
OLR Bill Analysis

SB 263 (File 6, as amended by Senate "A")*

AN ACT CONCERNING CLUB PERMIT AND NONPROFIT CLUB PERMIT FEES.

SUMMARY

This bill reestablishes the club and nonprofit club alcoholic liquor permits and eliminates current provisions that allow these permittees to receive a cafe permit. PA 19-24, among other things, combined various permits for on-premises alcohol consumption into the cafe permit, including the club and nonprofit club permits. The bill allows cafe permittees who were issued their permit for a club or nonprofit club before July 1, 2021, to continue to hold the permit until it is due for renewal or until the replacement permit established by the bill becomes available.

The bill requires the Department of Consumer Protection (DCP) commissioner to refund a portion of the cafe permit annual fee paid by prior club and nonprofit club permittees between July 1, 2020, and July 1, 2021. Specifically, the commissioner must refund any amount that a prior holder of (1) a club permittee paid in excess of \$300 and (2) a nonprofit club permittee paid in excess of \$815. Under current law, the annual fee for a cafe permit is \$2,000.

The bill also makes various conforming and technical changes.

*Senate Amendment "A" replaces the underlying bill (File 6), which reduced the cafe permit annual fees for prior club and nonprofit club permits.

EFFECTIVE DATE: July 1, 2021, except the provision on refunds is effective upon passage.

CLUB PERMIT

The bill allows a club permittee to sell alcoholic liquor (e.g., spirits,

wine, or beer) at retail for consumption on the premises by members and their guests. The annual fee for a club permit is \$300.

Under the bill, clubs seeking a club permit are subject to the same requirements that current law provides for clubs seeking a cafe permit. Among other things, they must:

1. have been in existence for at least three years at the time of application or, in the case of national or international fraternal or social organizations, have been in Connecticut for at least one year;
2. file with DCP (a) upon request and by February 11 each year, a list of their members' names and addresses and (b) the names and addresses of new members within 10 days of their election;
3. have sufficient membership fees, dues, and other income (other than income derived from selling alcoholic beverages) to pay for their lease or any taxes, insurance, repairs, and mortgage interest on property they own; and
4. conduct their affairs through a board of directors, executive committee, or similar body chosen by members at an annual meeting.

NONPROFIT CLUB PERMIT

Under the bill, nonprofit club permittees are subject to the same requirements as under current law for cafe permits. Specifically, they may sell alcoholic liquor for consumption on the premises by members and their guests. They may also sell to others so long as the income they derive from doing so does not exceed 15% of their annual gross receipts. The annual fee for a nonprofit club permit is \$815.

COMMITTEE ACTION

General Law Committee

Joint Favorable
Yea 19 Nay 0 (02/02/2021)