

OFFICE OF LEGISLATIVE RESEARCH
PUBLIC ACT SUMMARY



PA 23-50—sHB 6548
General Law Committee

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

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SUMMARY: This act makes various unrelated changes in the Liquor Control Act. Among other things, it does the following:

1. establishes (a) two temporary liquor permits, one for auctions and another for noncommercial entities (e.g., charities) and (b) an outdoor open-air permit;
2. conforms law with practice by allowing alternating proprietorships (i.e., sharing permit premises to produce alcoholic beverages) and contract manufacturing agreements (i.e., contracting to produce alcoholic beverages on behalf of another);
3. expands the farmers' market sales and festival permits to allow additional types of sales;
4. eliminates the sunset date for certain permittees for on-premises consumption to sell sealed containers of alcoholic liquor (e.g., beer, wine, or spirits) for off-premises consumption;
5. explicitly prohibits anyone assisting an applicant, backer, or permittee with a liquor permit application from submitting a false statement;
6. lowers, from six to four gallons, the minimum liquid capacity needed to be considered a keg and allows manufacturers to sell kegs;

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7. eases certain permit requirements, such as decreasing the frequency of certain cleanings and the prerequisites for renewal;
 8. requires the Liquor Control Commission to study the potential impact of requiring permittees to have liquor liability insurance; and
 9. makes various minor, technical, and conforming changes.
- EFFECTIVE DATE: Upon passage, unless otherwise specified below.

§§ 1, 8, 11, 14, 17, 21-22 & 28 — TEMPORARY LIQUOR PERMIT FOR NONCOMMERCIAL ENTITIES

Replaces several of prior law's permits that were temporary or related to nonprofits and charities with a new temporary liquor permit for noncommercial entities

The act replaces several of prior law's permits that were temporary or related to nonprofits and charities with a new temporary liquor permit for a noncommercial entity. Specifically, the act's new permit replaces and repeals the following: special club permit for picnics; temporary permit for outings, picnics, or social gatherings; charitable organization permit; nonprofit public television corporation permit; and nonprofit corporation permit (CGS §§ 30-25, -35, -37b, -37d and -37h).

Under the act, a noncommercial entity is an academic institution, charitable organization, government organization, nonprofit organization or similar entity that is not primarily dedicated to obtaining a commercial advantage or monetary compensation.

Nature and Duration of Permit

As under prior law for the replaced permits, the temporary liquor permit for a noncommercial entity is, among other things, revocable at the Department of Consumer Protection's (DCP) discretion and expires annually. The permit is purely a personal privilege and does not constitute property. By law, the application fee is \$10 for each application.

Notice and Placarding

By law, alcoholic liquor permit applicants must generally give notice of a new permit in the newspaper and place placards visible from the road that include certain information, such as the business's name and location. As under prior law for the replaced and repealed permits, the act exempts temporary liquor permittees for a noncommercial entity from these requirements.

Sales

The new permit allows the sale of beer, spirits, or wine at any fundraising event, outing, picnic, or social gathering ("event") conducted by a bona fide noncommercial entity, club, or golf country club. The act requires one of these entities to be the permit's backer (i.e., proprietor) and prohibits a for-profit entity from being the backer. The permit also allows for retail sales of beer, spirits, or

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wine at an in-person or online auction if the auction is part of a fundraising event to benefit the tax-exempt activities of the noncommercial entity, club, or golf country club.

Profits

Under the act, all profits from the auction or sale of the beer, spirits, or wine must be retained by the backer or permittee conducting the event. No portion of the profits may be paid, directly or indirectly, to any individual or other corporation.

Dates

The permit must be issued subject to DCP approval and is effective only for specified dates and times limited by the department. The combined total of events for which a permit is issued must not exceed 12 in any calendar year and the approved dates and times for each event must be displayed on the permit. The combined total of days for which the permit is issued must not exceed 20 days in any calendar year.

Hours of Sale

Under the act, each permit is subject to the hours of sale established under the allowable alcohol times and hours law for restaurants, among others. By law, with minor exceptions, these allowable hours are between 9:00 a.m. and 1:00 a.m. the next morning on Monday through Thursday, 9:00 a.m. and 2:00 a.m. the next morning for Friday and Saturday, and 10:00 a.m. and 1:00 a.m. the next morning on Sunday.

Permit

The permittee must display the permit and the days for which the permit has been issued in a prominent location next to the event entrance. The permit fee is \$50 per day.

Donations

The act allows a manufacturer permittee, a wholesaler permittee, or package store permittee to donate to a temporary liquor permittee for a noncommercial entity, any beer, spirits, or wine they manufacture, distribute, or sell, respectively.

Off-Site Farm Winery Sales and Wine, Cider, and Mead Tasting Permit

Prior law allowed an off-site farm winery sales and wine, cider, and mead tasting permittee to sell and offer free samples of their products at up to seven events or functions per year held under a temporary liquor permit, a charitable organization permit, or a nonprofit corporation permit. The act eliminates prior

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law's requirement that these events be held at charitable or nonprofit functions, and instead allows these permittees to hold up to seven off-site events at any location under certain circumstances.

Wholesaler Sales and Donations

Prior law prohibited wholesaler permittees from selling alcoholic liquor to a temporary permittee for outings, picnics, or special gatherings or to a charitable organization permittee. The act extends this wholesaler-related prohibition to the temporary liquor permit for noncommercial entities, which replaces the temporary permits mentioned above. As under existing law, these permittees must purchase alcoholic liquor only from package store permittees.

The act also allows wholesaler permittees to donate any beer, spirits, or wine to these permittees for which they hold distribution rights.

EFFECTIVE DATE: July 1, 2023

§§ 2 & 3 — ALTERNATING PROPRIETORSHIP AGREEMENTS

Allows host manufacturers, under certain conditions, to have a tenant manufacturer share or rent their permit premises to produce alcoholic beverages

The act conforms law with practice by allowing a host manufacturer and tenant manufacturer to enter into an alternating proprietorship agreement, but under certain conditions. Under the act, an “alternating proprietorship agreement” or “agreement” is a written agreement between a host manufacturer and at least one tenant manufacturer under which the host agrees to share permit premises with, or rent them to, a tenant manufacturer for producing alcoholic beverages.

Agreement Requirements

The act requires the agreement to provide the following:

1. if the host manufacturer is sharing the permit premises with the tenant manufacturer, the host or tenant must be deemed to be in exclusive control and possession of those portions of the permit premises that the respective manufacturer is actively using to produce and store alcoholic beverages under the agreement and
2. each manufacturer must separately hold title to all (a) ingredients, packaging supplies, and raw materials that he or she uses to produce alcoholic beverages under the agreement, all of which must be conspicuously labeled to identify which manufacturer possesses it, and (b) alcoholic beverages the manufacturer produces on the permit premises under the agreement, until the alcohol is removed.

The act specifies that these provisions must not be construed to prohibit a tenant manufacturer from purchasing ingredients, packaging supplies, or raw materials from the host manufacturer before the tenant manufacturer begins producing alcoholic beverages under the agreement.

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Separation Requirements

The act requires, during all stages of production, that each alcoholic beverage a manufacturer produces under an agreement be maintained (1) separately from those produced by other manufacturers and (2) in a way that makes the beverage's manufacturer readily identifiable.

Assumption of Risk of Loss

Under the act, each manufacturer assumes any risk of loss of an alcoholic beverage that he or she produces under a given agreement. The tenant manufacturer cannot return to the host any alcoholic beverage that he or she produces under the agreement.

Independence

The act requires each manufacturer that is party to an agreement to:

1. ensure the independence of his or her brands, marketing, product registrations, sales, and trademarks and
2. separately maintain control and responsibility over the alcoholic beverages he or she produces under the agreement, as well as the production quantity of, and formula development and quality control standards for, the alcoholic beverages.

The act specifies that this separation requirement does not preclude a tenant manufacturer from paying a host manufacturer for services rendered by a host manufacturer's employee for assisting the tenant manufacturer with any aspect of its operation.

Under the act, each manufacturer under an agreement must do the following:

1. maintain separate records on its production, sales, and any other matter the law requires;
2. file separate licensing, production, and sales reports with federal and state authorities as the law requires;
3. separately pay any alcoholic beverages tax due under the agreement;
4. be approved, licensed, or qualified by the federal Alcohol and Tobacco Tax and Trade Bureau (TTB) as required by federal law;
5. be responsible for obtaining the manufacturer's (a) certificates of label approval (i.e., federal certificate that authorizes the bottling of wine, distilled spirits, or malt beverages, for commerce purposes (27 C.F.R. § 4.10)); and (b) brand registrations from DCP; and
6. label each alcoholic beverage that it produces under the agreement with the manufacturer's business name and the address of the permit premises.

Prohibitions

The act prohibits any manufacturer who is a party to an agreement from being owned by anyone who owns another manufacturer that is also a party to the

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agreement, unless the manufacturers are producing different classes of alcoholic beverages.

The act specifies that the alternating proprietorship provision should not be construed to prohibit (1) multiple manufacturers from equally sharing the ownership or use of any permit premises or (2) an out-of-state manufacturer from entering into an alternating proprietorship agreement with a host manufacturer as a tenant manufacturer, if the out-of-state manufacturer applies for the relevant Connecticut manufacturer permit.

Regulations

The act allows DCP to adopt regulations to implement the alternating proprietorship provision.

EFFECTIVE DATE: October 1, 2023

§§ 2 & 4 — CONTRACT MANUFACTURING AGREEMENTS

Allows manufacturers to produce an alcoholic beverage on behalf of a contracting party (i.e., manufacturer, wholesaler, or certain out-of-state shipper's permittees)

The act conforms law with practice by allowing a primary manufacturer to produce alcohol on a contracting party's behalf on the manufacturer's permit premises under a contracting manufacturing agreement. Under the act, a "contracting party" is a manufacturer permittee, a wholesaler permittee, or an out-of-state shipper's permittee for alcoholic liquor that owns the recipe for an alcoholic beverage. A "contract manufacturing agreement" or "agreement" is a written agreement, including a custom crush agreement, in which a primary manufacturer agrees to produce an alcoholic beverage on behalf of a contracting party. A "custom crush agreement" is a contract manufacturing agreement where a primary manufacturer produces wine on a contracting party's behalf using the contracting party's grapes or other fruit.

Primary Manufacturer Responsibilities

The act requires the primary manufacturer to do the following under the agreement on the contracting party's behalf:

1. maintain, at all times during the agreement, exclusive control and possession of all premises where it produces alcoholic beverages;
2. have sole responsibility for producing all alcoholic beverages;
3. label all alcoholic beverages produced with its business name and address;
4. maintain title to (a) all ingredients that it uses during the production process unless the agreement is a custom crush agreement, (b) all machinery and supplies that it uses during the alcoholic beverage production process, and (c) each alcoholic beverage it produces until the alcoholic beverage is removed from its permit premises;
5. maintain appropriate production records on all alcoholic beverages it produces;

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6. obtain from the federal TTB any certificate of label approval required for an alcoholic beverage that it produces; and
7. file any state registration requirements for an alcoholic beverage that it produces.

The act also requires the primary manufacturer to pay any tax due on the alcoholic beverages it has produced for the contracting party. The act allows the agreement to require that the contracting party reimburse the primary manufacturer for the tax paid.

Inspections

Under the act, the primary manufacturer must also give DCP, upon inspection or request, an up-to-date list and copies of all contract manufacturing agreements to which it is a party and production records on the agreements. This information must be given to DCP in an electronic format unless it is commercially impractical.

Prohibitions

The act also prohibits (1) a primary manufacturer from selling at retail for off-premises consumption or at wholesale any alcoholic beverage it produces on behalf of the contracting party if a wholesaler permittee has the distribution rights for the alcoholic beverage, and (2) the contracting party from producing any alcoholic beverage on the primary manufacturer's permit premises.

Regulations

The act authorizes DCP to adopt regulations to implement these provisions.
EFFECTIVE DATE: October 1, 2023

§§ 2, 5, 9, 18 & 23 — TEMPORARY AUCTION PERMITS

Establishes a temporary auction permit to allow the permittee to sell alcohol through an auction; allows the alcohol to be obtained from individual collectors, package stores, and cancelled restaurant and cafe permittees

The act establishes a temporary auction permit that allows the permittee to hold an auction conducted by an auctioneer to sell beer, spirits, and wine obtained from one or more individual collectors, package store permittees, or cancelled restaurant or cafe permittees.

An "auctioneer" is anyone who (1) regularly provides professional services by auctioning items for sale and (2) does not hold an alcoholic liquor permit. An "individual collector" is anyone who is not a backer (i.e., proprietor); permittee; or a backer's director, officer, or employee.

The auction may be held in person or online during the hours that a retailer for off-premises consumption (e.g., package store) may sell alcohol under existing law (e.g., between 8:00 a.m. and 10:00 p.m. on Monday through Saturday and between 10:00 a.m. and 6:00 p.m. on Sunday, but not on Thanksgiving Day, Christmas, or

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New Year's Day).

Application

To get a permit, an auctioneer must apply to DCP, as the department prescribes, at least 60 days before the first day of the auction. The applicant must serve as the permit's backer. Each permit is valid for one auction and is effective for a period of up to three consecutive days. DCP may not issue more than four permits to an auctioneer in any given calendar year. The permit fee is \$175 per day.

Notice and Placarding, and Remonstrance

By law, alcoholic liquor permit applicants must generally publish notice about a new permit in the newspaper and place placards visible from the road that include certain information, such as the business's name and location. Additionally, any 10 individuals who are at least age 18 may object to an applicant's suitability or proposed location by filing a remonstrance (i.e., protest) with DCP who must then hold a hearing. The act exempts temporary auction permit applicants from the notice, placard, and remonstrance-related requirements.

Nature and Duration of Permit

Under the act, the temporary auction permit is, among other things, revocable at DCP's discretion and expires annually. The permit is purely a personal privilege and is not property.

Obtaining Alcohol

The act only allows the auctioneer to accept alcohol that was lawfully acquired by (1) an individual collector or (2) the specified permittees or cancelled permittees who purchased it from a wholesaler permittee. The alcohol must bear an intact seal from the alcohol manufacturer.

The act allows an individual collector, package store permittee, and cancelled restaurant or cafe permittee to sell or consign the alcohol to the auctioneer.

Unsold Consigned Alcohol

Under the act, all unsold consigned alcohol must be returned within 10 days after the auction's final day. The act generally prohibits unsold consigned alcohol from being resold, offered for sale, or used on the permit premises, except for those returned to a package store.

Exemptions

Under the act, alcohol sold at an auction under this permit is exempt from the state's brand registration and price posting requirements and the prohibition on

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selling below minimum retail cost. However, the act requires that a bid start above the minimum retail price requirement for package store alcohol.

Samples and Tastings

The act allows the permittee to offer free tasting samples of any alcohol that is to be sold at auction, if the permittee notifies DCP that it intends to do so at least 30 days before the auction's first day. The department must set the notification's form and manner. Tastings may only occur when a package store is allowed to sell alcohol. The act prohibits offering tastings (1) to any minor or intoxicated person or (2) from more than 10 uncorked or open cans or bottles at any one time.

Municipal Option

Under the act, any town or municipality may, by ordinance or zoning regulation, prohibit permittees from offering free samples at events or functions held in the town or municipality.

Shipping

The act allows permittees to deliver and ship directly to the consumer any alcohol purchased at the auction held under the permit. Any shipment to a consumer outside the state is subject to all applicable laws of the jurisdiction where the consumer is located. When shipping the alcohol directly to a Connecticut consumer, the permittee must:

1. ensure that the shipping label on each container states: "CONTAINS ALCOHOL—SIGNATURE OF A PERSON AGE 21 OR OLDER REQUIRED FOR DELIVERY";
2. obtain the signature of a person who is at least age 21 at the delivery address before delivery, after requiring the person to prove his or her age with a valid motor vehicle operator's license or valid identity card;
3. not ship this alcohol to any address in Connecticut where the sale of alcoholic liquor is prohibited by local option; and
4. make the shipment through an in-state transporter permittee.

Regulations

The act authorizes DCP to adopt regulations to implement the act's temporary auctioneer provisions.

EFFECTIVE DATE: October 1, 2023

§§ 2, 6, 13, 18 & 20 — OUTDOOR OPEN-AIR PERMITS

Establishes an outdoor open-air permit that is substantially similar to existing law's seasonal outdoor open-air permit, except it is valid year-round

Outdoor Open-Air Permit

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The act establishes an outdoor open-air permit that is substantially similar to existing law's seasonal outdoor open-air permit, except it is valid year-round. The new permit allows the retail sale of alcoholic liquor for on-premises consumption with a \$4,000 permit fee. This consumption is allowed on a lot, yard, green, or other outdoor open space under certain conditions, including where the:

1. retail sale and consumption of alcoholic liquor is allowed in the space by applicable local zoning, health, and fire marshal officials;
2. permitted premises is less than one square acre;
3. permitted area is enclosed by a temporary fence or wall at least 30 inches high; 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 on the premises when the permittee is selling the alcohol. The food may be prepared on the premises, provided by a food truck or caterer, or prepackaged. Making area menus for delivery available also complies with the food requirement. The act specifies that food does not have to be purchased with an alcoholic beverage.

The act allows tents, mobile units, and other temporary fixtures within the permitted premises. A permittee must maintain the permitted premises consistent with all applicable local zoning, health, and fire requirements.

Under the act, the permit is issued by DCP and limited to the hours of operation during which restaurant permittees are statutorily allowed to serve alcohol (generally 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))).

The act makes the outdoor open-air permit nonrenewable, and limits backers to one permit application per calendar year. It exempts the permittees from existing law's noticing, placarding, and remonstrance-related requirements, like it does for temporary auction permits (see above).

The act also allows the outdoor open-air permittee to sell draught beer for off-premises consumption (e.g., by the growler). Permittees may only sell up to four liters per person per day during the hours package stores can sell alcohol.

The act also makes a conforming change allowing a restaurant, cafe, or in-state transporter permittee to hold an outdoor open-air permit.

EFFECTIVE DATE: October 1, 2023

§ 7 — BEER OR WINE PIPELINE CLEANINGS

Decreases, from weekly to biweekly, how often certain permittees must clean beer or wine pipes and barrel tubes

Regulations require permittees to clean beer or wine pipes and barrel tubes used to dispense alcoholic beverages at least once a week (Conn. Agencies Regs., § 30-6-A23). The act requires DCP, by October 1, 2023, to amend these regulations to decrease the frequency of these required cleanings to once every two weeks. Under these regulations, the cleanings must be done with a hydraulic pressure mechanism, hand pump suction, a force cleaner, or any other DCP-approved system for this

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purpose. After cleaning the lines or tubes, they must be rinsed with clear water until all chemicals, if used to clean, are removed.

EFFECTIVE DATE: October 1, 2023

§§ 10, 15 & 19 — FARMERS' MARKET ALCOHOL SALES PERMIT

Expands the farmers' market sales permit to allow manufacturer permittees for spirits to sell their product at a farmers' market; allows manufacturer permittees for spirits and beer to offer free tastings of their product at farmers' markets

Spirits

By law, manufacturer permittees for beer; farm winery; and wine, cider, and mead may obtain a farmers' market sales permit allowing them to sell their product at farmers' markets. The act expands the farmers' market sales permit to also allow manufacturers of spirits to sell spirits at a farmers' market. It also makes a conforming change allowing these manufacturers to also hold the farmers' market sales permit by adding these permits to existing law's exemption for holding two permits.

Existing law allows these sales at the farmers' market if the permittee (1) has an invitation from the farmers' market; (2) only sells these products by the bottle or in sealed containers; and (3) is present, or has an authorized representative present, at the time of any sale. The permit authorizes the sale of these products during an unlimited number of appearances at a farmers' market and at up to 10 locations per year. Any town or municipality, by ordinance or zoning regulation, may prohibit the sale of these products at a farmers' market held in the town or municipality. The annual fee for the permit is \$250 with a \$100 nonrefundable filing fee.

Tastings

Existing law allows permittees for farm winery and wine, cider, and mead to sell and offer free tastings of their products at a farmers' market organized by a nonprofit. The act allows manufacturer permittees for spirits and beer to do the same.

§ 12 — ELIMINATION OF SUNSET DATE FOR CERTAIN PERMITTEES FOR ON-PREMISES CONSUMPTION TO SELL FOR OFF-PREMISES CONSUMPTION

Eliminates the sunset date for certain permittees for on-premises consumption to sell alcohol for off-premises consumption

The act eliminates the June 5, 2024, sunset date for the law that allows manufacturer, hotel, restaurant, club, nonprofit, and certain cafe permittees to sell and deliver sealed alcoholic liquor for off-premises consumption. Among other things, the law includes the following requirements:

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1. alcoholic liquor sold for off-premises consumption must be accompanied by food prepared on the permit premises;
2. sales must be consistent with all local ordinances where the premises is located;
3. containers, other than the manufacturer's original sealed container, must be securely sealed in a way that prevents consumption without removing the tamper-evident lid, cap, or seal;
4. sales and deliveries must be made (a) only during the hours package stores may operate under state law and (b) by the permittee's direct employee (or a third-party vendor or entity that holds an in-state transporter permit); and
5. sales must comply with specified per-customer, per-order limits (i.e., 196 ounces for beer, one liter for spirits, and 1.5 liters for wine).

EFFECTIVE DATE: July 1, 2023

§ 16 — FESTIVAL PERMITS

Allows (1) for-profit entities to sponsor festivals and (2) manufacturer permittees that hold an out-of-state shipper's permit for beer to make certain types of sales at a festival and ship directly to visitors

By law, a festival sponsor may organize and sponsor a festival in Connecticut by inviting eligible manufacturers to participate. The act allows Connecticut for-profit entities to be a sponsor if they are registered with the secretary of the state to do business in Connecticut and do not hold another alcoholic liquor permit. The act sets the permit fee at \$275 for these for-profit sponsors. Under existing law, unchanged by the act, a nonprofit entity festival sponsor's permit fee is \$75.

The act also removes a specific restriction on manufacturer permittees that hold an out-of-state shipper's permit for beer to make certain types of sales at a festival. Under the act, these permittees may now:

1. sell and directly ship alcoholic liquor to festival visitors who buy the alcohol at the festival, if allowed under its permit;
2. sell, at retail, bottles and other sealed containers of alcoholic liquor for consumption off the festival premises, subject to its permit limitations (e.g., three liters of spirits per day and nine gallons of beer per day); and
3. sell, at retail, alcoholic liquor by the glass or receptacle for consumption on the festival premises, so long as each glass or receptacle is embossed or permanently labeled with the festival's name and date.

By law, a festival permittee may sell or offer samples or tastings between 8:00 a.m. and 10:00 p.m. on Monday through Saturday, and between 10:00 a.m. and 6:00 p.m. on Sunday.

§ 17 — FALSE STATEMENTS

Prohibits anyone assisting an applicant, backer, or permittee with a liquor application from submitting a false statement; subjects violators to a civil fine of up to \$1,000 and a CUTPA violation

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The act prohibits anyone who assists an applicant, backer, or permittee in submitting a liquor permit application from submitting, or causing to submit, any false statement connected to the application. It also prohibits them from engaging in any conduct that delays or impedes DCP in processing the application. A violation is deemed a violation of the Connecticut Unfair Trade Practices Act (CUTPA).

The commissioner, after providing an opportunity for a hearing, may impose a civil penalty of up to \$1,000 per violation on anyone who violates this provision. He may also order the person to pay restitution to the applicant, backer, or permittee. Under the act, all civil penalties paid, collected, or recovered must be deposited in the consumer protection enforcement account, which DCP uses to enforce the licensing and registration laws it administers.

By law, CUTPA prohibits businesses from engaging in unfair and deceptive acts or practices. It allows the DCP commissioner to issue regulations defining an unfair trade practice, investigate complaints, issue cease and desist orders, order restitution in cases involving less than \$10,000, enter into consent agreements, ask the attorney general to seek injunctive relief, and accept voluntary statements of compliance. CUTPA also allows individuals to sue. Courts may issue restraining orders; award actual and punitive damages, costs, and reasonable attorney's fees; and impose civil penalties of up to \$5,000 for willful violations and up to \$25,000 for a restraining order violation.

EFFECTIVE DATE: July 1, 2023

§§ 18 & 26 — FIRE INSPECTIONS

Limits the requirement that liquor permit applicants submit fire safety-related documents to the initial application; specifies that completing the annual required fire inspection for permittees for on-premises alcohol consumption is not a precondition for permit renewal

Prior law generally required individuals applying for an alcoholic liquor permit or seeking a renewal to, among other things, submit documents establishing that certain building, fire, and zoning codes and ordinances related to hours or sale would be met. The act limits this requirement to the initial application only.

The act also specifies that completing the annual required fire inspection for permittees for on-premises alcohol consumption is not a precondition for permit renewal.

Regardless of the requirements of the local fire marshal's inspection law, the act requires a local fire marshal, deputy fire marshal, fire inspector, or other fire code inspector or fire investigator in a municipality, at least once per calendar year, to inspect all premises in the municipality that operate under a permit that allows for on-premises alcohol consumption.

EFFECTIVE DATE: October 1, 2023

§ 19 — PERMITTEE REQUIREMENTS

Requires permittees to be a backer's director, employee, member, officer, partner, or shareholder

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The act requires a permittee to be a backer's director, employee, member, officer, partner, or shareholder. For this purpose, an "employee" is an individual whose (1) manner and means of work performance are subject to the backer's control or right of control, and (2) compensation is reported, or required to be reported, on a federal Form W-2 issued by, or caused to be issued by, the backer.

§§ 24 & 25 — KEGS

Lowers, from six to four gallons, the minimum liquid capacity needed to be considered a keg to meet industry standards; allows manufacturer permittees for beer to sell kegs

Liquid Capacity

The act lowers the minimum liquid capacity needed to be considered a keg, from six to four gallons, to meet industry standards. As a result, more containers must follow keg identification requirements (see below). As under existing law, a keg must be a brewery-sealed individual container of beer.

Manufacturer Permittees for Beer

The act allows a manufacturer permittee for beer to sell kegs for off-premises consumption and extends existing law's requirements to these sales. As under existing law for package and grocery stores, the permittee must, at the time of sale, (1) place an identification tag on the keg; (2) require purchasers to sign a receipt; and (3) inform them that the deposit, if any, must be forfeited if the keg is returned without an intact and readable tag. The seller may inform buyers of this fact either verbally or by posting a conspicuous sign at the point of sale.

By law, the tag must be a numbered label DCP furnishes that clearly identifies the seller. It must be made and attached so that the beer manufacturer can easily remove it for keg cleaning and reuse. DCP may charge a reasonable fee, up to the actual cost, for supplying the tags and customer receipts.

The customer signature receipt must be a form provided by DCP stating the purchaser's name, address, driver's license number, or other identification set by regulation. The seller must keep a copy of all receipts on the premises and available for inspection and copying by department and criminal justice agencies for six months.

As under existing law, the act prohibits manufacturers from refunding a keg deposit if the keg (1) does not have the required identification tag or (2) has one that is defaced and unreadable.

Under the act, a manufacturer permittee who violates these provisions may have his or her permit revoked or suspended.

§ 27 — LIQUOR LIABILITY INSURANCE STUDY

Requires the Liquor Control Commission to (1) study the potential impact of requiring permittees to have liquor liability insurance and (2) report its findings to the General Law Committee

OLR PUBLIC ACT SUMMARY

The act requires the Liquor Control Commission to study the potential impact of requiring each person seeking a liquor permit or its renewal to attest that he or she has obtained liquor liability insurance. By January 1, 2024, the commission must report to the General Law Committee on the study.