



General Assembly

January Session, 2019

Raised Bill No. 1140

LCO No. 7330



Referred to Committee on FINANCE, REVENUE AND
BONDING

Introduced by:
(FIN)

AN ACT CONCERNING WINE IMPORTATION.

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

1 Section 1. Section 30-18a of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2019*):

3 (a) (1) An out-of-state winery shipper's permit for wine shall allow
4 the sale of wine to manufacturer and wholesaler permittees in this
5 state as permitted by law and for those shippers that produce not more
6 than one hundred thousand gallons of wine per year, the sale and
7 shipment by the holder thereof to a retailer of wine manufactured by
8 such permittee in the original sealed containers of not more than
9 fifteen gallons per container. For purposes of this section, "wine" shall
10 include cider not exceeding six per cent alcohol by volume and apple
11 wine not exceeding fifteen per cent alcohol by volume.

12 (2) An out-of-state retailer shipper's permit for wine shall allow the
13 sale and shipment of wine directly to a consumer in this state.

14 (b) Subject to the provisions of this subsection, [an out-of-state
15 winery shipper's permit for wine] the permits under subsection (a) of
16 this section shall allow the sale and delivery or shipment of wine
17 manufactured or sold by the permittee directly to a consumer in this
18 state. Such permittee, when selling and shipping wine directly to a
19 consumer in this state, shall: (1) Ensure that the shipping labels on all
20 containers of wine shipped directly to a consumer in this state
21 conspicuously state the following: "CONTAINS ALCOHOL –
22 SIGNATURE OF A PERSON AGE 21 OR OLDER REQUIRED FOR
23 DELIVERY"; (2) obtain the signature of a person age twenty-one or
24 older at the address prior to delivery, after requiring the signer to
25 demonstrate that he or she is age twenty-one or older by providing a
26 valid motor vehicle operator's license or a valid identity card described
27 in section 1-1h; (3) not ship more than five gallons of wine in any two-
28 month period to any person in this state and not ship any wine until
29 such permittee is registered, with respect to the permittee's sales of
30 wine to consumers in this state, for purposes of the taxes imposed
31 under chapters 219 and 220, with the Department of Revenue Services;
32 (4) pay, to the Department of Revenue Services, all sales taxes and
33 alcoholic beverage taxes due under chapters 219 and 220 on sales of
34 wine to consumers in this state, and file, with said department, all sales
35 tax returns and alcoholic beverage tax returns relating to such sales,
36 with the amount of such taxes to be calculated as if the sale were in this
37 state at the location where delivery is made; (5) report to the
38 Department of Consumer Protection a separate and complete record of
39 all sales and shipments to consumers in the state, on a ledger sheet or
40 similar form which readily presents a chronological account of such
41 permittee's dealings with each such consumer; (6) permit the
42 Department of Consumer Protection and Department of Revenue
43 Services, separately or jointly, to perform an audit of the permittee's
44 records upon request; (7) not ship to any address in the state where the
45 sale of alcoholic liquor is prohibited by local option pursuant to section
46 30-9; (8) hold an in-state transporter's permit pursuant to section 30-19f
47 or make any such shipment through the use of a person who holds

48 such an in-state transporter's permit; and (9) execute a written consent
49 to the jurisdiction of this state, its agencies and instrumentalities and
50 the courts of this state concerning the enforcement of this section and
51 any related laws, rules, or regulations, including tax laws, rules or
52 regulations.

53 (c) The Department of Consumer Protection, in consultation with
54 the Department of Revenue Services, may adopt regulations in
55 accordance with the provisions of chapter 54 to assure compliance
56 with the provisions of subsection (b) of this section.

57 (d) A holder of [an out-of-state winery shipper's permit for wine] a
58 permit under subsection (a) of this section, when advertising or
59 offering wine for direct shipment to a consumer in this state via the
60 Internet or any other on-line computer network, shall clearly and
61 conspicuously state such liquor permit number in its advertising.

62 (e) (1) For purposes of chapter 219, the holder of [an out-of-state
63 winery shipper's permit for wine] a permit under subsection (a) of this
64 section, when shipping wine directly to a consumer in this state, shall
65 be deemed to be a retailer engaged in business in this state as defined
66 in chapter 219 and shall be required to be issued a seller's permit
67 pursuant to chapter 219.

68 (2) For purposes of chapter 220, the holder of [an out-of-state winery
69 shipper's permit for wine] a permit under subsection (a) of this section,
70 when shipping wine directly to a consumer in this state, shall be
71 deemed to be a distributor as defined in chapter 220 and shall be
72 required to be licensed pursuant to chapter 220.

73 (f) Any person who applies for an out-of-state winery shipper's
74 permit for wine or for the renewal of such permit shall furnish an
75 affidavit to the Department of Consumer Protection, in such form as
76 may be prescribed by the department, affirming whether the out-of-
77 state winery that is the subject of such permit produced more than one
78 hundred thousand gallons of wine during the most recently completed

79 calendar year.

80 (g) The annual fee for [an out-of-state winery shipper's permit for
81 wine] a permit under subsection (a) of this section shall be three
82 hundred fifteen dollars. The Department of Consumer Protection shall
83 not issue more than one hundred fifty out-of-state retail shipper's
84 permits under this section that are operative at any given time.

85 (h) As used in this section, "out-of-state" means any state other than
86 Connecticut, any territory or possession of the United States, the
87 District of Columbia or the Commonwealth of Puerto Rico, but does
88 not include any foreign country.

89 Sec. 2. Subsections (a) and (b) of section 12-436 of the general
90 statutes are repealed and the following is substituted in lieu thereof
91 (*Effective July 1, 2019*):

92 (a) (1) Each distributor of alcoholic beverages, before engaging in
93 such business, shall make application to the Commissioner of Revenue
94 Services, on forms to be prescribed and furnished by the
95 commissioner, for a distributor's license, which license, in case the
96 applicant has complied with all other laws of the state pertaining to
97 such business, shall authorize the manufacture and processing of
98 alcoholic beverages in this state and importation into this state of
99 alcoholic beverages and the sale within this state of such
100 manufactured, processed or imported beverages.

101 (2) The commissioner may [, in the commissioner's discretion,]
102 refuse to issue a license if the commissioner has reasonable ground to
103 believe that the distributor has wilfully made any false statement of
104 substance with respect to such application for a license, that the
105 distributor has neglected to pay any taxes due to this state or that the
106 distributor has been convicted of violating any of the alcoholic
107 beverages tax laws of this or any other state or the alcoholic beverages
108 tax laws of the United States or has such a criminal record that the
109 commissioner reasonably believes that such distributor is not a

110 suitable person to be issued a license, provided no refusal shall be
111 rendered under this subdivision except in accordance with the
112 provisions of sections 46a-80 and 46a-81.

113 (b) (1) No person, except a licensed distributor and railroad or
114 airline companies so far as they conduct such beverage business in cars
115 or passenger trains or airplanes, shall sell any alcoholic beverages in
116 this state or possess such beverages with intent to sell, unless such
117 beverages have previously been subject to the tax imposed by this
118 chapter.

119 (2) (A) Except as otherwise provided in this subdivision and
120 sections 30-18 and 30-18a, as amended by this act, no person shall ship,
121 transport or import alcoholic beverages into this state unless such
122 alcoholic beverages are delivered to a licensed distributor or to an
123 internal revenue or United States customs bonded warehouse under
124 regulations prescribed by the Commissioner of Revenue Services, or
125 are transported in bonded trucks to vessels in Connecticut ports for
126 export.

127 (B) [(i)] Any individual may import alcoholic beverages purchased
128 by such individual within the territorial limits of the United States,
129 including wine purchased by such individual within or from such
130 territorial limits and delivered or shipped to such individual, to an
131 amount not to exceed five gallons in any [sixty-day] two-month period
132 for such individual's own consumption. [, (ii) any]

133 (C) Any individual may import alcoholic beverages, whether or not
134 purchased by such individual, from outside the territorial limits of the
135 United States to an amount not to exceed five gallons in any three-
136 hundred-sixty-five-day period for such individual's own consumption.
137 [, and (iii) any]

138 (D) Any individual who has resided outside the United States for a
139 period of six months or more may, on one occasion and in conjunction
140 with the return of such individual's personal and household goods and

141 effects upon the termination of such foreign residency, import wine to
 142 an amount not to exceed one hundred gallons, of which not more than
 143 twenty gallons shall be of the same brand and spirits not to exceed ten
 144 gallons of which not more than two gallons shall be of the same brand,
 145 [, after making application in each such case]

146 (E) An individual importing alcoholic beverages under
 147 subparagraph (C) or (D) of this subdivision shall submit an application
 148 to the Department of Revenue Services and [presenting] present with
 149 the application a tax return prescribed by the Commissioner of
 150 Revenue Services and [reporting] report the taxes under this chapter
 151 and under chapter 219 for which the applicant is liable. Payment of
 152 such taxes shall accompany such application and tax return. A copy of
 153 the importation certificate issued by the Department of Revenue
 154 Services shall accompany each such shipment.

155 (3) The provisions of this section shall not apply to alcoholic
 156 beverages [which] that are actually brought into the state by any
 157 individual in quantities of four gallons or less.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2019</i>	30-18a
Sec. 2	<i>July 1, 2019</i>	12-436(a) and (b)

Statement of Purpose:

To permit an out-of-state winery shipper's permit holder to ship wine directly to a consumer in the state and establish a maximum number of such permits allowed to be operative at any given time.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]