Three-Tier Alcohol System

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Issue

Provide a flow chart on the three-tier alcohol distribution system in Connecticut.

Summary

After the repeal of Prohibition, most states (including Connecticut) adopted a three-tier alcohol distribution structure, which requires the separation of manufacturers from retailers. Generally, under the three-tier distribution structure, manufacturers must sell their products to wholesalers, who in turn sell to retailers, who sell to consumers. But Connecticut, like most states, has certain exceptions that allow smaller manufacturers to sell directly to consumers (e.g., farm wineries).

Figures 1-3 provide a flow chart of Connecticut’s three-tiered system for spirits, beer, and wine.
Figure 1: Manufacturer Permit

Manufacturer Permit (CGS § 30-16(a))
May manufacture all types of alcohol (e.g., spirits, wine, and beer)

Spirits and Wine

Wholesaler Permit (CGS § 30-17)
A manufacturer or out-of-state shipper may appoint one or more additional wholesalers to distribute spirits or wine within the territory

Beer

Wholesaler Permit (CGS § 30-17)
A manufacturer or out-of-state shipper may appoint one or more additional wholesalers to distribute beer within a territory for just and sufficient cause

Package Store (CGS § 30-20(a))
May sell all types of alcohol, but can only sell 16 other statutorily defined categories (e.g., cigarettes and cigars, lottery tickets, cheese, and alcohol mixers)

Grocery Store Beer (CGS § 30-20(b))
May only sell beer, and in order to receive a permit, must primarily be in the business of selling groceries

Consumers

If the manufacturer permittees annually produce less than 25,000 gallons then they may sell up to 1.5 liters to a consumer per day, up to five gallons in any two month period from their premises

If the manufacturer permittee annually produces less than 10,001 gallons of alcoholic liquor they can sell directly to retailers (self-distribute)
Figure 2: Manufacturer Permit for Wine

Manufacturer Permit for a Farm Winery (CGS § 30-16(e))
May only manufacture wine and brandy, which generally must be made with fruit of which at least 25% was grown on the farm

Wholesaler Permit (CGS § 30-17)
A manufacturer or out-of-state shipper may appoint one or more additional wholesalers to distribute spirits or wine within the territory

Package Store (CGS § 30-20(a))
May sell all types of alcohol, but can only sell 16 other statutorily defined things (e.g., cigarettes and cigars, lottery tickets, and alcohol mixers)

May sell directly to consumers who visit the farm and ship directly to consumers with requirements on labeling and having someone over age 21 sign for the wine, among others. Permittees may only ship up to five gallons in a two-month period

May also sell wine on the premises of wine manufactured by another in-state farm winery

Consumers
Manufacturers Permits for Beer, Brew pub, Beer and Brew Pub, and Farm Brewery (CGS § 30-16(b), -16(f), -16(g), and -16(h) as amended by PA 17-160)
May only manufacture beer, with the farm brewery required to use at least 25% of in-state ingredients in the first year and then 50% thereafter

Wholesaler Permit (CGS § 30-17)
A manufacturer or out-of-state shipper may appoint one or more additional wholesalers to distribute beer within a territory for just and sufficient cause

Package Store (CGS § 30-20(a))
May sell all types of alcohol, but can only sell 16 other statutorily defined categories (e.g., cigarettes and cigars, lottery tickets, cheese, and alcohol mixers)

Grocery Store Beer (CGS § 30-20(b))
May only sell beer, and in order to receive a permit, must primarily be in the business of selling groceries

Consumers

May self-distribute

May sell directly to consumers who visit the brewery, but are limited to selling nine liters per consumer per day

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