



Senate

General Assembly

File No. 592

January Session, 2019

Substitute Senate Bill No. 647

Senate, April 10, 2019

The Committee on General Law reported through SEN. FONFARA of the 1st Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT STREAMLINING THE LIQUOR CONTROL ACT.

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

1 Section 1. Section 12-435 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective January 1, 2020*):

3 Each distributor of alcoholic beverages shall pay a tax to the state on
4 all sales within the state of alcoholic beverages, except sales to licensed
5 distributors, sales of alcoholic beverages which, in the course of such
6 sales, are actually transported to some point without the state and
7 except the first fifteen barrels of malt beverages [which are] produced
8 and consumed on the premises covered by a manufacturer's permit, at
9 the rates for the respective categories of alcoholic beverages listed
10 below:

11 (a) Beer, seven dollars and twenty cents for each barrel, three dollars
12 and sixty cents for each half barrel, one dollar and eighty cents for each
13 quarter barrel and twenty-four cents per wine gallon or fraction
14 thereof on quantities less than a quarter barrel;

- 15 (b) Liquor, five dollars and forty cents per wine gallon;
- 16 (c) Still wines containing not more than twenty-one per cent of
17 absolute alcohol, except as provided in subsections (g) and (h) of this
18 section, seventy-two cents per wine gallon;
- 19 (d) Still wines containing more than twenty-one per cent of absolute
20 alcohol and sparkling wines, one dollar and eighty cents per wine
21 gallon;
- 22 (e) Alcohol in excess of 100 proof, five dollars and forty cents per
23 proof gallon;
- 24 (f) Liquor coolers containing not more than seven per cent of alcohol
25 by volume, two dollars and forty-six cents per wine gallon;
- 26 (g) Still wine containing not more than twenty-one per cent of
27 absolute alcohol, produced by a person who produces not more than
28 fifty-five thousand wine gallons of wine during the calendar year,
29 eighteen cents per wine gallon, provided such person presents to each
30 distributor of alcoholic beverages described in this section a certificate,
31 issued by the commissioner, stating that such person produces not
32 more than fifty-five thousand wine gallons of wine during the calendar
33 year. The commissioner is authorized to issue such certificates,
34 prescribe the procedures for obtaining such certificates and prescribe
35 their form; and
- 36 (h) Cider containing not more than seven per cent of absolute
37 alcohol shall be subject to the same rate as applies to beer, as provided
38 in subsection (a) of this section.
- 39 Sec. 2. Section 30-1 of the general statutes is repealed and the
40 following is substituted in lieu thereof (*Effective January 1, 2020*):
- 41 For the interpretation of this chapter, unless the context indicates a
42 different meaning:
- 43 (1) "Airline" means any United States airline carrier, holding a

44 certificate of public convenience and necessity from the Civil
45 Aeronautics Board under Section 401 of the Federal Aviation Act of
46 1958, as amended, or any foreign flag carrier, holding a permit under
47 Section 402 of such act.

48 (2) "Alcohol" means the product of distillation of any fermented
49 liquid, rectified either once or more often, whatever may be the origin
50 thereof, and includes synthetic ethyl alcohol which is considered
51 nonpotable.

52 (3) "Alcoholic liquor" or "alcoholic beverage" includes the four
53 varieties of liquor defined in subdivisions (2), (5), [(18)] (19) and [(19)]
54 (20) of this section (alcohol, beer, spirits and wine) and every liquid or
55 solid, patented or not, containing alcohol, spirits, wine or beer and
56 capable of being consumed by a human being for beverage purposes.
57 Any liquid or solid containing more than one of the four varieties so
58 defined is considered as belonging to that variety which has the higher
59 percentage of alcohol, according to the following order: Alcohol,
60 spirits, wine and beer, except as provided in subdivision [(19)] (20) of
61 this section. The provisions of this chapter shall not apply to any liquid
62 or solid containing less than one-half of one per cent of alcohol by
63 volume.

64 (4) "Backer" means, except in cases where the permittee is himself
65 the proprietor, the proprietor of any business or club, incorporated or
66 unincorporated, engaged in the manufacture or sale of alcoholic liquor,
67 in which business a permittee is associated, whether as employee,
68 agent or part owner.

69 (5) "Beer" means any beverage obtained by the alcoholic
70 fermentation of an infusion or decoction of barley, malt and hops in
71 drinking water.

72 (6) (A) "Case price" means the price of a container of cardboard,
73 wood or other material, containing units of the same size [, brand, age
74 and proof] and class of alcoholic liquor, and (B) a case of alcoholic
75 liquor, other than beer, cordials, cocktails, wines and prepared mixed

76 drinks, shall be in the number and quantity, or fewer, with the
77 permission of the Commissioner of Consumer Protection, of units or
78 bottles as follows: (i) Six one thousand seven hundred fifty milliliter
79 bottles; (ii) twelve one liter bottles; (iii) twelve seven hundred fifty
80 milliliter bottles; (iv) twenty-four three hundred seventy-five milliliter
81 bottles; (v) forty-eight two hundred milliliter bottles; (vi) sixty one
82 hundred milliliter bottles; or (vii) one hundred twenty fifty milliliter
83 bottles, except a case of fifty milliliter bottles may be in a number and
84 quantity as originally configured, packaged and sold by the
85 manufacturer or out-of-state shipper prior to shipment, provided such
86 number of bottles does not exceed two hundred. The commissioner
87 shall not authorize fewer numbers or quantities of units or bottles as
88 specified in this subdivision for any one person or entity more than
89 four times in any calendar year. For the purposes of this subdivision,
90 "class" has the same meaning as defined in 27 CFR 5.22 for spirits, as
91 defined in 27 CFR 4.21 for wine, and as defined in 27 CFR 7.24 for beer.

92 (7) "Charitable organization" means any nonprofit organization
93 organized for charitable purposes to which has been issued a ruling by
94 the Internal Revenue Service classifying it as an exempt organization
95 under Section 501(c)(3) of the Internal Revenue Code.

96 (8) "Club" means a club as defined in section 30-23.

97 (9) "Coliseum" means a coliseum as defined in section 30-33a.

98 (10) "Commission" means the Liquor Control Commission and
99 "department" means the Department of Consumer Protection.

100 (11) "Golf country club" means a golf country club as defined in
101 section 30-24a.

102 (12) "Mead" means fermented honey, with or without adjunct
103 ingredients or additions, regardless of alcohol content, regardless of
104 process, and regardless of being sparkling, carbonated or still.

105 [(12)] (13) "Minor" means any person under twenty-one years of age.

106 [(13)] (14) "Person" means natural person including partners but
107 shall not include corporations, limited liability companies, joint stock
108 companies or other associations of natural persons.

109 [(14)] (15) "Proprietor" shall include all owners of businesses or
110 clubs, included in subdivision (4) of this section, whether such owners
111 are individuals, partners, joint stock companies, fiduciaries,
112 stockholders of corporations or otherwise, but shall not include
113 persons or corporations who are merely creditors of such businesses or
114 clubs, whether as note holders, bond holders, landlords or franchisors.

115 [(15)] (16) "Dining room" means a room or rooms in premises
116 operating under a hotel permit, hotel beer permit, restaurant permit,
117 restaurant permit for beer, restaurant permit for wine and beer,
118 railroad permit, or boat permit, where meals are customarily served,
119 within the room or rooms, to any member of the public who has means
120 of payment and proper demeanor.

121 [(16)] (17) "Restaurant" means a restaurant as defined in section 30-
122 22.

123 [(17)] (18) "Special sporting facility" means a special sporting facility
124 as defined in section 30-33b.

125 [(18)] (19) "Spirits" means any beverage that contains alcohol
126 obtained by distillation mixed with drinkable water and other
127 substances in solution, including brandy, rum, whiskey and gin.

128 [(19)] (20) "Wine" means any alcoholic beverage obtained by the
129 fermentation of the natural sugar content of fruits, such as grapes or
130 apples or other agricultural products, containing sugar, including
131 fortified wines such as port, sherry and champagne.

132 [(20)] (21) "Nonprofit public television corporation" means a
133 nonprofit public television corporation as defined in section 30-37d.

134 Sec. 3. Section 30-16 of the general statutes is repealed and the
135 following is substituted in lieu thereof (*Effective January 1, 2020*):

136 (a) A manufacturer permit for spirits shall allow the manufacture of
137 [alcoholic liquor] spirits and the storage, bottling and wholesale
138 distribution and sale of [alcoholic liquor] spirits manufactured or
139 bottled to permittees in this state and without the state as may be
140 permitted by law; but no such permit shall be granted unless the place
141 or the plan of the place of manufacture has received the approval of
142 the Department of Consumer Protection. The holder of a manufacturer
143 permit who produces less than twenty-five thousand gallons of
144 [alcoholic liquor] spirits in a calendar year may sell at retail from the
145 premises sealed bottles or other sealed containers of [alcoholic liquor]
146 spirits manufactured on the premises for consumption off the
147 premises, provided such holder shall not sell to any one consumer
148 more than [one and one-half] three liters of [alcoholic liquor] spirits
149 per day nor more than five gallons of [alcoholic liquor] spirits in any
150 two-month period. Retail sales by a holder of a manufacturer permit
151 shall occur only on the days and times permitted under subsection (d)
152 of section 30-91, as amended by this act. A holder of a manufacturer
153 permit, alone or in combination with any parent or subsidiary business
154 or related or affiliated party, who sells more than ten thousand gallons
155 of [alcoholic liquor] spirits in any calendar year may not sell [alcoholic
156 liquor] spirits at wholesale to retail permittees within this state. Such
157 permit shall also authorize the offering and tasting, on the premises of
158 the permittee, of free samples of spirits distilled on the premises. Such
159 free samples of spirits distilled on the premises may be offered for
160 consumption in combination with a nonalcoholic beverage. Tastings
161 shall not exceed two ounces per patron per day and shall not be
162 allowed on such premises on Sunday before eleven o'clock a.m. and
163 after eight o'clock p.m. and on any other day before ten o'clock a.m.
164 and after eight o'clock p.m. No tastings shall be offered to or allowed
165 to be consumed by any minor or intoxicated person. A holder of a
166 manufacturer permit may apply for and shall receive an out-of-state
167 shipper's permit for manufacturing plants and warehouse locations
168 outside the state owned by such manufacturer or a subsidiary
169 corporation thereof, at least eighty-five per cent of the voting stock of
170 which is owned by such manufacturer, to bring into any of its plants or

171 warehouses in the state [alcoholic liquors] spirits for reprocessing,
172 repackaging, reshipment or sale either (1) within the state to
173 wholesaler permittees not owned or controlled by such manufacturer,
174 or (2) outside the state. The annual fee for a manufacturer permit shall
175 be one thousand eight hundred fifty dollars.

176 (b) A manufacturer permit for beer shall [be in all respects the same
177 as a manufacturer permit, except that the scope of operations of the
178 holder shall be limited to beer, but shall permit the storage of beer in
179 any part of the state. Such permit shall also authorize the offering and
180 tasting, on the premises of the permittee, of free samples of beer
181 brewed on such premises and the selling at retail from the premises of
182 sealed bottles or other sealed containers of such beer for consumption
183 off the premises. The offering and tasting may be limited to visitors
184 who have attended a tour of the premises of the permittee] allow the
185 manufacture of beer and the storage, bottling and wholesale
186 distribution and sale of beer manufactured or bottled to permittees in
187 this state and without the state as may be permitted by law, but no
188 such permit shall be granted unless the place or the plan of the place of
189 manufacture has received the approval of the Department of
190 Consumer Protection. A holder of a manufacturer permit for beer who
191 sells beer brewed on such premises at wholesale to retail permittees
192 within this state shall make such beer available to all holders of a
193 package store permit issued pursuant to section 30-20 and to all
194 holders of a grocery store beer permit held pursuant to said subsection
195 in the geographical region in which the holder of the manufacturer
196 permit for beer self-distributes, subject to reasonable limitations, as
197 determined by the Department of Consumer Protection. Such permit
198 shall also allow (1) the retail sale of beer to be consumed on the
199 premises with or without the sale of food, (2) the selling at retail from
200 the premises of sealed bottles or other sealed containers of beer brewed
201 on such premises for consumption off the premises, and (3) the sale of
202 sealed bottles or other sealed containers of beer brewed on such
203 premises to the holder of a wholesaler permit issued pursuant to
204 subsection (b) of section 30-17, provided the holder of a manufacturer
205 permit for beer produces at least five thousand gallons of beer on the

206 premises annually. Such selling at retail from the premises of sealed
207 bottles or other sealed containers shall comply with the provisions of
208 subsection (d) of section 30-91, as amended by this act, and shall
209 permit not more than [nine liters] six gallons of beer to be sold to any
210 person on any day on which such sale is authorized under the
211 provisions of subsection (d) of section 30-91, as amended by this act.
212 The annual fee for a manufacturer permit for beer shall be one
213 thousand four hundred seven dollars.

214 [(c) A manufacturer permit for cider not exceeding six per cent
215 alcohol by volume and apple wine not exceeding fifteen per cent
216 alcohol by volume shall allow (1) the manufacture, storage, bottling
217 and wholesale distribution and sale at retail of such cider and apple
218 wine to permittees and nonpermittees in this state as may be permitted
219 by law; but no such permit shall be issued unless the place or the plan
220 of the place of manufacture has received the approval of the
221 department; (2) the sale and shipment by the holder of such permit of
222 such cider and such apple wine to persons outside the state and to
223 consumers in this state in the same manner and subject to the same
224 conditions as such sale and shipment is permitted for wine by a farm
225 winery manufacturer permittee pursuant to subsection (e) of this
226 section; and (3) the offering and tasting, on the premises of the
227 permittee, of free samples of cider and apple wine manufactured on
228 such premises. Tastings shall not exceed two ounces per patron and
229 shall not be allowed on such premises on Sunday before eleven o'clock
230 a.m. and after eight o'clock p.m. and on any other day before ten
231 o'clock a.m. and after eight o'clock p.m. No tasting shall be offered to
232 or allowed to be consumed by any minor or intoxicated person.
233 Offerings and tastings may be limited to visitors who have attended a
234 tour of the premises of the permittee. The annual fee for a
235 manufacturer permit for cider shall be two hundred dollars.

236 (d) A manufacturer permit for apple brandy and eau-de-vie shall be
237 in all respects the same as a manufacturer permit, except that the scope
238 of operations of the holder shall be limited to apple brandy or eau-de-
239 vie, or both. The annual fee for a manufacturer permit for apple

240 brandy and eau-de-vie shall be four hundred dollars.]

241 [(e)] (c) (1) A manufacturer permit for [a farm winery shall be in all
242 respects the same as a manufacturer permit, except that the scope of
243 operations of the holder shall be limited to wine and brandies distilled
244 from grape products or other fruit products, including grappa and
245 eau-de-vie. As used in this section, "farm winery" means any place or
246 premises that is located on a farm in the state in which wine is
247 manufactured and sold] wine, cider and mead shall allow the
248 manufacture of wine, cider not exceeding six per cent alcohol by
249 volume, apple wine not exceeding fifteen per cent alcohol by volume,
250 apple brandy, eau-de-vie and mead and the storage, bottling and
251 wholesale distribution and sale of wine, cider not exceeding six per
252 cent alcohol by volume, apple wine not exceeding fifteen per cent
253 alcohol by volume, apple brandy, eau-de-vie and mead manufactured
254 or bottled to permittees in this state and without the state as may be
255 permitted by law; but no such permit shall be granted unless the place
256 or the plan of the place of manufacture has received the approval of
257 the Department of Consumer Protection.

258 (2) Such permit shall, at [the] a single principal premises, [of the
259 farm winery,] authorize (A) the sale in bulk by the holder thereof from
260 the premises where the products are manufactured pursuant to such
261 permit; (B) as to a manufacturer who produces one hundred thousand
262 gallons of [wine] product pursuant to this permit or less per year, the
263 sale and shipment by the holder thereof to a retailer of [wine] product
264 pursuant to this permit manufactured by the [farm winery] permittee
265 in the original sealed containers of not more than fifteen gallons per
266 container; (C) the sale and shipment by the holder thereof of [wine]
267 product pursuant to this permit manufactured by the [farm winery]
268 permittee to persons outside the state; (D) the offering and tasting of
269 free samples of such [wine or brandy] product produced pursuant to
270 this permit, dispensed out of bottles or containers having capacities of
271 not more than two gallons per bottle or container, to visitors and
272 prospective retail customers for consumption on the premises of the
273 [farm winery] permittee; (E) the sale at retail from the premises of

274 sealed bottles or other sealed containers of such [wine or brandy]
275 product produced pursuant to this permit for consumption off the
276 premises; (F) the sale at retail from the premises of [wine or brandy]
277 product produced pursuant to this permit by the glass and bottle to
278 visitors on the premises of the [farm winery] permittee for
279 consumption on the premises; and (G) subject to the provisions of
280 subdivision (3) of this subsection, the sale and delivery or shipment of
281 [wine] product produced pursuant to this permit manufactured by the
282 permittee directly to a consumer in this state. Notwithstanding the
283 provisions of subparagraphs (D), (E) and (F) of this subdivision, a
284 town may, by ordinance or zoning regulation, prohibit any such
285 offering, tasting or selling at retail at premises within such town for
286 which a manufacturer permit [for a farm winery] has been issued.

287 (3) A permittee, when selling and shipping [wine] a product
288 produced pursuant to this permit, directly to a consumer in this state,
289 shall: (A) Ensure that the shipping labels on all containers of [wine]
290 such products shipped directly to a consumer in this state
291 conspicuously state the following: "CONTAINS ALCOHOL –
292 SIGNATURE OF A PERSON AGE 21 OR OLDER REQUIRED FOR
293 DELIVERY"; (B) obtain the signature of a person age twenty-one or
294 older at the address prior to delivery, after requiring the signer to
295 demonstrate that he or she is age twenty-one or older by providing a
296 valid motor vehicle operator's license or a valid identity card described
297 in section 1-1h; (C) not ship more than five gallons of [wine] product
298 produced pursuant to this permit in any two-month period to any
299 person in this state; (D) pay, to the Department of Revenue Services, all
300 sales taxes and alcoholic beverage taxes due under chapters 219 and
301 220 on sales of [wine] products produced pursuant to this permit to
302 consumers in this state, and file, with said department, all sales tax
303 returns and alcoholic beverage tax returns relating to such sales; (E)
304 report to the Department of Consumer Protection a separate and
305 complete record of all sales and shipments to consumers in the state,
306 on a ledger sheet or similar form which readily presents a
307 chronological account of such permittee's dealings with each such
308 consumer; (F) not ship to any address in the state where the sale of

309 alcoholic liquor is prohibited by local option pursuant to section 30-9;
310 and (G) hold an in-state transporter's permit pursuant to section 30-19f,
311 as amended by this act, or make any such shipment through the use of
312 a person who holds such an in-state transporter's permit.

313 (4) No [licensed farm winery] holder of a wine, cider and mead
314 permit may sell any such [wine or brandy] product not manufactured
315 by such [winery] permit holder, except [a licensed farm winery] such
316 permittee may sell from the premises (A) wine, cider not exceeding six
317 per cent alcohol by volume, apple wine not exceeding fifteen per cent
318 alcohol by volume, apple brandy and eau-de-vie and mead
319 manufactured by another [farm winery] such permit holder located in
320 this state, and (B) brandy manufactured from fruit harvested in this
321 state and distilled off the premises in this state.

322 [(5) The farm winery permittee shall grow on the premises of the
323 farm winery or on property under the same ownership and control of
324 said permittee or leased by the backer of a farm winery permit or by
325 said permittee within the farm winery's principal state an average crop
326 of fruit equal to not less than twenty-five per cent of the fruit used in
327 the manufacture of the farm winery permittee's wine. An average crop
328 shall be defined each year as the average yield of the farm winery
329 permittee's two largest annual crops out of the preceding five years,
330 except that during the first seven years from the date of issuance of a
331 farm winery permit, an average crop shall be defined as three tons of
332 grapes for each acre of vineyard farmed by the farm winery permittee.
333 Such seven-year period shall not begin anew if the property for which
334 the farm winery permit is held is transferred or sold during such
335 seven-year period. In the event the farm winery consists of more than
336 one property, the aggregate acreage of the farm winery shall not be
337 less than five acres.]

338 [(6)] (5) A holder of a [manufacturer] permit [for a farm winery]
339 issued pursuant to this subsection, when advertising or offering [wine]
340 products for direct shipment to a consumer in this state via the Internet
341 or any other on-line computer network, shall clearly and

342 conspicuously state such liquor permit number in its advertising.

343 [(7)] (6) A holder of a [manufacturer] wine, cider and mead permit
344 [for a farm winery] issued pursuant to this subsection may sell and
345 offer free tastings of [wine] products produced pursuant to such
346 permit manufactured [from] by such [winery] permit holder at a
347 farmers' market, as defined in section 22-6r, that is operated as a
348 nonprofit enterprise or association, provided such farmers' market
349 invites such holder to sell [wine] such products at such farmers'
350 market and such holder has a farmers' market [wine sales] permit
351 issued by the Commissioner of Consumer Protection in accordance
352 with the provisions of subsection (a) of section 30-37o, as amended by
353 this act.

354 [(8)] (7) The annual fee for a [manufacturer] wine, cider and mead
355 permit [for a farm winery] shall be [three] two hundred dollars.

356 [(f) (1) A manufacturer permit for a farm brewery shall be in all
357 respects the same as a manufacturer permit, except that the scope of
358 operations of the holder shall be limited to the production of not more
359 than seventy-five thousand gallons of beer in a calendar year. As used
360 in this section, "farm brewery" means any place or premises that is
361 located on a farm in the state in which beer is manufactured and sold.

362 (2) Such permit shall, at the single principal premises of the farm
363 brewery, authorize (A) the sale of sealed bottles or other sealed
364 containers of beer brewed on such premises to the holder of a
365 wholesaler permit issued pursuant to section 30-17; (B) the offering
366 and tasting of free samples of beer manufactured by the farm brewery
367 permittee, dispensed out of bottles or other sealed containers to
368 visitors and prospective retail customers for consumption on the
369 premises of the farm brewery permittee; (C) the sale at retail from the
370 premises of not more than nine liters of such beer to any person per
371 day, in sealed bottles or other sealed containers, for consumption off
372 the premises; and (D) the sale at retail from the premises of beer by the
373 glass and bottle to visitors on the premises of the farm brewery
374 permittee for consumption on the premises. Notwithstanding the

375 provisions of subparagraphs (A) to (D), inclusive, of this subdivision, a
376 town may, by ordinance or zoning regulation, prohibit any such
377 offering, tasting or selling at retail at premises within such town for
378 which a manufacturer permit for a farm brewery has been issued.

379 (3) The farm brewery permittee shall use not less than twenty-five
380 per cent of a combination of hops, barley, cereal grains, honey, flowers
381 or other fermentables grown or malted within the state of Connecticut
382 in the manufacture of the farm brewery permittee's beer for the first
383 year of issuance for any such permit and not less than fifty per cent of
384 such hops, barley, cereal grains, honey, flowers or other fermentables
385 in the manufacture of the farm brewery permittee's beer for the second
386 and any subsequent year of issuance for any such permit. Any such
387 beer may be advertised and sold by the farm brewery permittee as
388 "Connecticut Craft Beer".

389 (4) A holder of a manufacturer permit for a farm brewery may sell
390 beer manufactured from such brewery at a farmers' market, as defined
391 in section 22-6r, that is operated as a nonprofit enterprise or
392 association, provided such farmers' market invites such holder to sell
393 beer at such farmers' market and such holder has a farmers' market
394 beer sales permit issued by the Commissioner of Consumer Protection
395 in accordance with the provisions of subsection (a) of section 30-37r.

396 (5) The annual fee for a manufacturer permit for a farm brewery
397 shall be three hundred dollars.

398 (g) A manufacturer permit for a brew pub shall allow: (1) The
399 manufacture, storage and bottling of beer, (2) the retail sale of alcoholic
400 liquor to be consumed on the premises with or without the sale of
401 food, (3) the selling at retail from the premises of sealed bottles or
402 other sealed containers of beer brewed on such premises for
403 consumption off the premises, and (4) the sale of sealed bottles or other
404 sealed containers of beer brewed on such premises to the holder of a
405 wholesaler permit issued pursuant to subsection (b) of section 30-17,
406 provided that the holder of a manufacturer permit for a brew pub
407 produces at least five thousand gallons of beer on the premises

408 annually. Such selling at retail from the premises of sealed bottles or
409 other sealed containers shall comply with the provisions of subsection
410 (d) of section 30-91 and shall permit not more than nine liters of beer to
411 be sold to any person on any day on which such sale is authorized
412 under the provisions of subsection (d) of section 30-91. The annual fee
413 for a manufacturer permit for a brew pub shall be three hundred
414 dollars.

415 (h) A manufacturer permit for beer and brew pub shall be in all
416 respects the same as a manufacturer permit for beer, as defined in
417 subsection (b) of this section, and shall allow those additional
418 permissible uses specified in the manufacturer permit for a brew pub,
419 as defined in subsection (g) of this section, provided the holder of a
420 manufacturer permit for beer and brew pub produces at least five
421 thousand gallons of beer on the premises annually. The annual fee for
422 a manufacturer permit for beer and brew pub shall be one thousand
423 five hundred dollars.

424 (i) (1) A manufacturer permit for a farm distillery shall be in all
425 respects the same as a manufacturer permit, except that the scope of
426 operations of the holder shall be limited to the production of not more
427 than ten thousand gallons per calendar year of distilled alcohol or
428 spirits including, but not limited to, whiskey, gin, vodka and rum. As
429 used in this section, "farm distillery" means any place or premises that
430 is located on a farm in the state in which distilled spirits or alcohol are
431 manufactured and sold.

432 (2) Such permit shall, at the single principal premises of the farm
433 distillery, authorize (A) the sale in bulk by the holder thereof from the
434 premises where the products are manufactured pursuant to such
435 permit; (B) the sale and shipment by the holder thereof to a retailer of
436 distilled alcohol or spirits manufactured by the farm distillery
437 permittee in the original sealed containers of not more than fifteen
438 gallons per container; (C) the offering and tasting of free samples of
439 such distilled alcohol or spirits, in amounts not to exceed two ounces
440 per day per person, to visitors and prospective retail customers for

441 consumption on the premises of the farm distillery permittee; and (D)
442 the sale at retail from the premises of sealed bottles or other sealed
443 containers, in amounts not to exceed four and one-half liters per
444 customer per day, of such distilled alcohol or spirits for consumption
445 off the premises. Notwithstanding the provisions of subparagraphs (C)
446 and (D) of this subdivision, a town may, by ordinance or zoning
447 regulation, prohibit any such offering, tasting or selling at retail at
448 premises within such town for which a manufacturer permit for a farm
449 distillery has been issued.

450 (3) No licensed farm distillery may sell any such distilled alcohol or
451 spirits not manufactured by such distillery.

452 (4) The farm distillery permittee shall grow on the premises of the
453 farm distillery or on property under the same ownership and control
454 of said permittee or leased by the backer of a farm distillery permit or
455 by said permittee within the farm distillery's principal state an average
456 crop of fruit or crops equal to not less than twenty-five per cent of the
457 fruit or crops used in the manufacture of the farm distillery permittee's
458 distilled alcohol or spirits. An average crop shall be defined each year
459 as the average yield of the farm distillery permittee's two largest
460 annual crops out of the preceding five years. In the event the farm
461 distillery consists of more than one property, the aggregate acreage of
462 the farm distillery shall not be less than five acres.

463 (5) The annual fee for a manufacturer permit for a farm distillery
464 shall be three hundred dollars.]

465 Sec. 4. Section 30-37p of the general statutes is repealed and the
466 following is substituted in lieu thereof (*Effective January 1, 2020*):

467 (a) A gift basket retailer permit shall allow the retail sale of wine or
468 beer manufactured in Connecticut by the holder of a manufacturer
469 permit for beer or a wine, cider and mead permit included in a gift
470 basket sold at retail by the permit holder. Such wine or beer shall not
471 be consumed on the premises. Such permit holder shall be located in
472 this state and such wine or beer shall only be purchased by such

473 permit holder from the holder of a package store permit issued
474 pursuant to section 30-20 or the holder of a manufacturer permit [for a
475 farm winery] issued pursuant to subsection [(e)] (c) of section 30-16, as
476 amended by this act.

477 (b) The holder of a gift basket retailer permit may sell gift baskets
478 which may include (1) a maximum of four bottles of wine per basket or
479 a maximum of seventy-two ounces of beer per basket, (2) food items,
480 (3) nonalcoholic beverages, (4) concentrates used in the preparation of
481 mixed alcoholic beverages, (5) wine-making kits and beer-making kits
482 and products related to [wine-making] such kits, (6) ice in any form,
483 (7) articles of clothing imprinted with advertising related to the
484 alcoholic liquor industry or the permittee's gift basket business, (8)
485 flowers, plants and garden-related items, (9) drinking glasses, bottle
486 opening devices and literature related to wine or beer, or (10) gift
487 certificates. The sale of such gift baskets shall only take place during
488 the times permitted for the sale of alcoholic liquor in places operating
489 under package store permits pursuant to section 30-91, as amended by
490 this act. The holder of a gift basket retailer permit shall not sell such
491 gift baskets on premises operating under any other permit issued
492 pursuant to this title. Nothing in this section shall prohibit the holder
493 of a package store permit issued pursuant to section 30-20 from selling
494 any item permitted for sale by such permittee pursuant to said section.

495 (c) The annual fee for a gift basket retailer permit shall be two
496 hundred dollars.

497 Sec. 5. Section 30-37q of the general statutes is repealed and the
498 following is substituted in lieu thereof (*Effective January 1, 2020*):

499 (a) A gift basket retailer permit issued in accordance with section 30-
500 37p, as amended by this act, shall allow the sale and delivery or
501 shipment of gift baskets containing wine or beer directly to a consumer
502 in this state, subject to the provisions of section 30-37p, as amended by
503 this act, and this section, or to a consumer outside of this state, subject
504 to all applicable laws of the jurisdiction in which such consumer
505 outside of this state is located. Such permittee, when selling and

506 shipping gift baskets containing wine or beer directly to a consumer in
507 this state, shall: (1) Ensure that the shipping labels on all gift baskets
508 containing wine or beer shipped directly to a consumer in this state
509 conspicuously state the following: "CONTAINS ALCOHOL –
510 SIGNATURE OF A PERSON AGE 21 OR OLDER REQUIRED FOR
511 DELIVERY"; (2) obtain the signature of a person age twenty-one or
512 older at the address prior to delivery, after requiring the signer to
513 demonstrate that he or she is age twenty-one or older by providing a
514 valid motor vehicle operator's license or a valid identity card described
515 in section 1-1h; (3) obtain a seller's permit pursuant to chapter 219 and
516 pay to the Department of Revenue Services all sales taxes as required
517 under said chapter 219 on sales of gift baskets; (4) report to the
518 Department of Consumer Protection a separate and complete record of
519 all sales and shipments to consumers in the state, on a ledger sheet or
520 similar form which readily presents a chronological account of such
521 permittee's dealings with each such consumer; (5) permit the
522 Department of Consumer Protection and the Department of Revenue
523 Services, separately or jointly, to perform an audit of the permittee's
524 records upon request; and (6) not ship to any address in the state
525 where the sale of alcoholic liquor is prohibited by local option
526 pursuant to section 30-9.

527 (b) A holder of a gift basket retailer permit, when advertising or
528 offering wine or beer for direct shipment to a consumer in this or
529 another state via the Internet or any other on-line computer network,
530 shall clearly and conspicuously state its gift basket retailer permit
531 number in its advertising.

532 (c) The Department of Consumer Protection, in consultation with
533 the Department of Revenue Services, may adopt regulations, in
534 accordance with the provisions of chapter 54, to assure compliance
535 with the provisions of subsection (a) of this section.

536 Sec. 6. Section 30-63 of the general statutes is repealed and the
537 following is substituted in lieu thereof (*Effective January 1, 2020*):

538 (a) No holder of any manufacturer, wholesaler or out-of-state

539 shipper's permit shall ship, transport or deliver within this state, or sell
540 or offer for sale, any alcoholic liquors, except for beer manufactured by
541 a permittee in this state and sold for consumption only on the
542 permittee's premises, unless the name of the brand, trade name or
543 other distinctive characteristic by which such alcoholic liquors are
544 bought and sold, the name and address of the manufacturer thereof
545 and the name and address of each wholesaler permittee who is
546 authorized by the manufacturer or his authorized representative to sell
547 such alcoholic liquors are registered with the Department of Consumer
548 Protection and until such brand, trade name or other distinctive
549 characteristic has been approved by the department. Such registration
550 shall be valid for a period of three years. The fee for such registration,
551 or renewal thereof, shall be two hundred dollars for out-of-state
552 shippers and fifteen dollars for Connecticut manufacturers for each
553 brand so registered, payable by the manufacturer or such
554 manufacturer's authorized representative when such liquors are
555 manufactured in the United States and by the importer or such
556 importer's authorized representative when such liquors are imported
557 into the United States. The department shall not approve the brand
558 registration of any fortified wine, as defined in section 12-433, which is
559 labeled, packaged or canned so as to appear to be a wine or liquor
560 cooler, as defined in section 12-433.

561 (b) No manufacturer, wholesaler or out-of-state shipper permittee
562 shall discriminate in any manner in price discounts between one
563 permittee and another on sales or purchases of alcoholic liquors
564 bearing the same brand or trade name and of like age, size and quality,
565 nor shall such manufacturer, wholesaler or out-of-state shipper
566 permittee allow in any form any discount, rebate, free goods,
567 allowance or other inducement for the purpose of making sales or
568 purchases. Nothing in this subsection shall be construed to prohibit
569 beer manufacturers, beer wholesalers or beer out-of-state shipper
570 permittees from differentiating in the manner in which their products
571 are packaged on the basis of on-site or off-site consumption.

572 (c) For alcoholic liquor other than beer, each manufacturer,

573 wholesaler and out-of-state shipper permittee shall post with the
574 department, on a monthly basis, the bottle, can and case price of any
575 brand of goods offered for sale in Connecticut, which price when so
576 posted shall be the controlling price for such manufacturer, wholesaler
577 or out-of-state permittee for the month following such posting. On and
578 after July 1, 2005, for beer, each manufacturer, wholesaler and out-of-
579 state shipper permittee shall post with the department, on a monthly
580 basis, the bottle, can and case price, and the price per keg or barrel or
581 fractional unit thereof for any brand of goods offered for sale in
582 Connecticut which price when so posted shall be the controlling price
583 for such brand of goods offered for sale in this state for the month
584 following such posting. Such manufacturer, wholesaler and out-of-
585 state shipper permittee may also post additional prices for such bottle,
586 can, case, keg or barrel or fractional unit thereof for a specified portion
587 of the following month which prices when so posted shall be the
588 controlling prices for such bottle, can, case, keg or barrel or fractional
589 unit thereof for such specified portion of the following month. Notice
590 of all manufacturer, wholesaler and out-of-state shipper permittee
591 prices shall be given to permittee purchasers by direct mail, Internet
592 web site or advertising in a trade publication having circulation among
593 the retail permittees except a wholesaler permittee may give such
594 notice by hand delivery. Price postings with the department setting
595 forth wholesale prices to retailers shall be available for inspection
596 during regular business hours at the offices of the department by
597 manufacturers and wholesalers until three o'clock p.m. of the first
598 business day after the last day for posting prices. A manufacturer or
599 wholesaler may amend such manufacturer's or wholesaler's posted
600 price for any month to meet a lower price posted by another
601 manufacturer or wholesaler with respect to alcoholic liquor bearing the
602 same brand or trade name and of like age, vintage, quality and unit
603 container size; provided that any such amended price posting shall be
604 filed before three o'clock p.m. of the fourth business day after the last
605 day for posting prices; and provided further such amended posting
606 shall not set forth prices lower than those being met. Any
607 manufacturer or wholesaler posting an amended price shall, at the

608 time of posting, identify in writing the specific posting being met. On
609 and after July 1, 2005, all wholesaler postings, other than for beer, for
610 the following month shall be provided to retail permittees not later
611 than the twenty-seventh day of the month prior to such posting. All
612 wholesaler postings for beer shall be provided to retail permittees not
613 later than the twentieth day of the month prior to such posting.

614 (d) Monthly price schedules on a nonuniform case shall contain the
615 bottle price for each item contained in the nonuniform case, the unit
616 price and the case price. The bottle price posted in a nonuniform case
617 shall be equal to the bottle price posted for the same month in a case
618 containing the one class and brand of alcoholic liquor.

619 Sec. 7. Section 30-68l of the general statutes is repealed and the
620 following is substituted in lieu thereof (*Effective January 1, 2020*):

621 (a) No wholesaler permittee shall sell to any purchaser holding a
622 permit for the sale of alcoholic liquor for on or off premises
623 consumption at a price which is below such wholesaler permittee's
624 cost. For the purposes of this section, "cost" means: (1) On domestic
625 alcoholic liquor bottled in the state, the total of (A) the cost of all
626 ingredients, (B) all transportation charges from the point of origin to
627 the point of destination, (C) all applicable federal and state taxes, and
628 (D) the cost of containers, labels, caps, closures and all bottling charges
629 and labor; (2) on imported alcoholic liquor bottled in the state, the total
630 of (A) the invoice price from the supplier, (B) all other ingredients, (C)
631 the cost of duties, (D) all applicable federal and state taxes, (E)
632 insurance, (F) ocean freight and brokerage charges, (G) all
633 transportation charges, and (H) the cost of containers, labels, caps,
634 closures and all bottling charges and labor; (3) on domestic alcoholic
635 liquors not bottled in this state, the total of (A) the posted price from
636 the supplier to the wholesaler, (B) the cost of shipping or delivery
637 charges to the wholesaler's place of business which were paid by the
638 wholesaler in addition to the posted price, and (C) all applicable
639 federal and state taxes paid by the wholesaler in addition to the posted
640 price; (4) on imported alcoholic liquor not bottled in the state, the total

641 of (A) the posted price from the supplier, (B) the cost of duties,
642 insurance, ocean freight and brokerage charges and transportation
643 charges paid by the wholesaler in addition to the posted price, and (C)
644 all applicable federal and state taxes paid by the wholesaler in addition
645 to the posted price. The provisions of this section shall not apply to
646 sales of wine.

647 (b) Subject to prior approval from the manufacturer or out-of-state
648 shipper, a wholesaler may package and sell to a retail licensee a
649 nonuniform case, containing bottles only of one class of alcoholic
650 liquor, if the wholesaler holds the exclusive rights to all bottles in such
651 nonuniform case. Wholesalers who do not hold exclusive rights to a
652 given brand trademark may also sell to a retail licensee a nonuniform
653 case containing bottles only of one class of alcoholic liquor, provided
654 all of the bottles in such nonuniform case are available to all
655 nonexclusive wholesalers who also have rights to the given brand
656 trademarks.

657 Sec. 8. Section 30-16a of the general statutes is repealed and the
658 following is substituted in lieu thereof (*Effective January 1, 2020*):

659 (a) The Commissioner of Consumer Protection shall issue an off-site
660 [farm winery sales and] wine, cider and mead tasting permit to a
661 holder of a [manufacturer] wine, cider and mead permit [for a farm
662 winery] upon the holder's submission of proof to the commissioner
663 that the holder is in compliance with the requirements of subsection
664 [(e)] (c) of section 30-16, as amended by this act. An off-site [farm
665 winery sales and] tasting permit shall authorize the sale and offering of
666 free samples of [wine] products manufactured [from the farm winery]
667 by such permittee during a total of not more than seven events or
668 functions per year held pursuant to a temporary liquor permit issued
669 pursuant to section 30-35, a charitable organization permit issued
670 pursuant to section 30-37b or a nonprofit corporation permit issued
671 pursuant to section 30-37h, at locations outside the [manufacturer]
672 permit [for a farm winery] holder's permit premises, provided such
673 holder: (1) Notifies the Department of Consumer Protection, on a form

674 prescribed by the Commissioner of Consumer Protection, not less than
675 five business days prior to the date of the event or function, of the date,
676 hours and location of each event or function, (2) sells only wine, cider
677 and mead by the bottle at the event or function, and (3) is present, or
678 has an authorized representative present, at the time of the sale of any
679 [bottle of wine] such bottles or the offering of a free sample of [wine]
680 products from the [farm winery] permit holder at the event or
681 function. An off-site [farm winery sales and] wine, cider and mead
682 tasting permit shall be valid for a period of one year from the date of
683 issuance. The annual fee for such permit shall be two hundred fifty
684 dollars. There shall be a one-hundred-dollar nonrefundable filing fee
685 for any such permit.

686 (b) Any town or municipality may, by ordinance or zoning
687 regulation, prohibit the sale or offering of free samples [of wine] by the
688 holder of [an off-site farm winery sales and] a wine, cider and mead
689 tasting permit at an event or function held in such town or
690 municipality.

691 Sec. 9. Section 30-19f of the general statutes is repealed and the
692 following is substituted in lieu thereof (*Effective January 1, 2020*):

693 (a) An in-state transporter's permit for alcoholic liquor shall allow
694 the commercial transportation of any alcoholic liquor as permitted by
695 law. The annual fee for an in-state transporter's liquor permit shall be
696 one thousand two hundred fifty dollars.

697 (b) No person, corporation, trust, partnership, incorporated or
698 unincorporated association, and any other legal entity except: (1) The
699 holder of an out-of-state shipper's permit issued pursuant to section
700 30-18 or 30-19; (2) the holder of a manufacturer's permit issued
701 pursuant to section 30-16, as amended by this act, other than the
702 holder of a manufacturer's permit for [a farm winery] wine, cider and
703 mead; and (3) the holder of a wholesaler's permit issued pursuant to
704 section 30-17 shall transport any alcoholic beverages imported into this
705 state unless such person holds an in-state transporter's permit and the
706 tax imposed on such alcoholic liquor by section 12-435, as amended by

707 this act, has been paid and, if applicable, the tax imposed on the sale of
708 such alcoholic liquor pursuant to chapter 219 has been paid.

709 (c) An in-state transporter, when shipping or delivering wine
710 directly to a consumer in this state, shall: (1) Ensure that the shipping
711 labels on all containers of wine shipped directly to a consumer in this
712 state conspicuously state the following: "CONTAINS ALCOHOL –
713 SIGNATURE OF A PERSON AGE 21 OR OLDER REQUIRED FOR
714 DELIVERY"; (2) obtain the signature of a person age twenty-one or
715 older at the address prior to delivery, after requiring the signer to
716 demonstrate that he or she is age twenty-one or older by providing a
717 valid motor vehicle operator's license or a valid identity card described
718 in section 1-1h; and (3) not ship to any address in the state where the
719 sale of alcoholic liquor is prohibited by local option pursuant to section
720 30-9.

721 (d) Any person convicted of violating subsections (a), (b) and (c) of
722 this section shall be fined not more than two thousand dollars for each
723 offense.

724 Sec. 10. Section 30-37j of the general statutes is repealed and the
725 following is substituted in lieu thereof (*Effective January 1, 2020*):

726 (a) A caterer liquor permit shall allow a person regularly engaged in
727 the business of providing food and beverages to others for service at
728 private gatherings or at special events to sell and serve alcoholic liquor
729 for on-premises consumption at any activity, event or function for
730 which such person has been hired. The annual fee for a caterer liquor
731 permit shall be four hundred forty dollars.

732 (b) The holder of a caterer liquor permit shall, on a form prescribed
733 by the Department of Consumer Protection or electronically, notify the
734 department, in writing, of the date, location and hours of each event at
735 which alcohol is served under such permit at least one business day in
736 advance of such event. If the holder of a caterer liquor permit is unable
737 to provide the written notice required under this section due to exigent
738 circumstances, such holder may provide notice to the department by

739 telephone of the date, location and hours of each event at which
740 alcohol is served under such permit.

741 (c) Notwithstanding the provisions of subsection (a) of section 30-48,
742 as amended by this act, a backer or holder of a caterer liquor permit
743 may be a backer or holder of any other permit issued under the
744 provisions of this chapter, [including, but not limited to, a
745 manufacturer permit for a brew pub issued under subsection (g) of
746 section 30-16 or a manufacturer permit for beer and brew pub issued
747 under subsection (h) of section 30-16,] except that a backer or holder of
748 a caterer liquor permit may not be a backer or holder of any other
749 manufacturer permit issued under section 30-16, as amended by this
750 act, or a wholesaler permit issued under section 30-17.

751 (d) The holder of a caterer liquor permit and any other permit
752 issued under the provisions of this chapter that prohibits the off-
753 premises consumption of alcoholic liquor shall be exempt from such
754 prohibition for the purposes of conducting such holder's catering
755 business only.

756 (e) The holder of a caterer liquor permit shall be exempt from the
757 provisions of sections 30-38, 30-52 and 30-54 and from the
758 requirements to affix and maintain a placard, as provided in
759 subdivision (3) of subsection (b) of section 30-39.

760 Sec. 11. Section 30-37l of the general statutes is repealed and the
761 following is substituted in lieu thereof (*Effective January 1, 2020*):

762 (a) A wine festival permit shall allow the holder of a manufacturer
763 permit for [a farm winery] wine, cider and mead, issued pursuant to
764 section 30-16, as amended by this act, to participate in a wine festival
765 organized and sponsored by an association that promotes the
766 manufacturing and selling of [farm] wine in this state or such
767 association's not-for-profit subsidiary. Such association or such
768 association's not-for-profit subsidiary shall not organize and sponsor
769 more than two such wine festivals in any calendar year. The
770 Commissioner of Consumer Protection shall allow only two such wine

771 festivals in any calendar year, regardless of the number of such [farm
772 winery] permittees or such organizing and sponsoring associations or
773 not-for-profit subsidiaries participating in such wine festivals.

774 (b) A wine festival permit shall authorize: (1) The sale and shipment
775 of wine manufactured by the [farm winery] permittee and sold at such
776 wine festival to persons outside the state; (2) the offering and tasting of
777 free samples of wine to visitors and prospective retail customers for
778 consumption on the grounds of the wine festival; (3) the sale at retail of
779 sealed bottles or other sealed containers of wine for consumption off
780 the grounds of the wine festival; and (4) the sale at retail of wine by the
781 glass or receptacle, provided the glass or receptacle is embossed or
782 otherwise permanently labeled with the name and date of the wine
783 festival.

784 (c) No farm winery permittee may sell, offer or give to any person
785 or entity wine not manufactured by such farm winery.

786 (d) Only two wine festival permits may be issued per calendar year
787 pursuant to this section by the Commissioner of Consumer Protection
788 to each holder of a manufacturer permit for [a farm winery] wine,
789 cider and mead. A wine festival permit shall not be effective for more
790 than three consecutive days per calendar year. The fee for a wine
791 festival permit shall be seventy-five dollars.

792 Sec. 12. Section 30-62c of the general statutes is repealed and the
793 following is substituted in lieu thereof (*Effective January 1, 2020*):

794 (a) The holder of an alcoholic liquor permit issued by the
795 Department of Consumer Protection pursuant to subsections (b) to
796 [(h)] (e), inclusive, of section 30-16, as amended by this act, or an agent
797 of such permit holder, shall furnish potable water without charge to
798 any person on the permit premises requesting such water or shall offer
799 nonalcoholic beverages for sale to such person.

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

802 hours and days that the sale or dispensing of alcoholic liquor is
803 prohibited pursuant to subsection (a) of section 30-91, as amended by
804 this act. Such potable water shall meet all federal and state
805 requirements concerning purity of drinking water and shall be
806 supplied in a receptacle suitable to permit the individual consumption
807 of not less than six ounces per serving.

808 (c) The Department of Consumer Protection may, in its discretion,
809 suspend, revoke or refuse to grant or renew an alcoholic liquor permit
810 pursuant to subsection (a) of section 30-47 if the department has
811 reasonable cause to believe a permittee has violated any provision of
812 this section.

813 Sec. 13. Section 30-37o of the general statutes is repealed and the
814 following is substituted in lieu thereof (*Effective January 1, 2020*):

815 (a) The Commissioner of Consumer Protection shall issue a farmers'
816 market wine sales permit to a holder of a manufacturer permit for [a
817 farm winery] wine, cider and mead upon submission of proof to the
818 commissioner that such holder is in compliance with the requirements
819 of subsection [(e)] (c) of section 30-16, as amended by this act. Such
820 permit shall authorize the sale of [wine] products manufactured from
821 such [farm winery] permittee during an unlimited number of
822 appearances at a farmers' market at not more than ten farmers' market
823 locations per year provided such holder: (1) Has an invitation from
824 such farmers' market to sell [wine] such products at such farmers'
825 market, (2) only sells [wine] such products by the bottle at such
826 farmers' markets, and (3) is present, or has an authorized
827 representative present, at the time of sale of any such [bottle of wine]
828 product from such [farm winery] permit holder at such farmers'
829 market. Any such [farmers' market wine sales] permit shall be valid for
830 a period of one year from the date of issuance. The annual fee for [a
831 farmers' market wine sales] such permit shall be two hundred fifty
832 dollars. There shall be a one-hundred-dollar, nonrefundable filing fee
833 for any such permit.

834 (b) Any town or municipality may, by ordinance or zoning

835 regulation, prohibit the sale of [wine] such products by the holder of [a
836 farmers' market wine sales] such permit at a farmers' market held in
837 such town or municipality.

838 Sec. 14. Section 30-48 of the general statutes is repealed and the
839 following is substituted in lieu thereof (*Effective January 1, 2020*):

840 (a) No backer or permittee of one permit class shall be a backer or
841 permittee of any other permit class except in the case of any class of
842 airport, railroad, airline and boat permits, and except that: (1) A backer
843 of a hotel or restaurant permit may be a backer of both such classes; (2)
844 a holder or backer of a [manufacturer permit for a brew pub, a]
845 restaurant permit or a cafe permit may be a holder or backer of any
846 other or all of such classes; (3) a holder or backer of a restaurant permit
847 may be a holder or backer of a bowling establishment permit; (4) a
848 backer of a restaurant permit may be a backer of a coliseum permit or a
849 coliseum concession permit, or both, when such restaurant is within a
850 coliseum; (5) a backer of a hotel permit may be a backer of a coliseum
851 permit or a coliseum concession permit, or both; (6) a backer of a
852 coliseum permit may be a backer of a coliseum concession permit; (7) a
853 backer of a coliseum concession permit may be a backer of a coliseum
854 permit; (8) a backer of a grocery store beer permit may be a backer of a
855 package store permit if such was the case on or before May 1, 1996; (9)
856 a backer of a university permit may be a backer of a nonprofit theater
857 permit; (10) subject to the discretion of the department, a backer of a
858 permit provided for in section 30-33b, may be a backer of any other
859 retail on-premise consumption permit, including those permits
860 provided for in section 30-33b; (11) a backer of a nonprofit theater
861 permit may be a holder or backer of a hotel permit; (12) a holder or
862 backer of a restaurant permit may be a holder or backer of a special
863 outing facility permit; (13) a backer of a concession permit may be a
864 backer of a coliseum permit or a coliseum concession permit, or both;
865 (14) a holder of an out-of-state winery shipper's permit for wine may
866 be a holder of an in-state transporter's permit or an out-of-state entity
867 wine festival permit issued pursuant to section 30-37m, or of both such
868 permits; (15) a holder of an out-of-state shipper's permit for alcoholic

869 liquor other than beer may be a holder of an in-state transporter's
870 permit; and (16) a holder of a manufacturer permit for [a farm winery]
871 wine, cider and mead may be a holder of an in-state transporter's
872 permit, a wine festival permit issued pursuant to section 30-37l, as
873 amended by this act, a farmers' market wine sales permit issued
874 pursuant to subsection (a) of section 30-37o, as amended by this act, an
875 off-site [farm winery sales and] tasting permit issued pursuant to
876 section 30-16a, as amended by this act, or of any combination of such
877 permits. [; and (17) a holder of a manufacturer permit for beer,
878 manufacturer permit for a brew pub, manufacturer permit for beer and
879 brew pub or manufacturer permit for a farm brewery may be a holder
880 of a farmers' market beer sales permit issued pursuant to section 30-
881 37r. Any person may be a permittee of more than one permit.] A
882 person may be a permittee under a permit provided for in section 30-
883 33b and a backer of any other retail on-premise consumption permit,
884 including those permits provided for in section 30-33b. The operator of
885 a racing or jai alai exhibition with pari-mutuel betting licensed by the
886 Department of Consumer Protection may be a backer of any permit
887 provided for in section 30-33b. No holder of a manufacturer permit for
888 a brew pub and no spouse or child of such holder may be a holder or
889 backer of more than three restaurant permits or cafe permits.

890 (b) No permittee or backer thereof and no employee or agent of
891 such permittee or backer shall borrow money or receive credit in any
892 form for a period in excess of thirty days, directly or indirectly, from
893 any manufacturer permittee, or backer thereof, or from any wholesaler
894 permittee, or backer thereof, of alcoholic liquor or from any member of
895 the family of such manufacturer permittee or backer thereof or from
896 any stockholder in a corporation manufacturing or wholesaling such
897 liquor, and no manufacturer permittee or backer thereof or wholesaler
898 permittee or backer thereof or member of the family of either of such
899 permittees or of any such backer, and no stockholder of a corporation
900 manufacturing or wholesaling such liquor shall lend money or
901 otherwise extend credit, directly or indirectly, to any such permittee or
902 backer thereof or to the employee or agent of any such permittee or
903 backer. A wholesaler permittee or backer, or a manufacturer permittee

904 or backer, that has not received payment in full from a retailer
905 permittee or backer within thirty days after the date such credit was
906 extended to such retailer or backer or to an employee or agent of any
907 such retailer or backer, shall give a written notice of obligation to such
908 retailer within the five days following the expiration of the thirty-day
909 period of credit. The notice of obligation shall state: The amount due;
910 the date credit was extended; the date the thirty-day period ended, and
911 that the retailer is in violation of this section. A retailer who disputes
912 the accuracy of the "notice of obligation" shall, within the ten days
913 following the expiration of the thirty-day period of credit, give a
914 written response to notice of obligation to the department and give a
915 copy to the wholesaler or manufacturer who sent the notice. The
916 response shall state the retailer's basis for dispute and the amount, if
917 any, admitted to be owed for more than thirty days; the copy
918 forwarded to the wholesaler or manufacturer shall be accompanied by
919 the amount admitted to be due, if any, and such payment shall be
920 made and received without prejudice to the rights of either party in
921 any civil action. Upon receipt of the retailer's response, the chairman of
922 the commission or such chairman's designee shall conduct an informal
923 hearing with the parties being given equal opportunity to appear and
924 be heard. If the chairman or such chairman's designee determines that
925 the notice of obligation is accurate, the department shall forthwith
926 issue an order directing the wholesaler or manufacturer to promptly
927 give all manufacturers and wholesalers engaged in the business of
928 selling alcoholic liquor to retailers in this state, a "notice of
929 delinquency". The notice of delinquency shall identify the delinquent
930 retailer, and state the amount due and the date of the expiration of the
931 thirty-day credit period. No wholesaler or manufacturer receiving a
932 notice of delinquency shall extend credit by the sale of alcoholic liquor
933 or otherwise to such delinquent retailer until after the manufacturer or
934 wholesaler has received a "notice of satisfaction" from the sender of the
935 notice of delinquency. If the chairman or such chairman's designee
936 determines that the notice of obligation is inaccurate, the department
937 shall forthwith issue an order prohibiting a notice of delinquency. The
938 party for whom the determination by the chairman or such chairman's

939 designee was adverse, shall promptly pay to the department a part of
940 the cost of the proceedings as determined by the chairman or such
941 chairman's designee, which shall not be less than fifty dollars. The
942 department may suspend or revoke the permit of any permittee who,
943 in bad faith, gives an incorrect notice of obligation, an incorrect
944 response to notice of obligation, or an unauthorized notice of
945 delinquency. If the department does not receive a response to the
946 notice of obligation within such ten-day period, the delinquency shall
947 be deemed to be admitted and the wholesaler or manufacturer who
948 sent the notice of obligation shall, within the three days following the
949 expiration of such ten-day period, give a notice of delinquency to the
950 department and to all wholesalers and manufacturers engaged in the
951 business of selling alcoholic liquor to retailers in this state. A notice of
952 delinquency identifying a retailer who does not file a response within
953 such ten-day period shall have the same effect as a notice of
954 delinquency given by order of the chairman or such chairman's
955 designee. A wholesaler permittee or manufacturer permittee that has
956 given a notice of delinquency and that receives full payment for the
957 credit extended, shall, within three days after the date of full payment,
958 give a notice of satisfaction to the department and to all wholesalers
959 and manufacturers to whom a notice of delinquency was sent. The
960 prohibition against extension of credit to such retailer shall be void
961 upon such full payment. The department may revoke or suspend any
962 permit for a violation of this section. An appeal from an order of
963 revocation or suspension issued in accordance with this section may be
964 taken in accordance with section 30-60.

965 (c) If there is a proposed change or change in ownership of a retail
966 permit premises, no application for a permit shall be approved until
967 the applicant files with the department an affidavit executed by the
968 seller of the retail permit premises stating that all obligations of the
969 predecessor permittee for the purchase of alcoholic liquor at such
970 permit premises have been paid or that such applicant did not receive
971 direct or indirect consideration from the predecessor permittee. If a
972 wholesaler permittee alleges the applicant received direct or indirect
973 consideration from the predecessor permittee or that there remain

974 outstanding liquor obligations, such wholesaler permittee may file
975 with the department an affidavit, along with supporting
976 documentation to establish receipt of such consideration or
977 outstanding liquor obligations. The Commissioner of Consumer
978 Protection, in the commissioner's sole discretion, shall determine
979 whether a hearing is warranted on such allegations. The commissioner
980 may waive the requirement of such seller's affidavit upon finding that
981 (1) the predecessor permittee abandoned the premises prior to the
982 filing of the application, and (2) such permittee did not receive any
983 consideration, direct or indirect, for such permittee's abandonment.
984 For the purposes of this subsection, "consideration" means the receipt
985 of legal tender or goods or services for the purchase of alcoholic liquor
986 remaining on the premises of the predecessor permittee, for which bills
987 remain unpaid.

988 (d) A permittee may file a designation of an authorized agent with
989 the department to issue or receive all notices or documents provided
990 for in this section. The permittee shall be responsible for the issuance
991 or receipt of such notices or documents by the agent.

992 (e) The period of credit permitted under this section shall be
993 calculated as the time elapsing between the date of receipt of the
994 alcoholic liquors by the purchaser and the date of full legal discharge
995 of the purchaser through the payment of cash or its equivalent from all
996 indebtedness arising from the transaction except that, if the last day for
997 payment falls on a Saturday, Sunday or legal holiday, the last day for
998 payment shall then be the next business day.

999 Sec. 15. Section 30-91 of the general statutes is repealed and the
1000 following is substituted in lieu thereof (*Effective January 1, 2020*):

1001 (a) The sale or the dispensing or consumption or the presence in
1002 glasses or other receptacles suitable to permit the consumption of
1003 alcoholic liquor by an individual in places operating under hotel
1004 permits, restaurant permits, cafe permits, restaurant permits for
1005 catering establishments, bowling establishment permits, racquetball
1006 facility permits, club permits, coliseum permits, coliseum concession

1007 permits, special sporting facility restaurant permits, special sporting
1008 facility employee recreational permits, special sporting facility guest
1009 permits, special sporting facility concession permits, special sporting
1010 facility bar permits, golf country club permits, nonprofit public
1011 museum permits, university permits, airport restaurant permits,
1012 airport bar permits, airport airline club permits, tavern permits, a
1013 manufacturer permit for a brew pub, manufacturer permits for beer
1014 and brew pubs, casino permits, caterer liquor permits and charitable
1015 organization permits shall be unlawful on: (1) Monday, Tuesday,
1016 Wednesday, Thursday and Friday between the hours of one o'clock
1017 a.m. and nine o'clock a.m.; (2) Saturday between the hours of two
1018 o'clock a.m. and nine o'clock a.m.; (3) Sunday between the hours of
1019 two o'clock a.m. and ten o'clock a.m.; (4) Christmas, except (A) for
1020 alcoholic liquor that is served where food is also available during the
1021 hours otherwise permitted by this section for the day on which
1022 Christmas falls, and (B) by casino permittees at casinos, as defined in
1023 section 30-37k; and (5) January first between the hours of three o'clock
1024 a.m. and nine o'clock a.m., except that on any Sunday that is January
1025 first the prohibitions of this section shall be between the hours of three
1026 o'clock a.m. and ten o'clock a.m.

1027 (b) Any town may, by vote of a town meeting or by ordinance,
1028 reduce the number of hours during which sales under subsection (a) of
1029 this section, except sales pursuant to an airport restaurant permit,
1030 airport bar permit or airport airline club permit, shall be permissible.
1031 In all cases when a town, either by vote of a town meeting or by
1032 ordinance, has acted on the sale of alcoholic liquor or the reduction of
1033 the number of hours when such sale is permissible, such action shall
1034 become effective on the first day of the month succeeding such action
1035 and no further action shall be taken until at least one year has elapsed
1036 since the previous action was taken.

1037 (c) Notwithstanding any provisions of subsections (a) and (b) of this
1038 section, such sale or dispensing or consumption or presence in glasses
1039 in places operating under a bowling establishment permit shall be
1040 unlawful before eleven a.m. on any day, except in that portion of the

1041 permit premises which is located in a separate room or rooms entry to
1042 which, from the bowling lane area of the establishment, is by means of
1043 a door or doors which shall remain closed at all times except to permit
1044 entrance and egress to and from the lane area. Any alcoholic liquor
1045 sold or dispensed in a place operating under a bowling establishment
1046 permit shall be served in containers such as, but not limited to, plastic
1047 or glass. Any town may, by vote of a town meeting or by ordinance,
1048 reduce the number of hours during which sales under this subsection
1049 shall be permissible.

1050 (d) The sale or dispensing of alcoholic liquor in places operating
1051 under package store permits, drug store permits, manufacturer
1052 permits for beer [, manufacturer permits for beer and brew pubs,
1053 manufacturer permits for a farm brewery, manufacturer permits for
1054 farm distilleries] or grocery store beer permits shall be unlawful on
1055 Thanksgiving Day, New Year's Day or Christmas; and such sale or
1056 dispensing of alcoholic liquor in places operating under package store
1057 permits, drug store permits, manufacturer permits for beer [,
1058 manufacturer permits for beer and brew pubs, manufacturer permits
1059 for a farm brewery, manufacturer permits for farm distilleries] and
1060 grocery store beer permits shall be unlawful on Sunday before ten
1061 o'clock a.m. and after six o'clock p.m. and on any other day before
1062 eight o'clock a.m. and after ten o'clock p.m. [It shall be unlawful for the
1063 holder of a manufacturer permit for a brew pub to sell beer for
1064 consumption off the premises on the days or hours prohibited by this
1065 subsection.] Any town may, by a vote of a town meeting or by
1066 ordinance, reduce the number of hours during which such sale shall be
1067 permissible.

1068 (e) (1) In the case of any premises operating under a tavern permit,
1069 wherein, under the provisions of this section, the sale of alcoholic
1070 liquor is forbidden on certain days or hours of the day, or during the
1071 period when a tavern permit is suspended, it shall likewise be
1072 unlawful to keep such premises open to, or permit it to be occupied by,
1073 the public on such days or hours.

1074 (2) In the case of any premises operating under a cafe permit, it shall
1075 be unlawful to keep such premises open to, or permit such premises to
1076 be occupied by, the public between the hours of one o'clock a.m. and
1077 six o'clock a.m. on Monday, Tuesday, Wednesday, Thursday and
1078 Friday and between the hours of two o'clock a.m. and six o'clock a.m.
1079 on Saturday and Sunday or during any period of time when such
1080 permit is suspended, provided the sale or the dispensing or
1081 consumption of alcohol on such premises operating under such cafe
1082 permit shall be prohibited beyond the hours authorized for the sale or
1083 dispensing or consumption of alcohol for such premises under this
1084 section.

1085 (3) Notwithstanding any provision of this chapter, in the case of any
1086 premises operating under a tavern or cafe permit, it shall be lawful for
1087 such premises to be open to, or be occupied by, the public when such
1088 premises is being used as a site for film, television, video or digital
1089 production eligible for a film production tax credit pursuant to section
1090 12-217jj, provided the sale or the dispensing or consumption of alcohol
1091 on such premises operating under such tavern or cafe permit shall be
1092 prohibited beyond the hours authorized for the sale or the dispensing
1093 or consumption of alcohol for such premises under this section.

1094 (f) The retail sale of wine and the tasting of free samples of wine,
1095 cider not exceeding six per cent alcohol by volume, apple wine not
1096 exceeding fifteen per cent alcohol by volume, apple brandy, eau-de-vie
1097 and mead by visitors and prospective retail customers of a permittee
1098 holding a manufacturer permit for [a farm winery] wine, cider and
1099 mead on the premises of such permittee shall be unlawful on Sunday
1100 before ten o'clock a.m. and after ten o'clock p.m. and on any other day
1101 before eight o'clock a.m. and after ten o'clock p.m. Any town may, by
1102 vote of a town meeting or by ordinance, reduce the number of hours
1103 during which sales and the tasting of free samples of [wine] products
1104 under this subsection shall be permissible.

1105 (g) Notwithstanding any provision of subsection (a) of this section,
1106 food or nonalcoholic beverages may be sold, dispensed or consumed

1107 in places operating under an airport restaurant permit, an airport bar
1108 permit or an airport airline club permit, at any time, as allowed by
1109 agreement between the Connecticut Airport Authority and its lessees
1110 or concessionaires. In the case of premises operating under an airport
1111 airline club permit, the sale, dispensing or consumption or the
1112 presence in glasses or other receptacles suitable to permit the
1113 consumption of alcoholic liquor by an individual shall be unlawful on:
1114 (1) Monday, Tuesday, Wednesday, Thursday and Friday between the
1115 hours of one o'clock a.m. and six o'clock a.m., (2) Saturday and Sunday
1116 between the hours of two o'clock a.m. and six o'clock a.m., (3)
1117 Christmas, except for alcoholic liquor that is served where food is also
1118 available during the hours otherwise permitted by this section for the
1119 day on which Christmas falls, and (4) January first between the hours
1120 of three o'clock a.m. and six o'clock a.m.

1121 (h) The sale or the dispensing or consumption or the presence in
1122 glasses or other receptacles suitable to permit the consumption of
1123 alcoholic liquor by an individual in places operating under a nonprofit
1124 golf tournament permit shall be unlawful on any day prior to nine
1125 o'clock a.m. and after ten o'clock p.m.

1126 (i) The tasting of free samples of beer by visitors of a permittee
1127 holding a manufacturing permit for beer on the premises of such
1128 permittee shall be unlawful on Sunday before eleven o'clock a.m. and
1129 after eight o'clock p.m. and on any other day before ten o'clock a.m.
1130 and after eight o'clock p.m. Nothing in this section shall be construed
1131 to limit the right of a holder of such permit to conduct manufacturing
1132 operations at any time. Any town may, by vote of a town meeting or
1133 ordinance, reduce the number of hours during which the tasting and
1134 free samples of beer under this subsection shall be permissible.

1135 (j) Nothing in this section shall be construed to require any
1136 permittee to continue the sale or dispensing of alcoholic liquor until
1137 the closing hour established under this section.

1138 (k) The retail sale of wine and the tasting of free samples of wine by
1139 visitors and prospective retail customers of a permittee holding a wine

1140 festival permit or an out-of-state entity wine festival permit issued
 1141 pursuant to section 30-37l, as amended by this act, or 30-37m shall be
 1142 unlawful on Sunday before eleven o'clock a.m. and after eight o'clock
 1143 p.m., and on any other day before ten o'clock a.m. and after eight
 1144 o'clock p.m. Any town may, by vote of a town meeting or by
 1145 ordinance, reduce the number of hours during which the retail sale of
 1146 wine and the tasting of free samples of wine pursuant to this
 1147 subsection shall be permissible.

1148 (l) The sale of wine at a farmers' market by a permittee holding a
 1149 farmers' market wine sales permit pursuant to subsection (a) of section
 1150 30-37o, as amended by this act, shall be unlawful on any day before
 1151 eight o'clock a.m. and after ten o'clock p.m., provided such permittee
 1152 shall not sell such wine at a farmers' market at any time during such
 1153 hours that the farmers' market is not open to the public. Any town
 1154 may, by vote of a town meeting or by ordinance, reduce the number of
 1155 hours during which sales of wine under this subsection shall be
 1156 permissible.

1157 (m) Notwithstanding any provision of subsection (a) of this section,
 1158 it shall be lawful for casino permittees at casinos, as defined in section
 1159 30-37k, to allow the presence of alcoholic liquor in glasses or other
 1160 receptacles suitable to permit the consumption thereof by an
 1161 individual at any time on its gaming facility, as defined in subsection
 1162 (a) of section 30-37k, provided such alcoholic liquor shall not be served
 1163 to a patron of such casino during the hours specified in subsection (a)
 1164 of this section. For purposes of this section, "receptacles suitable to
 1165 permit the consumption of alcoholic liquor" shall not include bottles of
 1166 distilled spirits or bottles of wine.

1167 Sec. 16. Section 30-37r of the general statutes is repealed. (*Effective*
 1168 *January 1, 2020*)

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>January 1, 2020</i>	12-435

Sec. 2	<i>January 1, 2020</i>	30-1
Sec. 3	<i>January 1, 2020</i>	30-16
Sec. 4	<i>January 1, 2020</i>	30-37p
Sec. 5	<i>January 1, 2020</i>	30-37q
Sec. 6	<i>January 1, 2020</i>	30-63
Sec. 7	<i>January 1, 2020</i>	30-68l
Sec. 8	<i>January 1, 2020</i>	30-16a
Sec. 9	<i>January 1, 2020</i>	30-19f
Sec. 10	<i>January 1, 2020</i>	30-37j
Sec. 11	<i>January 1, 2020</i>	30-37l
Sec. 12	<i>January 1, 2020</i>	30-62c
Sec. 13	<i>January 1, 2020</i>	30-37o
Sec. 14	<i>January 1, 2020</i>	30-48
Sec. 15	<i>January 1, 2020</i>	30-91
Sec. 16	<i>January 1, 2020</i>	Repealer section

Statement of Legislative Commissioners:

Technical corrections were made throughout for proper form and in Section 15(d), conforming changes were made in accordance with the provisions of Section 3 of the bill.

GL *Joint Favorable Subst. -LCO*

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 20 \$	FY 21 \$
Department of Revenue Services	GF - Revenue Gain	At least 25,000	At least 50,000
Consumer Protection, Dept.	GF - Potential Revenue Gain	Under 2,500	Under 2,500

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill makes various changes to the Liquor Control Act and results in various revenue gains to the state.

Revenue Impact:

- Section 1 requires a manufacturer permittee for beer to pay the Alcohol Excise Tax for beer sold for on-premises consumption for amounts over 15 barrels,¹ which results in an estimated revenue gain of at least in \$25,000 in FY 20 and at least \$50,000 in FY 21 and annually thereafter.
- Section 4 allows gift basket permits to include beer and results in a potential revenue gain of under \$2,500 per year. In FY 18 there were 11 of these permits issued (a permit costs \$200) and it's anticipated this change will generate 10 or fewer new permits per year.

¹ The bill does not specify if this is an annual or lifetime limit.

The bill also consolidates various alcohol permits while remaining revenue neutral resulting in no net impact to the state.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to growth in the number of barrels of beer sold for on-premises consumption and the number of permits.

OLR Bill Analysis**sSB 647*****AN ACT STREAMLINING THE LIQUOR CONTROL ACT.*****SUMMARY**

This bill makes several unrelated changes to the Liquor Control Act as described in the section-by-section analysis below. Among other things, the bill does the following:

1. consolidates nine manufacturer permits into three, including (a) limiting manufacturer permittees to producing spirits; (b) consolidating four beer permits into one; and (c) creating a new wine, cider, and mead permit with requirements and abilities substantially similar to a farm winery permittee (§§ 2 & 3);
2. requires a manufacturer permittee for beer to pay excise tax for beer sold for on-premises consumption for amounts over 15 barrels (§ 1);
3. allows wholesalers to sell non-uniform cases of alcoholic liquor (e.g., spirits, wine, and beer) with prior approval from the manufacturer or out-of-state shipper (§§ 2, 6 & 7);
4. allows gift basket retailer permittees to sell Connecticut beer in their gift baskets (§§ 4 & 5); and
5. eliminates the farmers' market beer permit (§ 16).

The bill also makes conforming and technical changes in consolidating the permits (§§ 8-15).

EFFECTIVE DATE: January 1, 2020

§ 1 — ALCOHOLIC BEVERAGES TAX

The bill requires manufacturer permittees for beer (see below) to pay the state alcoholic beverages tax (i.e., excise tax) on malt beverages (e.g., beer) they produce and sell for on-premises consumption for amounts over 15 barrels. (The bill does not specify if this is an annual or lifetime limit.) By law, a “barrel” is at least 28 but not more than 31 gallons and beer is taxed at \$7.20 per barrel (CGS §§ 12-433 & 435(a)).

By law, the alcoholic beverages tax is generally levied on distributors (i.e., wholesaler or manufacturer permittees) before they sell their product to retailers (e.g., package store or grocery store) or consumers. The distributors must report to Department of Revenue Services (DRS) each month on the total number of gallons of each alcoholic beverage sold during the month, their opening and closing inventories, and the amount of tax due (CGS § 12-437).

§§ 2, 3 & 15 — CONSOLIDATION OF MANUFACTURER PERMITS

The bill consolidates nine manufacturer permits into three, one each for spirits; beer; and wine, cider, mead (including apple wine and brandy and eau-de-vie).

Spirits

The bill limits the current manufacturer permit to just manufacturing and selling spirits rather than alcoholic liquor (e.g., spirits, wine, or beer). It also eliminates the manufacturer permit for a farm distillery, which, among other things, allows Connecticut farms to manufacture, store, bottle, wholesale distribute, and sell spirits they produce on their property.

By law, spirits means any beverage that contains alcohol obtained by distillation mixed with drinkable water and other substances in solution, including brandy, rum, whiskey, and gin.

The bill applies to a manufacturers permit for spirits, all requirements that currently apply to a manufacturer permit with two exceptions.

Off-premises Sales. The bill allows a manufacturer permittee for

spirits who produces less than 25,000 gallons a year to sell up to three liters of spirits per day. Current law allows a manufacturer permittee under that gallonage to sell up to 1.5 liters of alcoholic liquor per day.

Free Samples. The bill allows a spirits manufacturer to offer free samples of spirits distilled on the premises in combination with a nonalcoholic beverage as part of the free samples. As under current law, a permittee may provide tastings of up to two ounces per patron per day between 11:00 a.m. and 8:00 p.m. on Sundays and 10:00 a.m. and 8:00 p.m. Monday to Saturday.

Beer

The bill consolidates the manufacturer permits for beer, brew pub, beer and brew pub, and farm brewery into one permit. As under current law for all the manufacturer permits that produce beer, the consolidated beer permit allows for the manufacture, storage, and bottling of beer with the Department of Consumer Protection's (DCP) approval.

Self-Distribution. The consolidated beer permit allows the permittee to wholesale distribute to other alcoholic liquor permittees, which except for the brew pub permittee, the other three beer permittees can do under current law. Under the bill, if the consolidated beer permittee does wholesale distribute, he or she must make the beer available to all package store and grocery store permittees in the geographical region where they distribute, subject to reasonable limitations, as DCP determines.

On-premises Sales. Under the bill, the consolidated beer permit allows retail beer sales for on-premises consumption, with or without selling food. Under current law, the manufacturer permit for beer can not sell beer for on-premises consumption, while the manufacturer permits for brew pub and beer and brew pub can sell all alcoholic liquor for on-premises consumption, with or without the sale of food.

Off-premises Sales. Under the bill, the consolidated beer permit allows retail beer sales for off-premises consumption of up to six

gallons per person per day. Current law limits all such manufacturer beer sales to nine liters per person per day.

Production Limits and Requirements. The bill also requires permittees to annually produce at least 5,000 gallons of beer before they can sell beer through a wholesaler. Current law only imposes this minimum gallonage requirement on brew pubs and beer and brew pub permittees.

Under current law, a farm brewery permittee may only annually produce up to 75,000 gallons of beer and must, among other things, use a certain minimum percentage of materials grown or malted in the state for the beer to be advertised and sold as "Connecticut Craft Beer." The consolidated beer permit does not have either requirement.

Hours. As under current law for permittees that manufacturer beer, consolidated permittees may sell beer for off-premises consumption between 10:00 a.m. and 6:00 p.m. on Sunday and 8:00 a.m. and 10:00 p.m. Monday through Saturday. The bill does not specify what hours the permittee may sell beer for on-premises consumption.

Permit Fees. Under the bill, the annual fee for the consolidated manufacturer permit for beer is \$1,407. Under current law, the annual fee for the manufacturer permit for (1) beer is \$1,000; (2) brew pub is \$300; (3) beer and brew pub is \$1,500; and (4) farm brewery is \$300.

Wine, Cider, and Mead

The bill creates a new manufacturer permit for wine, cider, and mead and eliminates the current cider, apple brandy and eau-de-vie, and farm winery manufacturing permits. It allows the new permittee to manufacture those products in addition to also making mead.

Allowed Products. The bill allows a wine, cider, and mead permittee to manufacturer wine, cider not exceeding 6% alcohol by volume (ABV), apple wine not exceeding 15% ABV, apple brandy, eau-de-vie, and mead. Under the bill, "mead" means fermented honey, with or without adjunct ingredients or additions, regardless of alcohol

content; whether it is processed; and be it sparkling, carbonated, or still.

Requirements and Abilities. The wine, cider, and mead permit has substantially similar requirements and abilities as the current farm winery permit, except the bill eliminates the requirements that the premises be located on a farm and a certain percentage of the product be grown there.

As is the case for the current manufacturing permits, the new permit allows for the storage, bottling, and wholesale distribution of the permitted products.

Under the bill, wine, cider, and mead permittees are authorized to do certain things current farm wineries can, including:

1. selling in bulk from the premises;
2. directly selling and shipping to a retailer in the original sealed containers of up to 15 gallons each, if they annually produce 100,000 gallons or less;
3. selling and shipping to individuals outside the state and Connecticut consumers (see below);
4. offering tastings of free samples, dispensed out of bottles or containers having capacities of less than two gallons; and
5. selling at retail from the premises, (a) sealed bottles or other containers for off-premises consumption or (b) by the glass and bottle for on-premises consumption.

Hours. Under current law, a cider manufacturer may sell and ship cider and apple wine under the same manner and conditions as a farm winery and may offer free tastings of up to two ounces per patron between 11:00 a.m. and 8:00 p.m. on Sunday and 10:00 a.m. and 8:00 p.m. Monday through Saturday.

As is the case for farm wineries under current law, a wine, cider,

and mead permittee may only sell wine and offer tastings of free samples of its product between 10:00 a.m. and 10:00 p.m. on Sunday and 8:00 a.m. and 10:00 p.m. Monday through Saturday. The bill does not make the conforming change to allow the sale of the other products.

Direct Shipment. As current law requires for farm wineries shipping directly to a consumer, the bill requires a wine, cider, and mead permittee, when shipping his or her product directly to a consumer, to follow certain procedures. The permittee must:

1. ensure the shipping labels on all containers of product conspicuously state: "CONTAINS ALCOHOL—SIGNATURE OF A PERSON AGE 21 OR OLDER REQUIRED FOR DELIVERY;"
2. ensure that someone who is at least age 21, as shown on a driver's license or identity card, signs for the delivery;
3. not ship more than five gallons of product in any two-month period;
4. pay to DRS all required sales and alcoholic beverage excise taxes and file with the department all tax returns for such sales;
5. report to DCP a separate and complete record of all sales and shipments to consumers in Connecticut on a ledger or similar document that presents a chronological account of the dealings;
6. not ship to any address in the state where the sale of alcoholic liquor is prohibited by local option; and
7. hold an in-state transporter's permit (see below) or ship through someone who does.

Dual Permits. The bill allows the wine, cider, and mead permittee to simultaneously hold certain permits a farm winery is allowed to hold under current law. These permits, available from DCP for an

additional fee, are for off-site tastings; in-state transporters; wine festivals; and farmers' market wine sales.

The additional permits allow the wine, cider, and mead permittees to, among other things,

1. sell and offer free samples at up to seven events or functions off the permit premises (CGS § 30-16a) (§ 8);
2. commercially transport any alcoholic liquor as permitted by law (CGS § 30-19f) (§ 9);
3. participate in a wine festival that is organized and sponsored by an association that promotes manufacturing or selling wine (CGS § 30-37l) (§ 11); and
4. sell their product at up to 10 farmers' market locations per year under certain conditions (CGS § 30-37o) (§ 13).

Prohibitions. The bill prohibits wine, cider, and mead permittees from selling product they did not manufacture, except they can sell other product from other wine, cider, and mead permittees and brandy manufactured from fruit harvested in Connecticut and distilled off the premises, but in the state.

Advertising. Under the bill, permittees must clearly and conspicuously state their liquor permit number on their advertisements when advertising or offering their products for direct shipments to Connecticut consumers online.

Permit Fee. The bill requires permittees to pay an annual \$200 permit fee. The permit fees under current law are: \$200 for cider, \$400 for apple brandy and eau-de-vie, and \$300 for a farm winery.

§§ 2, 6 & 7 — NON-UNIFORM CASE

The bill allows a wholesaler permittee to package and sell to a retail permittee a non-uniform case (e.g., different brand products in one case) that contains only one class of alcoholic liquor, if the wholesaler

holds the exclusive rights to all bottles in such a case. But to do so, the wholesaler must have prior approval from the manufacturer or out-of-state shipper.

Under the bill, a wholesaler who does not hold exclusive rights to a given brand trademark may only sell a non-uniform case containing bottles of one class if all the bottles are available to all nonexclusive wholesalers who also have rights to the given brand trademarks.

The bill requires monthly price postings for a non-uniform case of alcoholic liquor to contain the bottle price for each item in the case, the unit price, and the case price. The bottle price posted must equal the bottle price posted for the same month for a case containing one class and brand of alcoholic liquor.

Definition

The bill allows non-uniform cases of one class by changing the definition of “case price” to include “class” but not “brand, age, and proof,” thus requiring cases to be of the same class but not the same brand, age, and proof. It uses federal standards to define the different classes, which include, among others,:

1. spirits: whisky, gin, brandy, and tequila (27 C.F.R. § 5.22);
2. wine: grape, sparkling grape, citrus, fruit, and other agricultural products (27 C.F.R. § 4.21); and
3. beer: malt beverages that have been concentrated by removing water, products containing less than 0.5% of alcohol by volume, and products with geographical names (27 C.F.R. § 7.24).

§§ 4 & 5 — GIFT BASKET RETAILER

The bill allows gift basket retailer permittees to sell Connecticut beer made by a beer manufacturer in their gift baskets in addition to wine as under current law. It also limits the wine that may be sold to those manufactured in Connecticut by a wine, cider, and mead permittee.

The gift basket retailer permittee must purchase beer from a

package store and such beer must not be consumed on the premises. In addition to the items (e.g., food items, nonalcoholic beverages, and certain articles of clothing) a permittee may already sell, the bill allows the permittee to sell gift baskets that have (1) a maximum of 72 ounces of beer per basket; (2) beer-making kits; and (3) drinking glasses, bottle openers, and literature related to beer. Under the bill, a gift basket can either have wine or beer, but not both.

As under current law for wine deliveries, a gift basket retailer permittee may sell, deliver, or ship gift baskets containing beer directly to a consumer. If a consumer is out-of-state, the permittee is subject to that state's applicable laws. If the consumer is in Connecticut, the permittee must:

1. ensure the shipping labels on gift baskets containing beer conspicuously state: "CONTAINS ALCOHOL—SIGNATURE OF A PERSON AGE 21 OR OLDER REQUIRED FOR DELIVERY;"
2. ensure that someone who is at least age 21, as shown on a driver's license or identity card, signs for the delivery;
3. obtain a seller's permit and pay DRS all required sales taxes;
4. report to DCP a separate and complete record of all sales and shipments to consumers in Connecticut on a ledger or similar document that presents a chronological account of the dealings;
5. allow DCP and DRS, separately or jointly, to audit his or her records upon request; and
6. not ship to any address in the state where the sale of alcoholic liquor is prohibited by local option.

The bill requires a permittee to clearly include his or her gift basket retailer permit number in all online advertising to ship beer. It also allows DCP, in consultation with DRS, to adopt regulations to ensure compliance with the beer shipment requirements.

§ 16 — FARMERS' MARKET SALES PERMIT FOR BEER

The bill eliminates the farmers market beer sales permit, which allows permittees that manufactured beer to sell beer at up to three farmers' market locations a year (CGS § 30-37r).

BACKGROUND***Related Bill***

sHB 7184, favorably reported by the General Law Committee, among other things, allows non-uniform cases.

COMMITTEE ACTION

General Law Committee

Joint Favorable

Yea 16 Nay 2 (03/25/2019)