



General Assembly

January Session, 2019

Raised Bill No. 7183

LCO No. 4567



Referred to Committee on GENERAL LAW

Introduced by:
(GL)

AN ACT CONCERNING ALCOHOLIC LIQUOR WHOLESALER PERMITS.

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

1 Section 1. Section 30-17 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2019*):

3 (a) (1) A wholesaler permit shall allow the bottling of alcoholic
4 liquor and the wholesale sale of alcoholic liquor to permittees in this
5 state and without the state, as may be permitted by law, and the sale of
6 alcoholic liquors to vessels engaged in coastwise or foreign commerce,
7 and the sale of alcohol and alcoholic liquor for industrial purposes to
8 nonpermittees, such sales to be made in accordance with the
9 regulations adopted by the Department of Consumer Protection, and
10 the sale of alcohol and alcoholic liquor for medicinal purposes to
11 hospitals and charitable institutions and to religious organizations for
12 sacramental purposes and the receipt from out-of-state shippers of
13 multiple packages of alcoholic liquor. The holder of a wholesaler
14 permit may apply for and shall thereupon receive an out-of-state
15 shipper's permit for direct importation from abroad of alcoholic

16 liquors manufactured outside the United States and an out-of-state
17 shipper's permit for direct importation from abroad of beer
18 manufactured outside the United States. The annual fee for a
19 wholesaler permit shall be two thousand six hundred fifty dollars.

20 (2) When a holder of a wholesaler permit has had the
21 distributorship of any alcohol, beer, spirits or wine product of a
22 manufacturer or out-of-state shipper for six months or more, such
23 distributorship may be terminated or its geographic territory
24 diminished upon (A) the execution of a written stipulation by the
25 wholesaler and manufacturer or out-of-state shipper agreeing to the
26 change and the approval of such change by the Department of
27 Consumer Protection; or (B) the sending of a written notice by certified
28 or registered mail, return receipt requested, by the manufacturer or
29 out-of-state shipper to the wholesaler, a copy of which notice has been
30 sent simultaneously by certified or registered mail, return receipt
31 requested, to the Department of Consumer Protection. [No such
32 termination or diminishment shall become effective except for just and
33 sufficient cause, provided such cause shall be set forth in such notice
34 and the Department of Consumer Protection shall determine, after
35 hearing, that just and sufficient cause exists.] If an emergency occurs,
36 caused by the wholesaler, [prior to such hearing,] which threatens the
37 manufacturers' or out-of-state shippers' products or otherwise
38 endangers the business of the manufacturer or out-of-state shipper and
39 said emergency is established to the satisfaction of the Department of
40 Consumer Protection, the department may temporarily suspend such
41 wholesaler permit or take whatever reasonable action the department
42 deems advisable to provide for such emergency and the department
43 may continue such temporary action, [until its decision after a full
44 hearing. The Department of Consumer Protection shall render its
45 decision with reasonable promptness following such hearing.
46 Notwithstanding the aforesaid, a] A manufacturer or out-of-state
47 shipper may appoint one or more additional wholesalers as the
48 distributor for an alcohol, spirits, beer or wine product within such
49 territory, provided such appointment shall not be effective until [six]

50 three months from the date such manufacturer or out-of-state shipper
51 sets forth such intention in written notice to the existing wholesaler by
52 certified or registered mail, return receipt requested, with a copy of
53 such notice simultaneously sent by certified or registered mail, return
54 receipt requested, to the Department of Consumer Protection. [For just
55 and sufficient cause, a] A manufacturer or out-of-state shipper may
56 appoint one or more additional wholesalers as the distributor for a
57 beer product within such territory provided such manufacturer or out-
58 of-state shipper [sets forth such intention and cause in] provides
59 written notice to the existing wholesaler by certified or registered mail,
60 return receipt requested, with a copy of such notice simultaneously
61 sent by certified or registered mail, return receipt requested, to the
62 Department of Consumer Protection. [For the purposes of this section,
63 "just and sufficient cause" means the existence of circumstances which,
64 in the opinion of a reasonable person considering all of the equities of
65 both the wholesaler and the manufacturer or out-of-state shipper
66 warrants a termination or a diminishment of a distributorship as the
67 case may be.] For the purposes of this section, "manufacturer or out-of-
68 state shipper" means the manufacturer or out-of-state shipper who
69 originally granted a distributorship of any alcohol, beer, spirits or wine
70 product to a wholesaler, any successor to such manufacturer or out-of-
71 state shipper, which successor has assumed the contractual
72 relationship with such wholesaler by assignment or otherwise, or any
73 other manufacturer or out-of-state shipper who acquires the right to
74 ship such alcohol, beer, spirits or wine into the state.

75 (3) Nothing contained herein shall be construed to interfere with the
76 authority of the Department of Consumer Protection to retain or adopt
77 reasonable regulations concerning the termination or diminishment of
78 a distributorship held by a wholesaler for less than six months.

79 [(4) All hearings held hereunder shall be held in accordance with
80 the provisions of chapter 54.]

81 (b) A wholesaler permit for beer shall be in all respects the same as a
82 wholesaler permit issued pursuant to subsection (a) of this section,

83 except that the scope of operations of the holder shall be limited to
84 beer; but shall not prohibit the handling of nonalcoholic merchandise.
85 The holder of a wholesaler permit for beer may apply for and shall
86 thereupon receive an out-of-state shipper's permit for direct
87 importation from abroad of beer manufactured outside the United
88 States. The annual fee for a wholesaler permit for beer shall be one
89 thousand dollars.

90 Sec. 2. Section 30-17a of the general statutes is repealed and the
91 following is substituted in lieu thereof (*Effective July 1, 2019*):

92 Notwithstanding any provision of the general statutes to the
93 contrary, no wholesaler permittee that has the distributorship of any
94 alcohol, beer, spirits or wine product of a manufacturer or out-of-state
95 shipper shall refuse to sell any such alcohol, beer, spirits or wine to any
96 retail permittee, without regard to the location of such retail
97 permittee's place of business if (1) such retail permittee is willing to
98 accept delivery at such wholesaler permittee's place of distribution, (2)
99 such retail permittee meets any reasonable conditions imposed upon
100 other retail permittees located within such wholesaler permittee's
101 geographic territory and (3) the item of alcohol, beer, spirits or wine
102 sought by such retail permittee is not available from any wholesaler
103 permittee serving a geographic territory in which such retail
104 permittee's place of business is located or is only available from such a
105 wholesaler permittee at a higher price. Any agreement entered into on
106 or after June 8, 1981, which conflicts with the terms of this section shall
107 be void. As used in this section, the term "retail permittee" means the
108 holder of a permit allowing the sale of alcoholic liquor for on or off-
109 premises consumption.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2019</i>	30-17
Sec. 2	<i>July 1, 2019</i>	30-17a

Statement of Purpose:

To modernize Liquor Control Act provisions regarding alcoholic liquor wholesaler permits.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]