

General Law Committee JOINT FAVORABLE REPORT

Bill No.: SB-647

Title: AN ACT STREAMLINING THE LIQUOR CONTROL ACT.

Vote Date: 3/25/2019

Vote Action: Joint Favorable

PH Date: 2/28/2019

File No.:

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SPONSORS OF BILL:

Sen. Kevin D. Witkos, 8th District

Rep. Christine Conley, 40th District

Sen. Heather S. Somers, 18th District

Rep. Joseph P. Gresko, 121st District

REASONS FOR BILL:

The current legislation regarding liquor has not been updated in decades and has not kept up with the changes in the state. This bill will streamline the Liquor Control Act by eliminating and condensing permits and eliminates the excise tax exemption for beer sold on premises. This will also allow gift basket retailers to sell Connecticut beer, along with wine. The bill also eliminates the ability for manufacturers to sell beer at farmer's markets and a variety of other changes. The permit for cider, apple brandy and eau-de-vie is eliminated and a new permit will be created for wine, cider and mead.

RESPONSE FROM ADMINISTRATION/AGENCY:

None Expressed

NATURE AND SOURCES OF SUPPORT:

Conley, Christine, Representative, House of Representative, State of Connecticut

This bill should move forward and include language to amend the general statutes to allow a beer manufacturer to sell a larger quantity of beer direct to clients than the current law allows. In visiting Beer'd Brewing Company located in Stonington it was evident that there is a large following of local and out of state customers. They provide good paying jobs with health insurance and 401K programs for their workers. By allowing breweries to sell additional beer, it will help them expand and grow.

Sayer, Chris, Co-owner, Brewery Legitimus

It is imperative to move toward modernizing Connecticut's alcohol laws. Connecticut residents can cross over to Massachusetts and New York without any limits to what they

purchase. Increasing direct-to-consumer sales limits for the state of Connecticut will help business grow. We are hopeful that you will increase the amount of beer can be sold for off premises consumption.

Phelan, Tim, President, Connecticut Retail Merchants Association

Retailers in the state support more than 470,000 jobs and contribute more than \$34 billion to the state's economy. There is an increase in residents of the state using Target and Walmart as one stop shopping. By allowing Target and Walmart to be classified as a grocery store, it will allow them to start selling beer, just as their grocery peers do. It is a matter of being fairness. This will also support the craft beer industry as in other states these stores are allowed to sell craft beer in addition to national brands.

Bayer, Indira, Wines of Illyria

The State of Connecticut is not small business friendly. The licensing and registration fees are higher than most states; my written testimony compares Connecticut fees to New Jersey. Please change the law to allow for a small business to grow.

Pappas, Phil, Executive Director, CT Brewers Guild

Breweries are eager and excited to work with our wholesalers, distributors, restaurants and bars, as well as package stores within the three-tiered system. CT Brewers Guild supports SB 647 in the restricting of the on premise liquor permits, specifically the manufacturing for beer and brew pub licenses.

**Buchanan, Christopher, Director, Public Affairs & State & Local Government Relations
Walmart**

Walmart supports SB647, specifically we are seeking to amend the definition of "beer grocery permit" to allow the sale of beer in Walmart stores.

Mullen, Sheila, Co-owner, Fat Orange Brew Co.

We support of SB647, especially the increase of direct-to-consumer limits for off-premise consumption at Connecticut breweries from 9 Liters to 23 Liters per day. The vast majority of states have no limits to off-premise beer sales.

Adams, Zack and Laura, Fox Farm Brewery

Barbanel, Scott, President/Brew Master, Still Hill Brewery

Bartholomew, Bob, Head Brewer, Kinsman Brewing Company

Bishop, Keith B., Co-owner, Bishop's Orchards Farm Market and Winery,

Support with modifications

Stahly, Christopher, Stahly Farm Winery

There were approximately 16 more pieces of testimony that are in favor of this bill

NATURE AND SOURCES OF OPPOSITION:

Dolan, Michael, Connecticut Beer Wholesalers Association

While the CT Beer Wholesaler Assoc. support certain aspects of this bill, we feel this bill will have a negative impact on small businesses. This bill is a fundamental risk to Connecticut's alcoholic beverage marketplace.

Monteleone, Patrick, Owner, Harry's Wine and Liquor Market

This bill along with HB7184 and HB7183 is designed to break the backs of small businesses. It seeks to allow big box stores to sell beer or wine dipping into the small business pocket. Because of the "antiquated" system small businesses are able to partner with local breweries, how many Connecticut owned breweries will partner with Target?

Singh, Sunpreet

This bill along with HB7183 and HB7184 are an affront to small liquor stores in our state. Small businesses are struggling to survive in the state.

Reported by: Bonnie Gray, Asst. Clerk

Date: 04/02/2019