AN ACT CONCERNING ALCOHOLIC LIQUOR WHOLESALER PERMITS.

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

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 Section 30-17 of the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2019):

(a) (1) A wholesaler permit shall allow the bottling of alcoholic liquor and the wholesale sale of alcoholic liquor to permittees in this state and without the state, as may be permitted by law, and the sale of alcoholic liquors to vessels engaged in coastwise or foreign commerce, and the sale of alcohol and alcoholic liquor for industrial purposes to nonpermittees, such sales to be made in accordance with the regulations adopted by the Department of Consumer Protection, and the sale of alcohol and alcoholic liquor for medicinal purposes to hospitals and charitable institutions and to religious organizations for sacramental purposes and the receipt from out-of-state shippers of multiple packages of alcoholic liquor. The holder of a wholesaler permit may apply for and shall thereupon receive an out-of-state shipper's permit for direct importation from abroad of alcoholic liquors manufactured outside the United States and an out-of-state shipper's permit for direct importation from abroad of beer manufactured outside the United States. The annual fee for a wholesaler permit shall be two thousand six hundred fifty dollars.

(2) When a holder of a wholesaler permit has had the distributorship of any alcohol, beer, spirits or wine product of a manufacturer or out-of-state shipper for [six] eighteen months or more,
such distributorship may be terminated or its geographic territory diminished upon (A) the execution of a written stipulation by the wholesaler and manufacturer or out-of-state shipper agreeing to the change and the approval of such change by the Department of Consumer Protection; or (B) the sending of a written notice by certified or registered mail, return receipt requested, by the manufacturer or out-of-state shipper to the wholesaler, a copy of which notice has been sent simultaneously by certified or registered mail, return receipt requested, to the Department of Consumer Protection. No such termination or diminishment shall become effective except for just and sufficient cause, provided such cause shall be set forth in such notice and the Department of Consumer Protection shall determine, after hearing, that just and sufficient cause exists. If an emergency occurs, caused by the wholesaler, prior to such hearing, which threatens the manufacturers’ or out-of-state shippers’ products or otherwise endangers the business of the manufacturer or out-of-state shipper and said emergency is established to the satisfaction of the Department of Consumer Protection, the department may temporarily suspend such wholesaler permit or take whatever reasonable action the department deems advisable to provide for such emergency and the department may continue such temporary action until its decision after a full hearing. The Department of Consumer Protection shall render its decision with reasonable promptness following such hearing. Notwithstanding the aforesaid, nothing in this section shall prohibit the holder of a wholesaler permit and a manufacturer or out-of-state shipper permittee from agreeing on different terms regarding termination or alteration of a distributorship agreement, including allowing for termination by the manufacturer or out-of-state shipper permittee on a different timeframe, with or without just and sufficient cause pursuant to this section, provided that such agreement is in writing. [a] A manufacturer or out-of-state shipper may appoint one or more additional wholesalers as the distributor for an alcohol, spirits or wine product within such territory, provided such appointment shall not be effective until [six] three months from the date such manufacturer or out-of-state shipper sets forth such intention in
written notice to the existing wholesaler by certified or registered mail, return receipt requested, with a copy of such notice simultaneously sent by certified or registered mail, return receipt requested, to the Department of Consumer Protection. For just and sufficient cause, a manufacturer or out-of-state shipper may appoint one or more additional wholesalers as the distributor for a beer product within such territory provided such manufacturer or out-of-state shipper sets forth such intention and cause in written notice to the existing wholesaler by certified or registered mail, return receipt requested, with a copy of such notice simultaneously sent by certified or registered mail, return receipt requested, to the Department of Consumer Protection. For the purposes of this section, "just and sufficient cause" means the existence of circumstances which, in the opinion of a reasonable person considering all of the equities of both the wholesaler and the manufacturer or out-of-state shipper warrants a termination or a diminishment of a distributorship as the case may be. For the purposes of this section, "manufacturer or out-of-state shipper" means the manufacturer or out-of-state shipper who originally granted a distributorship of any alcohol, beer, spirits or wine product to a wholesaler, any successor to such manufacturer or out-of-state shipper, which successor has assumed the contractual relationship with such wholesaler by assignment or otherwise, or any other manufacturer or out-of-state shipper who acquires the right to ship such alcohol, beer, spirits or wine into the state.

(3) Nothing contained herein shall be construed to interfere with the authority of the Department of Consumer Protection to retain or may adopt reasonable regulations concerning the termination or diminishment of a distributorship [held by a wholesaler for less than six months] consistent with the provisions of this section. Where a wholesaler has held a distributorship for not more than eighteen months, no change on the list of authorized distributors or wholesalers of a manufacturer or out-of-state shipper shall be made, except after fourteen days' prior notice by certified or registered mail to all such authorized distributors or wholesalers affected by such change that appear on the list of the particular manufacturer or out-of-state
shipper, as maintained by the department, and except after fourteen
days' prior notice to the department. The department shall not adopt
any regulations inconsistent with this section.

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

(b) A wholesaler permit for beer shall be in all respects the same as a
wholesaler permit issued pursuant to subsection (a) of this section,
except that the scope of operations of the holder shall be limited to
beer; but shall not prohibit the handling of nonalcoholic merchandise.
The holder of a wholesaler permit for beer may apply for and shall
thereupon receive an out-of-state shipper's permit for direct
importation from abroad of beer manufactured outside the United
States. The annual fee for a wholesaler permit for beer shall be one
thousand dollars.

This act shall take effect as follows and shall amend the following
sections:

| Section 1 | July 1, 2019 | 30-17 |