



Senate

General Assembly

File No. 218

February Session, 2024

Substitute Senate Bill No. 340

Senate, April 3, 2024

The Committee on Public Safety and Security reported through SEN. GASTON of the 23rd Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING TOBACCO DEALER LICENSES.

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

1 Section 1. (NEW) (*Effective October 1, 2024*) A municipality may adopt
2 an ordinance requiring that each person who files an application to
3 renew a license pursuant to section 12-287 of the general statutes, as
4 amended by this act, shall simultaneously give written notice of such
5 renewal application to the chief law enforcement official, or such chief
6 law enforcement official's designee, of the town in which any place of
7 business to be operated under such license is located. Such chief law
8 enforcement official, or such chief law enforcement official's designee,
9 may respond in writing, not later than fifteen days after receipt of such
10 notice, to the Commissioner of Revenue Services, with comments
11 regarding the renewal application that is the subject of such notice. The
12 commissioner shall consider any written comments offered by such
13 chief law enforcement official, or such chief law enforcement official's
14 designee, prior to approving such application.

15 Sec. 2. (*Effective October 1, 2024*) Not later than January 1, 2026, the

16 Commissioner of Revenue Services shall submit a report, in accordance
17 with section 11-4a of the general statutes, to the joint standing
18 committees of the General Assembly having cognizance of matters
19 relating to planning and development, finance, revenue and bonding
20 and public safety and security. Such report shall include, but not be
21 limited to: (1) The number of written comments submitted by chief law
22 enforcement officials, or such chief law enforcement officials' designees,
23 under section 1 of this act, (2) copies of such written comments, if any,
24 (3) a summary of the actions taken by the Department of Revenue
25 Services regarding the granting or denial of a license renewal
26 application pursuant to section 12-287 of the general statutes, as
27 amended by this act, for which comments were received under section
28 1 of this act, and (4) the commissioner's conclusions and
29 recommendations, after consultation with such chief law enforcement
30 officials or such chief law enforcement officials' designees, regarding the
31 notice requirement contained in section 1 of this act.

32 Sec. 3. Section 12-287 of the general statutes is repealed and the
33 following is substituted in lieu thereof (*Effective October 1, 2024*):

34 (a) For purposes of this section, "filing date" means the date upon
35 which the Department of Revenue Services, after approving the
36 application for processing, mails or otherwise delivers to the applicant
37 a placard containing such date.

38 (b) Each person engaging in, or intending to engage in, the business
39 of selling cigarettes in this state as a dealer, and each person engaging
40 in or intending to engage in, the business of selling taxed tobacco
41 products at retail, shall secure a dealer's license from the Commissioner
42 of Revenue Services before engaging in such business or continuing to
43 engage therein. Subject to the provisions of section 12-286, such license
44 shall be renewable annually, provided that prior to renewal the
45 commissioner shall consider any comments received pursuant to section
46 1 of this act.

47 (c) The applicant, immediately after filing an application, shall give
48 notice thereof, with the name and residential address of the applicant

49 and the location of the place of business for which such license is to be
50 issued, all in a form prescribed by the department, by publishing the
51 same in a newspaper having a circulation in the town in which the place
52 of business to be operated under such license is to be located, at least
53 weekly for two successive weeks. The first publication shall be not more
54 than seven days after the filing date of the application and the last
55 publication shall be not more than fourteen days after the filing date of
56 the application. The applicant shall affix, and maintain in a legible
57 condition upon the outer door of the building wherein such place of
58 business is to be located and clearly visible from the public highway, the
59 placard provided by the department, not later than the day following
60 the receipt of the placard by the applicant. If such outer door of such
61 premises is so far from the public highway that such placard is not
62 clearly visible as provided, the department shall direct a suitable
63 method to notify the public of such application. When an application is
64 filed for a license for a building that has not yet been constructed, such
65 applicant shall erect and maintain in a legible condition a sign not less
66 than six feet by four feet upon the site where such place of business is to
67 be located. The sign shall (1) set forth the license applied for and the
68 name of the proposed licensee; (2) be clearly visible from the public
69 highway; and (3) be so erected not later than the day following the
70 receipt of the placard. Such applicant shall make a return to the
71 department, under oath, of compliance with the requirements of this
72 subsection, in such form as the department may determine. The
73 department may require additional proof of such compliance. Upon
74 receipt of evidence of such compliance, the department may hold a
75 hearing as to the suitability of the proposed location.

76 (d) Any ten persons who are at least eighteen years of age, and who
77 are residents of the town within which the place of business is intended
78 to be operated under the license or renewal applied for, may file with
79 the department, not later than three weeks from the last date of
80 publication of notice pursuant to subsection (c) of this section for an
81 initial license, and, in the case of renewal of an existing license, at least
82 twenty-one days before the renewal date of such license, a remonstrance
83 containing any objection to the suitability of such applicant or proposed

84 place of business, provided any such issue is not controlled by local
 85 zoning. Upon the filing of such remonstrance, the department, upon
 86 written application, shall hold a hearing and provide such notice as it
 87 deems reasonable of the time and place at least five days before such
 88 hearing. The remonstrants shall designate one or more agents for
 89 service, who shall serve as the recipient or recipients of all notices issued
 90 by the department. At any time prior to the issuance of a decision by the
 91 department, a remonstrance may be withdrawn by the remonstrants or
 92 by such agent or agents acting on behalf of such remonstrants and the
 93 department may cancel the hearing or withdraw the case. The decision
 94 of the department on such application shall be final with respect to the
 95 remonstrance.

96 (e) The annual fee for a dealer's license shall be two hundred dollars.
 97 Such license shall be valid for a period beginning with the date of license
 98 to the thirtieth day of September next succeeding the date of license
 99 unless sooner revoked as provided in section 12-295, or unless the
 100 person to whom it was issued discontinues business, in either of which
 101 cases the holder of the license shall immediately return it to the
 102 commissioner. In the event of mutilation or destruction of such license,
 103 a duplicate copy, marked as such, shall be issued by said commissioner
 104 upon an application accompanied by a fee of fifteen dollars.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2024	New section
Sec. 2	October 1, 2024	New section
Sec. 3	October 1, 2024	12-287

PS *Joint Favorable Subst.*

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 25 \$	FY 26 \$
Revenue Serv., Dept.	GF - Cost	486,250	170,000
State Comptroller - Fringe Benefits ¹	GF - Cost	52,594	70,125

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill, which establishes new processes and requirements for cigarette dealer license applications and renewals, results in a General Fund cost (1) to the Department of Revenue Services (DRS) of \$486,250 in FY 25 and \$170,000 in FY 26 and (2) to the Office of the State Comptroller Fringe Benefits account of \$52,594 in FY 25 and \$70,125 in FY 26.

The bill establishes a notice and publication requirement for approximately 5,000 cigarette dealer license applications and renewals and allows individuals to file objections with DRS which may require the agency to hold a hearing.² In order to administer the requirements of the bill, DRS would require two full-time equivalents (FTEs). Depending on the volume of applications, renewals, and objections, it is

¹The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 41.25% of payroll in FY 25.

² Under the bill, if an objection to an application or renewal is filed by any 10 qualifying individuals and they apply in writing DRS must hold a hearing and give at least five days' notice.

possible staffing requirements could grow in FY 26 and beyond.³

Start-Up Costs

One-time start-up costs are estimated to total \$367,500 in FY 25, including tax administration system programming costs (\$350,000), computers/equipment (\$3,750), and form/placard development (\$5,000).

Ongoing Costs

Ongoing salary costs are anticipated to total \$127,500 in FY 25 (partial year) and annualize to \$170,000 in FY 26 for two FTE's dedicated to administering the bill's provisions, including holding required hearings. Associated fringe benefit costs total \$52,594 in FY 25 and \$70,125 in FY 26.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to wage inflation and the volume of applications, renewals, and objections received under the bill's provisions.

³ For illustrative purposes, the Department of Consumer Protection received a total of 37 liquor permit remonstrances from March 2019 through March 2024.

OLR Bill Analysis**sSB 340*****AN ACT CONCERNING TOBACCO DEALER LICENSES.*****SUMMARY**

This bill (1) requires applicants for a Department of Revenue Services (DRS) cigarette dealer's license to post certain newspaper notices and signs (i.e., placards) at their businesses about their permit applications, and (2) provides a process for 10 or more people to object to the applicant's suitability or the proposed place of business. Similar provisions apply under existing law for liquor permits.

The bill also allows municipalities to adopt ordinances requiring anyone applying to renew a cigarette dealer's license to simultaneously give written notice of the application to the chief law enforcement official or his or her designee in the municipality where the business is located. (By law, municipalities may already do this for those applying to renew a liquor permit that allows on-premises serving or consumption.) The bill (1) allows the official or designee to send written comments on the application to the DRS commissioner within 15 days after receiving the notice and (2) requires the DRS commissioner to consider the comments before renewing the license.

Lastly, the bill requires the DRS commissioner to report, by January 1, 2026, to the Finance, Revenue and Bonding; Planning and Development; and Public Safety and Security committees on:

1. the number and copies of written comments submitted;
2. a summary of actions DRS took in granting or denying any cigarette dealer's license renewal application subject to the bill's notice requirement; and

3. the commissioner's conclusions and recommendations, after consulting with chief law enforcement officials or their designees, about the notice requirement.

EFFECTIVE DATE: October 1, 2024

NEWSPAPER NOTICE

Under the bill, after filing an application with DRS, a cigarette dealer license applicant must publish two notices of the application on a DRS-prescribed form in a local newspaper with general circulation in the town where the licensed business will be located. The notices must state the applicant's name, residential address, and business location and, at a minimum, run weekly for two successive weeks.

The notices must be published within seven and 14 days after the application's filing date, respectively. Under the bill, the "filing date" is the date DRS, after approving the application for processing, mails or delivers to the applicant a placard with the date.

PLACARDS

The bill requires an applicant to attach and maintain the DRS-provided placard in a legible condition on the business's outer door that is clearly visible from the street, within a day after the applicant receives the placard. If the outer door is so far from the street that the placard is not clearly visible, DRS must find another suitable method to notify the public of the application.

When a license application is filed for an unconstructed building, the applicant must build and maintain a legible sign that is at least six feet by four feet where the business is to be located. The sign must (1) include the license applied for and the proposed licensee's name; (2) be clearly visible from the street; and (3) be put up by the day after the applicant receives the placard.

The applicant must make a return to DRS, under oath, of compliance with the notice and placard requirements, on a DRS form. The department may require additional proof of compliance. Upon

receiving evidence of compliance, DRS may hold a hearing on the proposed location’s suitability.

OBJECTIONS TO A PROPOSED OR RENEWED CIGARETTE DEALER’S LICENSE

The bill allows any 10 individuals who are at least age 18 and reside in the town in which the cigarette dealer’s business is proposed or currently located, to file a “remonstrance” (i.e., objection) with DRS. For initial licenses, they must file a remonstrance within three weeks after the last day the license applicant’s newspaper notice was published. For renewals, they must file it at least 21 days before the license renewal date.

The remonstrance must include any objection to the suitability of the applicant or proposed business place, provided the issue is not controlled by local zoning. If a remonstrance is filed and the individuals apply in writing, DRS must hold a hearing and give at least five days’ notice.

The remonstrants (i.e., the people making the objection) must designate one or more agents for service to receive all DRS notices. At any time before DRS issues a decision, the remonstrants or their agents may withdraw a remonstrance and DRS may cancel the hearing or withdraw the case. The DRS decision on the application is final for the remonstrance.

COMMITTEE ACTION

Public Safety and Security Committee

Joint Favorable Substitute

Yea 25 Nay 0 (03/19/2024)