



General Assembly

Substitute Bill No. 7183

January Session, 2019



AN ACT CONCERNING ALCOHOLIC LIQUOR WHOLESALER PERMITS.

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

1 Section 1. Section 30-17 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2019*):

3 (a) (1) A wholesaler permit shall allow the bottling of alcoholic
4 liquor and the wholesale sale of alcoholic liquor to permittees in this
5 state and without the state, as may be permitted by law, and the sale of
6 alcoholic liquors to vessels engaged in coastwise or foreign commerce,
7 and the sale of alcohol and alcoholic liquor for industrial purposes to
8 nonpermittees, such sales to be made in accordance with the
9 regulations adopted by the Department of Consumer Protection, and
10 the sale of alcohol and alcoholic liquor for medicinal purposes to
11 hospitals and charitable institutions and to religious organizations for
12 sacramental purposes and the receipt from out-of-state shippers of
13 multiple packages of alcoholic liquor. The holder of a wholesaler
14 permit may apply for and shall thereupon receive an out-of-state
15 shipper's permit for direct importation from abroad of alcoholic
16 liquors manufactured outside the United States and an out-of-state
17 shipper's permit for direct importation from abroad of beer
18 manufactured outside the United States. The annual fee for a
19 wholesaler permit shall be two thousand six hundred fifty dollars.

20 (2) When a holder of a wholesaler permit has had the
21 distributorship of any alcohol, beer, spirits or wine product of a
22 manufacturer or out-of-state shipper for [six] eighteen months or more,
23 such distributorship may be terminated or its geographic territory
24 diminished upon (A) the execution of a written stipulation by the
25 wholesaler and manufacturer or out-of-state shipper agreeing to the
26 change and the approval of such change by the Department of
27 Consumer Protection; or (B) the sending of a written notice by certified
28 or registered mail, return receipt requested, by the manufacturer or
29 out-of-state shipper to the wholesaler, a copy of which notice has been
30 sent simultaneously by certified or registered mail, return receipt
31 requested, to the Department of Consumer Protection. No such
32 termination or diminishment shall become effective except for just and
33 sufficient cause, provided such cause shall be set forth in such notice
34 and the Department of Consumer Protection shall determine, after
35 hearing, that just and sufficient cause exists. If an emergency occurs,
36 caused by the wholesaler, prior to such hearing, which threatens the
37 manufacturers' or out-of-state shippers' products or otherwise
38 endangers the business of the manufacturer or out-of-state shipper and
39 said emergency is established to the satisfaction of the Department of
40 Consumer Protection, the department may temporarily suspend such
41 wholesaler permit or take whatever reasonable action the department
42 deems advisable to provide for such emergency and the department
43 may continue such temporary action until its decision after a full
44 hearing. The Department of Consumer Protection shall render its
45 decision with reasonable promptness following such hearing.
46 Notwithstanding the aforesaid, nothing in this section shall prohibit
47 the holder of a wholesaler permit and a manufacturer or out-of-state
48 shipper permittee from agreeing on different terms regarding
49 termination or alteration of a distributorship agreement, including
50 allowing for termination by the manufacturer or out-of-state shipper
51 permittee on a different timeframe, with just and sufficient cause
52 pursuant to this section, provided that such agreement is in writing. [a]
53 A manufacturer or out-of-state shipper may appoint one or more
54 additional wholesalers as the distributor for an alcohol, spirits or wine

55 product within such territory, provided such appointment shall not be
56 effective until [six] three months from the date such manufacturer or
57 out-of-state shipper sets forth such intention in written notice to the
58 existing wholesaler by certified or registered mail, return receipt
59 requested, with a copy of such notice simultaneously sent by certified
60 or registered mail, return receipt requested, to the Department of
61 Consumer Protection. For just and sufficient cause, a manufacturer or
62 out-of-state shipper may appoint one or more additional wholesalers
63 as the distributor for a beer product within such territory provided
64 such manufacturer or out-of-state shipper sets forth such intention and
65 cause in written notice to the existing wholesaler by certified or
66 registered mail, return receipt requested, with a copy of such notice
67 simultaneously sent by certified or registered mail, return receipt
68 requested, to the Department of Consumer Protection. For the
69 purposes of this section, "just and sufficient cause" means the existence
70 of circumstances which, in the opinion of a reasonable person
71 considering all of the equities of both the wholesaler and the
72 manufacturer or out-of-state shipper warrants a termination or a
73 diminishment of a distributorship as the case may be. For the purposes
74 of this section, "manufacturer or out-of-state shipper" means the
75 manufacturer or out-of-state shipper who originally granted a
76 distributorship of any alcohol, beer, spirits or wine product to a
77 wholesaler, any successor to such manufacturer or out-of-state shipper,
78 which successor has assumed the contractual relationship with such
79 wholesaler by assignment or otherwise, or any other manufacturer or
80 out-of-state shipper who acquires the right to ship such alcohol, beer,
81 spirits or wine into the state.

82 (3) [Nothing contained herein shall be construed to interfere with
83 the authority of the] The Department of Consumer Protection [to retain
84 or] may adopt reasonable regulations concerning the termination or
85 diminishment of a distributorship [held by a wholesaler for less than
86 six months] consistent with the provisions of this section. Where a
87 wholesaler has held a distributorship for not more than eighteen
88 months, no change on the list of authorized distributors or wholesalers

89 of a manufacturer or out-of-state shipper shall be made, except after
90 fourteen days' prior notice to the department and, by certified or
91 registered mail, to all such authorized distributors or wholesalers
92 affected by such change that appear on the list of the particular
93 manufacturer or out-of-state shipper, as maintained by the
94 department. The department may adopt regulations consistent with
95 this section.

96 (4) All hearings held hereunder shall be held in accordance with the
97 provisions of chapter 54.

98 (b) A wholesaler permit for beer shall be in all respects the same as a
99 wholesaler permit issued pursuant to subsection (a) of this section,
100 except that the scope of operations of the holder shall be limited to
101 beer; but shall not prohibit the handling of nonalcoholic merchandise.
102 The holder of a wholesaler permit for beer may apply for and shall
103 thereupon receive an out-of-state shipper's permit for direct
104 importation from abroad of beer manufactured outside the United
105 States. The annual fee for a wholesaler permit for beer shall be one
106 thousand dollars.

This act shall take effect as follows and shall amend the following sections:

Section 1	July 1, 2019	30-17
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Statement of Legislative Commissioners:

In Subsec. (a)(3) technical changes were made for conformity with standard drafting conventions.

GL *Joint Favorable Subst.*