
OLR Bill Analysis

sHB 6459

AN ACT CONCERNING THE DEPARTMENT OF CONSUMER PROTECTION AND REVISIONS TO THE LIQUOR CONTROL ACT.

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§ 55 – REPEALER

Repeals obsolete provisions

EFFECTIVE DATE: July 1, 2021, unless otherwise noted.

§§ 1-24 – CONFORMING AND TECHNICAL CHANGES

Makes numerous minor, technical, and conforming changes to implement the changes from PA 19-24, including, among other things, conforming changes for the new cafe permit

The bill makes numerous minor, technical, and conforming changes to implement the changes from PA 19-24. Among other things, it deletes references to obsolete permits such as airline, tavern, railroad, golf, coliseum concession, special sporting facilities, and bowling establishment permits that no longer exist and references the newly structured cafe permit as applicable.

§ 8 – SPECIAL CLUB PERMITS

Allows cafe permittees that are nonprofit clubs to receive an additional permit to allow alcohol sales at outdoor picnics

The bill allows cafe permittees deemed in compliance based on being a nonprofit club to also receive a special club permit. By law, a

special club permit allows the permittee to sell alcoholic liquor (e.g., spirits, wine, and beer) by the drink to be consumed at an outdoor picnic. The Department of Consumer Protection (DCP) has full discretion over issuing the permit based on the suitability of the place. The special club permit fee is \$50 per day and may only be granted four times in one calendar year.

§ 15 – HOLDING MULTIPLE PERMITS

Allows a (1) nonprofit theater permittee to also hold a coliseum permit and (2) restaurant or cafe permittee to also hold a newly established seasonal outdoor open-air permit

The bill allows a (1) nonprofit theater permittee to also hold a coliseum permit and (2) restaurant or cafe permittee to also hold a newly established seasonal outdoor open-air permit (see below, § 50). By law, permittees and backers of one permit class are generally prohibited from holding a permit in another class.

§ 15 – WHOLESALER’S HEARING REQUEST ON PRIOR PERMITTEE’S LIQUOR OBLIGATIONS

Eliminates a wholesaler’s ability to request a hearing when a retailer permit applicant purchases a business where a prior permittee may have had outstanding liquor obligations

By law, permit applications are not approved for a proposed change or change in ownership of a retail permit premises unless the applicant files an affidavit by the seller stating all obligations have been paid or the applicant did not receive consideration from the predecessor permittee. The bill eliminates a wholesaler’s ability to request a hearing if he or she believes there is outstanding obligations, or the applicant received consideration.

§ 16 – PACKAGE STORE INTEREST INCREASE

Increases the number, from five to six, of alcoholic beverage retail permits (e.g., package stores) a person or backer may acquire an interest in

The bill increases the number of alcoholic beverage retail permits (e.g., package stores) a person or backer may acquire an interest in from five to six.

§§ 17 & 33 – AFFIRMED APPLICATIONS

Requires certain applications to be affirmed, rather than sworn

The bill requires certain applications to be affirmed rather than

sworn. This applies to the following documents:

1. an application for any liquor permit or renewal (CGS § 30-39) and
2. an affidavit signed by an applicant stating that access from the dwelling to the proposed premises is closed for a permit to sell alcoholic liquor in the premises in a building where part of the building is used as a dwelling (CGS § 30-51).

Effective Date: July 1, 2021, except the liquor permit and renewal affirmation provision is effective upon passage.

§ 22 – EFFECTIVE SEPARATION AND MINORS

Prohibits minors from being at certain consumer bars without a parent, guardian, or spouse

For barrooms that consist of only one room without effective separation between the barroom and the dining room, the bill prohibits minors from sitting or standing at the consumer bar without being accompanied by a parent, guardian, or spouse.

§ 25 – DCP ALCOHOL REGULATIONS PAMPHLET

Eliminates the option for DCP to publish a pamphlet of all alcohol regulations and instead requires DCP to post them on its website

Current law requires DCP to publicize its alcohol regulations biennially by either publishing a pamphlet that must be furnished upon request or posting them on the department's website. The bill eliminates the option to publish a pamphlet of all alcohol regulations and instead requires DCP to post them on its website.

§ 26 – COMPLAINT DISCLOSURE TIMEFRAME

Increases the time DCP can withhold investigation information, from six to 18 months

Current law allows DCP to withhold from disclosure any complaints, inspections, or other information from an investigation until the earlier of (1) when the investigation is completed, (2) six months after the complaint was filed, or (3) six months after the investigation began. The bill increases the time DCP may withhold information related to an investigation, from six to 18 months for both

when the complaint was filed and when the investigation began.

§ 27 – WHOLESALER FREE SAMPLES

Allows wholesalers to offer industry members and their own staff free samples of alcohol they distribute

The bill allows wholesalers to offer industry members and their own staff free samples of alcohol they distribute for tasting on the wholesaler's premises. Any offering, tasting, wine education and tasting class demonstration held on the permit premises must be conducted only during the hours a package store can operate. By law, package stores may sell between 10:00 a.m. and 6:00 p.m. on Sundays and 8:00 a.m. and 10:00 p.m. Monday through Saturday. Sales are also prohibited on Thanksgiving Day, New Year's Day, or Christmas (CGS § 30-91(d)).

The bill also limits the wine tastings to (1) 10 uncorked or open bottles at any one time and (2) four times a year.

§ 28 – CONCESSION PERMITTEES SERVING TWO DRINKS AT ONCE

Allows concession permittees to sell up to two drinks at one time

The bill allows concession permittees to sell up to two drinks at one time. Current regulations limit permittees to serving one drink at a time (Conn. Agencies Regs., § 30-6-A24b(b)).

§ 29 – PROVISIONAL PERMIT TIME LIMITS

Prohibits provisional permits from being extended beyond one year

The bill prohibits provisional permits from being extended beyond one year after the filing date. It also allows DCP, along with the Liquor Control Commission, to issue these permits.

§§ 30 & 31 – DRUGGIST PERMIT ALCOHOL DELIVERIES

Allows druggist permittees to deliver alcohol

Existing law allows druggist permittees to, among other things, sell alcohol in containers of between eight ounces or 187.5 mL and one quart or one liter, except beer may be sold in containers of up to 40 ounces or 1,200 mL. The bill additionally allows them to deliver alcohol in these quantities.

The bill also makes a technical change that substitutes the Commission of Pharmacy with DCP as the licensing authority.

§ 32 – CATERER PERMIT

Specifies that caterer liquor permittees may sell and serve alcoholic liquor without food, prohibits them from self-dealing or self-hiring in order to generate catering events, and allows for exclusive catering contracts

The bill specifies that (1) a caterer liquor permittee may sell and serve alcoholic liquor for on-premise consumption with or without food at any event the permittee was hired for and (2) the service must be done pursuant to a contract between the permittee and the hiring party.

The bill also prohibits caterer permittees from self-dealing or self-hiring in order to generate catering events.

Under the bill, caterer permittees may enter into an exclusive contract with another business entity to provide catering services at a specific venue, as long as the caterer is available for hire and uses the permit at other venues. It prohibits the permittee, backer, or their spouse or children from having an ownership interest in the venue that has the exclusivity agreement.

§ 33 – NOTICING AND PLACARDING REQUIREMENTS EXEMPTION

Exempts Connecticut craft cafe permittees who held a manufacturer permit for a brew pub or a manufacturer permit for a beer and brew pub before July 1, 2020, from noticing and placarding requirements

The bill exempts Connecticut craft cafe permittees who held a manufacturer permit for a brew pub or a manufacturer permit for a beer and brew pub before July 1, 2020, from the noticing and placarding requirements. By law, applicants are generally required to give notice of a new permit in the newspaper and place placards visible from the road that include certain information, such as the name and location of the business. PA 19-24 consolidated the beer permits and established a Connecticut craft cafe permit that allows manufacturer permittees to sell for on-premises consumption.

EFFECTIVE DATE: Upon passage

§ 33 – REMONSTRANCE

Limits remonstrances to instances where the issue is not controlled by local zoning

By law, any 10 individuals who are at least age 18 may file a remonstrance with DCP about the applicant’s suitability or proposed place of business and DCP must hold a hearing upon the filing. The bill limits these to instances where the issue is not controlled by local zoning.

EFFECTIVE DATE: Upon passage

§ 33 – APPLICATIONS WITH NO ACTION

Allows DCP to return applications when no action has occurred in 12 months

The bill allows DCP to deem an application withdrawn and return applications when no new permit is issued in 12 months from the filing.

EFFECTIVE DATE: Upon passage

§§ 34, 35, 39, & 41-43 – FINES AND APPEALS

Specifies that the appeals of conditions placed on permits are held in accordance with the UAPA and fines on a permit are per violation

The bill specifies that (1) permittees may appeal under the Uniform Administrative Procedure Act (UAPA) when DCP places conditions on the permit and (2) fines on a permit are per violation. By law, DCP may impose a fine of up to \$1,000.

The bill also specifies that final decisions to suspend or revoke permits are under the UAPA and immediately effective.

The bill also subjects certain existing penalties to permit revocation and suspension penalty provisions under CGS § 30-55. In doing so, it:

1. gives DCP more discretion in penalties associated with the sale of alcohol (a) without a suggested price schedule and (b) of a discontinued brand in a closeout sale, and
2. eliminates the possibility of up to one-year imprisonment for illegally shipping alcoholic liquor into the state and for any

alcoholic liquor provision with an unspecified penalty.

§ 36 – NOTICES

Requires notices of decisions of any revocation or suspension of any permit to be posted on DCP's website rather than sent to the town clerk where the permittee operates or operated

The bill requires DCP to post notice of any permit revocation or suspension on the department's website rather than sending a certificate of the permit revocation, suspension, or reinstatement to the town clerk of the town where the permittee operates or operated.

§ 37 – TECHNICAL CHANGE

Makes a technical change

The bill makes a technical change by removing a reference to an obsolete position.

§§ 38 – CONNECTICUT UNFAIR TRADE PRACTICES ACT (CUTPA)

Specifically allows CUTPA to be used in cases of unfair pricing

The bill specifically allows CUTPA to be used in cases of unfair pricing, where a wholesaler or retail permittee sells at a price with the intent to destroy or prevent competition.

§ 40 – MANUFACTURER REBATES

Prohibits (1) merchandise, novelties, or other items from being used as manufacturers' rebates and (2) requiring alcohol purchase as a prerequisite for purchasing these items

The bill prohibits (1) merchandise, novelties, or other items from being used as manufacturers' rebates and (2) permittees from requiring that alcoholic liquor be purchased for a consumer to receive access to any merchandise, novelty, or other item.

By law, a manufacturer's rebate is the amount due and payable according to a permittee's offer, other than a retail permittee, to refund a consumer for all or a portion of the alcoholic liquor product's purchase price.

§ 44 – CAFE PERMITS FOR HIGHER EDUCATION INSTITUTIONS

Allows cafe permits to be issued to accredited higher education institutions

The bill allows cafe permits to be issued to higher education

institutions accredited by the Board of Regents, Officer of Higher Education, or otherwise authorized to award a degree. The permit may be granted for the land and buildings that are subject to the care, custody, and control of these institutions.

§ 45 – OUT-OF-STATE SHIPPERS

Allows out-of-state shipper permittees to sell outside of Connecticut

The bill allows out-of-state shipper permittees for alcoholic liquor other than beer to sell alcoholic liquor to manufacturers and wholesaler permittees outside of Connecticut.

§ 46 – PACKAGE STORE SHIPPING OUT-OF-STATE

Allows package store permittees to ship to out-of-state consumers below their cost

The bill allows package store permittees to ship alcoholic liquor to out-of-state consumers for below their cost, subject to all applicable laws of the jurisdiction where the consumer is located. “Out-of-state,” means any U.S. territory or possession, Washington D.C., or Puerto Rico, but not any foreign countries.

§ 47 – TWO DRINKS AT ONCE

Allows an alcoholic liquor permittee that sells for on-premises consumption to sell up to two drinks at once

The bill allows an alcoholic liquor permittee that sells for on-premises consumption to sell up to two drinks at one time. It also requires the DCP commissioner to amend any existing regulations to allow for two drinks. Current regulations limit permittees to serving one drink at a time (Conn. Agencies Regs., § 30-6-A24b(b)).

§§ 48 & 49 – MUNICIPAL OPTION

Allows municipalities to decide whether to allow alcoholic liquor (e.g., spirits, wine, and beer) sales legislatively rather than by referendum

The bill allows municipalities to determine whether to allow alcoholic liquor sales or which permit types to allow through a vote of its legislative body or, in a town with a legislative town meeting, by vote of the board of selectmen rather than a referendum.

Under the bill, if a town made a determination before the provision becomes effective, that action remains in effect until the town takes

further action in accordance with the bill's provisions.

EFFECTIVE DATE: Upon passage

§ 50 – SEASONAL OUTDOOR OPEN-AIR PERMIT

Establishes a seasonal outdoor open-air permit that allows alcohol sales in outdoor spaces under certain conditions

The bill establishes a seasonal outdoor open-air permit that allows the retail sale of alcoholic liquor for on-premises consumption with a \$2,000 permit fee. This consumption may be done on a lot, yard, green or other outdoor open space under certain conditions, including the following:

1. the retail sale and consumption of alcoholic liquor is allowed in the space by applicable local zoning, health, and fire marshal officials;
2. the permitted premises is less than one square acre;
3. a temporary fence or wall at least 30 inches high encloses the permitted area; and
4. restrooms or enclosed portable toilets are available within the permitted area or nearby.

The permittee must also make food available for sale to consumers to eat on the premises while the permittee is selling the alcohol. The food may be prepared on the premises, provided by a food truck or caterer, or be prepackaged. The availability of menus for delivery is deemed in compliance with the food requirement. The bill specifies that food is not required to be purchased with an alcoholic beverage.

The bill allows tents, mobile units, and other temporary fixtures to be included within the permitted premises. A permittee must maintain the permitted premises in a manner consistent with all applicable local zoning, health, and fire requirements.

The permit is effective either from April 1 to September 30 or May 1 to October 31 of the same year. DCP must issue the permit, which is

subject to the hours a restaurant permittee may serve alcohol. By law, restaurant permittees may generally serve alcohol from 9:00 a.m. to 1:00 a.m. the next morning on Monday through Thursday, from 9:00 a.m. to 2:00 a.m. the next morning for Friday and Saturday, and 10:00 a.m. to 1:00 a.m. the next morning on Sunday (CGS § 30-91(a)).

Under the bill, the permit is not renewable and there is no provisional permit available. It also only allows backers to only apply for one permit a calendar year. The bill exempts the permittee from the remonstrance requirements.

The bill also allows the permittee to sell draught beer for off-premises consumption (i.e., by the growler). Permittees may only sell up to four liters per person per day during the hours package stores can sell. By law, package stores may sell between 10:00 a.m. and 6:00 p.m. on Sundays and 8:00 a.m. and 10:00 p.m. Monday through Saturday.

§ 51 – PROHIBITION ON RELABELING AS CONNECTICUT WINE

Prohibits anyone from repackaging, relabeling, or selling wine manufactured outside of Connecticut for the purpose of selling it as Connecticut-made wine

Notwithstanding the alcoholic liquor manufacturing, out-of-state shipper's, and out-of-state winery shipper's permit statutes, the bill prohibits anyone from repackaging, relabeling, or selling wine manufactured outside the state for the purpose of selling it as Connecticut-made wine.

§ 52 – PACKAGE STORE ALLOWABLE ITEMS

Allows package store permittees to sell devices and related accessories designed to access and extract a beverage containing alcohol from a prepackaged container (e.g., pod or pouch)

The bill allows package stores to sell devices and related accessories designed primarily for accessing and extracting a beverage containing alcohol from prepackaged containers, including pods, pouches, or similar containers, but excluding devices that are not designed primarily for such purposes, including, household blenders.

§ 53 – MEAD IN GIFT BASKETS

Allows gift basket retailer permittees to sell mead in their gift baskets

The bill allows gift basket retailer permittees to sell mead in their gift baskets. It requires the permittee to purchase the mead from a package store or from a manufacturer permittee for wine, cider, and mead. As under existing law, the mead must not be consumed on the premises. In addition to the items a permittee may already include in a gift basket (e.g., food items, nonalcoholic beverages, and certain articles of clothing), the bill allows the permittee to sell gift baskets with (1) a maximum four bottles of mead or wine per basket and (2) mead-related drinking glasses, bottle openers, and literature.

EFFECTIVE DATE: Upon passage

§ 54 – PROOF GALLON

Specifies that a manufacturer permit for spirits who produces less than 50,000 proof gallons, rather than gallons, may sell sealed bottles at retail for off-premises consumption

Under the bill, a manufacturer permittee for spirits who produces less than 50,000 proof gallons, rather than gallons, in a calendar year may sell sealed bottles at retail for off-premises consumption. Depending on the proof of the manufactured spirits, this may increase or decrease the amount a manufacturer may produce and still be able to sell at retail (most spirits are under 50 proof, therefore this provision will likely allow manufactures to produce additional amounts). By law, for each consumer, these manufacturer permittees for spirits may sell up to three liters per day but not more than five gallons in any two-month period.

As used for the alcoholic beverage tax, “proof gallon” means the equivalent of one wine gallon (i.e., 128 fluid ounces) at 100 proof (CGS § 12-433).

§ 55 – REPEALER

Repeals obsolete provisions

The bill repeals obsolete provisions due to PA 19-24, including one dealing with barroom partitions and another with special sporting facility permits.

COMMITTEE ACTION

General Law Committee

Joint Favorable Substitute

Yea 19 Nay 0 (03/09/2021)