

# OFFICE OF FISCAL ANALYSIS

Legislative Office Building, Room 5200  
Hartford, CT 06106 ◊ (860) 240-0200  
<http://www.cga.ct.gov/ofa>

sHB-6548

AN ACT CONCERNING THE DEPARTMENT OF CONSUMER PROTECTION'S RECOMMENDATIONS REGARDING ALCOHOLIC LIQUOR REGULATION.

## **OFA Fiscal Note**

### **State Impact:**

Agency Affected	Fund-Effect	FY 24 \$	FY 25 \$
Revenue Serv., Dept.	Various - Potential Revenue Gain	See Below	See Below
Resources of the General Fund	GF - Potential Revenue Gain	See Below	See Below
Consumer Protection, Dept.	Consumer Protection Enforcement Account - Potential Revenue Gain	See Below	See Below

Note: GF=General Fund; All Funds=All Funds; Various=Various

**Municipal Impact:** None

### **Explanation**

The bill makes various changes to the Liquor Control Act resulting in the potential revenue gains described below.

**Section 6** creates a new temporary auction permit for a fee of \$175 per day resulting in a potential revenue gain to the General Fund (GF) to the extent that these permits are issued.

Sec. 6 also results in a revenue gain to the state's sales tax by allowing the temporary auction permit to allow the sale of alcohol at auctions. The actual revenue gain in a given fiscal year will be dependent upon

Primary Analyst: ME  
Contributing Analyst(s): EW  
Reviewer: RP

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the number of auctions permitted and the total value of sales for that fiscal year.

**Sections 9 & 13** allow manufacturers of spirits to sell products at a farmers' market if they obtain a farmer markets permit resulting in a potential revenue gain to the GF if additional farmer market permits are applied for. The annual fee for the permit is \$250 with a \$100 nonrefundable filing fee.

Secs. 9 & 13 also result in potential revenue gain up to \$15,000 annually in the state's sales and alcoholic beverage taxes by allowing manufacturer permittees for spirits and beer to sell their products at farmers markets. Any revenue gain in taxes would be only to the extent that there is an increase in alcohol sales rather than a shift from currently allowed transactions for alcohol.

**Section 12** replaces several temporary and nonprofit permits with a temporary liquor permit for a noncommercial entity and raises the fee for some of these permits<sup>1</sup> resulting in a potential revenue gain to the GF to the extent these permits are issued. The fee for a temporary liquor permit for a noncommercial entity is \$50 per day.

**Section 14** results in a potential revenue gain in the state's sales and alcoholic beverage taxes by allowing manufacturer permittees that hold an out-of-state shipper's permit for beer to make certain types of sales at a festival. Any revenue gain in taxes would be only to the extent that there is an increase in alcohol sales rather than a shift from currently allowed transactions for alcohol.

**Section 15** creates a new civil penalty for a false statement on applications of up to \$1,000 per violation resulting in a potential revenue gain to the consumer protection enforcement account<sup>2</sup> to the extent

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<sup>1</sup> These permits currently range from \$25 to \$50 per day.

<sup>2</sup> The consumer protection enforcement account is a non-appropriated account used to fund positions dedicated to the enhanced enforcement of DCP licensing laws and regulations.

violations occur.

The bill also makes various changes to the consumer protection statute that are not anticipated to result in a fiscal impact to the state or municipalities.

***The Out Years***

The annualized ongoing fiscal impact identified above would continue into the future subject to the number of permits issued and inflation.