long the price will be higher to me, I have to pay that bill in 30 days regardless. If I do not buy enough I will purchase the product to keep my customer coming back usually for 8cents less than I am selling it for which is min bottle. Swipe a credit card and I lose money, but I know that is the risk I take. Eliminate min bottle and sell below cost will only help 20

stores and expose the Mom/Pop stores to predatory pricing. Last time I checked predatory pricing is illegal. Do you see gas stations selling below cost? Pharmacies? How about Dr visits? They have contracted prices. We just have the loyal customers who we donate to their charities, sponsor their softball teams and pour wine at their fundraisers. If you take that away we have lost all decency and the behemoths who donate 6 figures to political campaigns will rule CT. The choice is yours, please be responsible and understand the way our wheel spins.

Sincerely,
Larry Cass – GlenRo Spirit Shoppe