

Legislative History for Connecticut Act

HB 5680 PA 82-332

House - 552, 4029-4083

Senate - 444, 3335-3343, 3377-3378

General Law - 217-231, 238-240, 245, 252-261,
287-289, 305-307, 312, 371

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CONNECTICUT
GEN. ASSEMBLY
HOUSE

PROCEEDINGS
1982

VOL. 25
PART 2
268-554

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552

House of Representatives

Monday, March 22, 1982

ENERGY AND PUBLIC UTILITIES: H.B. 5612, AN ACT CONCERNING THE IMPLEMENTATION OF THE LAW CONCERNING PASSIVE SOLAR DESIGN FOR SUBDIVISIONS.

The bill was then referred to the Committee on Appropriations.

GENERAL LAW: H.B. No. 5680, AN ACT CONCERNING REGULATION OF ALCOHOLIC BEVERAGES IN CONNECTICUT.

The bill was then referred to the Committee on Government Administration and Elections.

EDUCATION: H.B. No. 5917, AN ACT ESTABLISHING THE COMMUNITY, TECHNICAL, STATE COLLEGE AND THE UNIVERSITY OF CONNECTICUT LOAN AUTHORITY.

The bill was then referred to the Committee on Government Administration and Elections.

CLERK:

Favorable Reports.

Favorable Report of the Joint Standing Committee on Insurance on Substitute for House Bill 5102, AN ACT CONCERNING REAL ESTATE LISTING AGREEMENTS.

ACTING SPEAKER POLINSKY:

Tabled for the Calendar and printing.

CLERK:

Favorable Report of the Joint Standing Committee on Human Services on House Bill 5437, AN ACT EXTENDING THE TIME FOR A REPORT BY THE COMMITTEE STUDYING EDUCATION AND TRAINING PROGRAMS FOR PERSONS INVOLVED IN SERVING CHILDREN.

ACTING SPEAKER POLINSKY:

Tabled for the Calendar and printing.

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GEN. ASSEMBLY
HOUSE

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3825-4124

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House of Representatives

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DEPUTY SPEAKER FRANKEL:

The bill, as amended, is passed.

CLERK:

Page 10, Calendar 396, House Bill No. 5819, AN
ACT CONCERNING THE CLAIMS COMMISSIONER. Favorable
Report of the Committee on Judiciary.

REP. GROPPPO: (63rd)

Mr. Speaker.

DEPUTY SPEAKER FRANKEL:

Rep. Groppo.

REP. GROPPPO: (63rd)

May this bill be referred to the Committee on
Appropriations.

DEPUTY SPEAKER FRANKEL:

Is there objection? Is there objection. Hearing
none, it is so ordered.

CLERK:

Page 10, Calendar 405, Substitute for House Bill
5680, AN ACT CONCERNING REGULATION OF ALCOHOLIC BEVERAGES
IN CONNECTICUT. Favorable Report of the Committee on
Government Administration and Elections.

REP. CARRAGHER: (5th)

Mr. Speaker.

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DEPUTY SPEAKER FRANKEL:

Rep. Robert Carragher.

REP. CARRAGHER: (5th)

Mr. Speaker, I move acceptance of the Joint Committee's Favorable Report and passage of the bill.

DEPUTY SPEAKER FRANKEL:

The question is on acceptance and passage. Will you remark?

REP. CARRAGHER: (5th)

Mr. Speaker, the Clerk has an amendment, LCO No. 3341. I'd appreciate it if the Clerk would call, and if I'd be allowed to summarize.

DEPUTY SPEAKER FRANKEL:

The Clerk has an amendment, LCO No. 3341, designated House "A". Would the Clerk please call the amendment.

CLERK:

LCO No. 3341, offered by Rep. Carragher of the 5th District, Rep. Walkovich of the 109th District, entitled AN ACT CONCERNING REGULATION OF ALCOHOLIC BEVERAGES IN CONNECTICUT.

DEPUTY SPEAKER FRANKEL:

The gentlemen seeks permission of this Chamber to summarize in lieu of Clerk's reading. In there

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DEPUTY SPEAKER FRANKEL:

Rep. Robert Carragher.

REP. CARRAGHER: (5th)

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DEPUTY SPEAKER FRANKEL:

The gentlemen seeks permission of this Chamber to summarize in lieu of Clerk's reading. In there

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objection? Hearing none, you may proceed, sir.

REP. CARRAGHER: (5th)

Mr. Speaker and members of the House, this amendment imposes minimum penalties for selling alcoholic liquor to minors. The person who does so when the minor is not within the exemption, that is, an employee of the store, is subject to certain minimum penalties.

Those are \$250 for first offense, \$500 for a second offense, suspension of permit for five days for a third offense, suspension of permit for 10 days for a fourth offense, and permit revocation for a fifth offense.

Also, it changes the penalty from a fine of \$100 to an infraction. Fines are frequently not imposed, making it an infraction should make it more likely that the penalty will be imposed. It prohibits minors from being in package stores if not accompanied by a parent or guardian, and would be subject to the penalties of Section 30-113, and a fine of not more than \$1,000 or up to a year imprisonment.

Mr. Speaker, I move adoption.

DEPUTY SPEAKER FRANKEL:

The question is on adoption of House Amendment

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Schedule "A". Will you remark on its adoption?

REP. CARRAGHER: (5th)

Mr. Speaker.

DEPUTY SPEAKER FRANKEL:

Rep. Carragher.

REP. CARRAGHER: (5th)

I believe that the amendment is self-explanatory. I would, however, point out that the fines and penalties that I have described which are in this amendment, is simply putting into statute exactly the minimum penalties and fines which are now imposed by the Liquor Control Commission. So, the bottom line is that this won't change the penalty situation, but simply put into statute what they are now doing.

Number three, that I mentioned with regard to prohibiting minors from being in package stores unless accompanied by a parent or guardian, simply puts into statute exactly what the statutory situation is with regard to bars at the present time. So, it just brings package stores into conformity with bars.

DEPUTY SPEAKER FRANKEL:

Will you remark further on the adoption of House Amendment Schedule "A"?

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REP. VAN NORSTRAND: (141st)

Mr. Speaker.

DEPUTY SPEAKER FRANKEL:

Rep. Van Norstrand.

REP. VAN NORSTRAND: (141st)

Through you, just a question on the last item that Rep. Carragher talked about, lines 53 and 54. In a package store, an every day example. A newsboy delivers the paper. He's not allowed to be in a package store? Through you.

DEPUTY SPEAKER FRANKEL:

Rep. Carragher.

REP. CARRAGHER: (5th)

Through you, Mr. Speaker. The answer is yes, you are correct, Rep. Van Norstrand, and I would embellish on that answer to say that the package store industry feels that there are some negatives with putting this into the law such as that. However, on balance they support putting this into the statute for the simple reason that they have apparently considerable problems with young people coming into the package stores and doing some shop lifting.

So, on balance, they have in fact asked for this

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provision to be put into the law.

REP. VAN NORSTRAND: (141st)

Through you, Mr. Speaker. So I gather that the philosophy prevailing in the same kind of thing for other every day examples -- a person over the age of 19 but not the parent or guardian of someone just brings a friend who is under, in to buy a six pack of beer. They can lawfully do it and they are accompanied by someone. That's a violation of this if this amendment passes?

REP. CARRAGHER: (5th)

Through you, Mr. Speaker. If they are accompanied by someone under 19, but they are over 19 but they're not the parent or guardian.

REP. VAN NORSTRAND: (141st)

A boy and a girl, how about that?

DEPUTY SPEAKER FRANKEL:

Rep. Carragher, will you respond?

REP. CARRAGHER: (5th)

That's a good idea. I would say, technically the answer's yes.

REP. VAN NORSTRAND: (141st)

Mr. Speaker, I understand I guess what Rep. Carragher's talking about, but we've been through a long

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debate earlier in the day about laws that don't get obeyed. I think this amendment would have been a lot stronger or more palatable, I guess, if you had some reasonable escape clause. And I don't suggest the language, I just looked at this amendment, but it seems to me to do something you know is going to be violated routinely and then to selectively enforce it is a bad way to pass laws.

REP. TRIPP: (90th)

Mr. Speaker.

DEPUTY SPEAKER FRANKEL:

Will you remark further? Rep. Tripp.

REP. TRIPP: (90th)

Through you, Mr. Speaker. A question to the proponent of the bill.

DEPUTY SPEAKER FRANKEL:

Please state your question, sir.

REP. TRIPP. (90th)

Thank you. Could you please describe to me what has happened in recent history where we now allow package stores to not only sell alcoholic beverages but snacks, soda and cigarettes. If a teenager went in there to purchase any of these, they then would be in violation

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of this?

DEPUTY SPEAKER FRANKEL:

Rep. Carragher, would you respond, sir.

REP. CARRAGHER: (5th)

The answer is yes.

REP. TRIPP: (90th)

Supposedly, through you, Mr. Speaker.

DEPUTY SPEAKER FRANKEL:

Rep. Tripp.

REP. TRIPP: (90th)

What would happen if the teenager were returning empty bottles, and this is the only redemption center in the area? He then, again, would be in violation of this?

DEPUTY SPEAKER FRANKEL:

Rep. Carragher.

REP. CARRAGHER: (5th)

He would be in violation, sir, unless he was accompanied by a parent or a guardian, which is exactly what the amendment says.

REP. TRIPP: (90th)

Thank you. Mr. Speaker, I appreciate the intent of this legislation, but the practical application is

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a little unrealistic at this point in time. I can understand that the teenager would be in violation and also that the package store owner would be in violation, but enforcement of this seems slightly unrealistic with the leniency we've given the package stores and what they can sell, and also in the fact that we have made them redemption centers for our Bottle Bill.

Thank you.

DEPUTY SPEAKER FRANKEL:

Will you remark further on the adoption of House Amendment Schedule "A"? Will you remark further on its adoption? If not, all those in favor, please signify by saying aye.

REPRESENTATIVES:

Aye.

DEPUTY SPEAKER FRANKEL:

Those opposed nay.

REPRESENTATIVES:

Nay.

DEPUTY SPEAKER FRANKEL:

The Chair is in doubt. I'll try your minds again. All those in favor, please signify by saying aye.

REPRESENTATIVES:

Aye.

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DEPUTY SPEAKER FRANKEL:

Those opposed, nay.

REPRESENTATIVES:

Nay.

DEPUTY SPEAKER FRANKEL:

The nays clearly have it. House "A" fails.

House Amendment Schedule "A".

After line 596, insert sections 12, 13 and 14 as follows and renumber the remaining sections accordingly?

"Sec. 12. Section 30-86 of the general statutes, as amended by sections 3 of public act 82-68, is repealed and the following is substituted in lieu thereof:

(a) Any permittee who, by himself, his servant or agent, sells or delivers alcoholic liquor to any minor, or to any intoxicated person, or to any habitual drunkard, knowing him to be such an habitual drunkard, and any person, except the parent or guardian of a minor, who delivers or gives any such liquors to such minor, except on the order of a practicing physician, shall be subject to the penalties of section 30-113. The provisions of this section shall not apply to a sale or delivery made to a person over age eighteen who is an employee or permit holder under section 9 of (this act) PUBLIC ACT 82-68 and where such sale or delivery is made in the course of such person's employment or business.

(b) ANY PERMITTEE WHO, BY HIMSELF, HIS SERVANT OR AGENT, VIOLATES THE PROVISIONS OF THIS SECTION BY SELLING OR DELIVERING ALCOHOLIC LIQUOR TO ANY MINOR SHALL BE SUBJECT TO THE FOLLOWING MINIMUM PENALTIES: FOR A FIRST OFFENSE, A FINE OF TWO HUNDRED FIFTY DOLLARS; FOR A SECOND OFFENSE, A FINE OF FIVE HUNDRED DOLLARS; FOR A THIRD OFFENSE, SUSPENSION OF PERMIT FOR FIVE DAYS' FOR A FOURTH OFFENSE, SUSPENSION OF PERMIT FOR TEN DAYS; AND FOR A FIFTH OFFENSE, PERMIT REVOCATION.

Sec. 13. Section 30-89 of the general statutes, as amended by section 7 of public act 82-68, is repealed and the following is substituted in lieu thereof:

Any person to whom the sale of alcoholic liquor is by law forbidden who purchases or attempts to purchase such liquor or who makes any false statement for the purpose of

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procuring such liquor, and any minor who enters a tavern, except a person over age eighteen who is an employee or permit holder under section 9 of (this act) PUBLIC ACT 82-68, shall be (fined not more than one hundred dollars) GUILTY OF AN INFRACTION.

Sec. 14. Section 30-90 of the general statutes, as amended by section 8 of public act 82-68, is repealed and the following is substituted in lieu thereof:

Any permittee who, by himself, his servant or agent, permits any minor or any person to whom the sale of gift of alcoholic liquor has been forbidden according to law to loiter on his premises where such liquor is kept for sale, or allows any minor other than a person over age (eighteen) EIGHTEEN who is an employee or permit holder under section 9 of (this act) PUBLIC ACT 82-68 or a minor accompanied by his parent or guardian, to be in any room where alcoholic liquor is served at any bar OR IN A PACKAGE STORE, shall be subject to the penalties of section 30-113."

DEPUTY SPEAKER FRANKEL:

Will you remark further on this bill? Will you remark further?

REP. CARRAGHER: (5th)

Mr. Speaker.

DEPUTY SPEAKER FRANKEL:

Rep. Carragher.

REP. CARRAGHER: (5th)

Mr. Speaker, speaking to the bill, this bill would substantially deregulate the Liquor Control Commission by eliminating from its jurisdiction authority to promulgate regulations in regard to business practices, and also by restricting the Commission from issuing regulations

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in regard to requiring prior approval of alterations or changes of permit premises, requiring registration of employees or agents of permittees, requiring prior approval for live entertainment or the installation of amusement devices or games, requiring the permittee to be present on retail premises and prohibiting employment of a retailer in another occupation, unless it's prohibited by statute, Section 30-45, which would be police officer, a judge, something of that nature. Therefore, although the Commission will be reauthorized under the Sunset Statute, it will be structured in such a way as to significantly reduce its regulatory authority. Section 5(b) of this bill addresses the issue of credit.

Presently the Credit Law mandates that a wholesaler of alcoholic liquor notify the Department of Liquor Control of any retailer who has not an invoice within 30 days. Upon receiving this information, the Department of Liquor Control assigns the retailer's liquor permit to a hearing. Currently, on the average, the Department receives 500 to 600 complaints a month from wholesales. The credit section of this bill would relieve the Department from conducting hearings on delinquent retailers, and subsequently eliminate all the paperwork attached to such hearings. This bill simply puts the Credit Law on a self-enforcing basis, and basically takes the State of Connecticut out of the credit business. This particular

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system, is presently in effect in the State of New Jersey, and is operating very, very successfully.

In addition, the bill would alter the requirements for sworn permit application by eliminating the requirement for citizenship and the listing of each bartender, and instead requiring a financial statement detailing any business transaction related to the application, a statement listing any convicted crimes of the applicant, and documentation that all state and local building fire and zoning requirements and local ordinances will be met.

This will eliminate the need for extensive background investigation by the Department of Liquor Control, and consequently result in savings by this department.

The bill would also eliminate current limitations on bottle sizes sold by package stores, eliminating the current law that stores may not sell alcoholic liquor except wine or cordials in bottles less than eight ounces, and bottle sizes of liquor purchased by hotels, restaurants, clubs, and golf and country clubs for resale.

Mr. Speaker, it would be my intention now to go through this bill by section, explaining what each of the sections does, so that there's a clear understanding

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of exactly what it is we're doing here today.

Section 1, reestablishes the Department of Liquor Control. However, it deregulates certain powers of the Department of Liquor Control by prohibiting the Department from promulgating regulations in the following areas: prior approval for physical changes in the interior or exterior of a permit premise, prior approval for live entertainment or amusement games, annual registration of employees on the wholesale and retail level, required presence of permittees at the permit premise and prohibiting employment in another occupation, except for Section 30-45, which I mentioned before, judges, policemen, that sort of thing.

Section 2. Section 2 deregulates entirely the prohibition against certain container sizes of alcoholic liquor sold in package stores.

Section 3 allows a permit holder one additional store location with the approval of the Department of Liquor Control.

Section 4 deregulates the requirement that the Department of Liquor Control investigate each and every application for a liquor permit, requests more information from the applicant so the Department of Liquor Control

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can better determine it should investigate and which it should not.

Section 5 deregulates the involvement of the Liquor Control in the operation of the Thirty Day Credit Law. As I previously stated, no longer will the state conduct hearings on delinquent retailers, and it creates the New Jersey system I mentioned before, whereby the Credit Law is self-enforcing and the Department of Liquor Control only acts when the mandated procedure is violated.

Section 6 simply was added by the Legislative Commissioner's Office for clarity because it defines the term "retail permittee".

Section 7 is additional deregulation in that it allows all on and off premise permit holders to go out of their territory if the price is lower, or the present wholesaler is out of stock. I've been asked by members exactly what those terms mean as far as on premise and off premise. On premise basically is a bar or cafe. Off premise basically is a package store.

Section 8 deregulates the requirement that a pharmacist obtain a certificate of fitness from the Pharmacy Board before obtaining a drugstore liquor permit.

Section 9 deregulates entirely the prohibition

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against certain container sizes of alcohol sold in restaurants, clubs, golf and country clubs and hotels.

Section 10 sunsets the Department of Liquor Control on July 1, 1987.

Section II, the Director of Personnel and Labor Relations for the Department of Administrative Services are mandated to review and devalue the compensation package of the members of Liquor Control Commission and report findings to the General Assembly on or before January 15, 1983.

Now the reason for that provision, section II in this bill is that because of the massive deregulation of the Liquor Control Commission which will be accomplished by the passage of this bill, we felt that we should now take a very hard look at how much we are paying the three Liquor Control Commissioners because their duties now will be significantly reduced.

We want to check to see how much money they really ought to be paid under this new situation.

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Section 12 deregulates the requirement that bartenders obtain a certificate from the Department of Liquor Control.

Section 13 is simply the effective date of this bill, which is July 1, 1982.

Mr. Speaker, and members of the House, that is an explanation of this legislation.

I would simply point out that this bill has traveled from the Program Review and Investigations Committee where it had extensive work done to it, to the General Law Committee where there was extensive work done on it, where there was a public hearing on it.

And on through the Government Administration and Elections Committee to reach the floor of this House today.

I think that the deregulation that's involved in this bill makes good common sense.

I think it's clear that the Department of Liquor Control was involved in many areas in which they didn't have to be involved.

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I think that this legislation is probably going to be a considerable savings to the State of Connecticut, while still maintaining the kind of control of this multi-million dollar industry that I happen to believe is essential and necessary.

For all of these reasons, Mr. Speaker, I would move passage of this legislation.

Thank you.

DEPUTY SPEAKER FRANKEL:

Will you remark further on this bill?

REP. MANNIX: (142nd)

Mr. Speaker.

DEPUTY SPEAKER FRANKEL:

Rep. Mannix.

REP. MANNIX: (142nd)

Mr. Speaker and ladies and gentlemen of the House, this is certainly an expensive piece of legislation and apparently it is based as the previous speaker indicated on the recommendation of Legislative Program Review and Investigation. This report here in 1982 and a quick purusal of this indicates that they estimated a savings of approximately \$500,000 if the programs and the changes were adopted.

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We see here, I think, only a partial response to this recommendation, or recommendations by Program Review. One of the recommendations that appeared is that we do away with the connection as we now have it and move the whole operation under the Department of Consumer Protection, which the Appropriations Committee attempted to do several years ago. It passed the Appropriations Committee if you remember was reconsidered the next day and then that concept was killed.

The three Commissioners would be done away with and it would be, I believe, five commissioners, non-paid. There's no fiscal note on this bill. Rep. Carragher indicated tht there would be some saving and I believe that there ought to be a fiscal note on this bill and I would, therefore, through you, -- excuse me, we have one here.

I withdraw that. It wasn't attached to the bill and I didn't see it. It would appear to me that, if I may continue, it would appear to me that we did not go far enough and we did not live up to follow many of the recommendations of Program Review. I won't go through the bill step by step, but I think that many many items were changed, the control was reduced, the money is apparently

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and I haven't had a chance to read the fiscal note, hopefully will be saved.

I guess it says here, no I can't -- but because we haven't gone far enough in my opinion, I'm going to vote against this measure.

REP. HARPER: (24th)

Mr. Speaker.

DEPUTY SPEAKER FRANKEL:

Rep. Joseph Harper.

REP. HARPER: (24th)

Thank you, Mr. Speaker, speaking as the House Co-Chairman of the Program Review and Investigations Committee, I do rise in support of bill. As Rep. Mannix has pointed out, the bill, obviously, does not recommend all the recommendations in the published report of the Committee.

I want to say though, in response to some of his concerns, the projected fiscal savings as represented by the report in its most concrete form would have been the savings that would have resulted from removing the commissioners and other expenses associated with the activity of the commissioners. Beyond that, the -- and that would have been roughly \$100,000. The remainder of

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the \$500,000 was speculative based on if you reduce your amount of regulatory activities, you do not need the same number of positions in the department to carry on a reduced function. Now, it's my understanding and Rep. Carragher certainly could speak for the General Law Committee that in going along with a number of our recommendations that would, in fact, deregulate the intent of the General Law Committee was rather than a reduced staff, use staff to do better complaint enforcement.

One of the points, the committee, our committee, Program Review uncovered during our public hearing was that there's a considerable amount of concern particularly by cafe owners that there is not an equitable application of enforcement of regulations that are violated by cafe and restaurant owners. The response from the Commission was, given all the other mandates and responsibilities, they are not able admittedly to send out investigators on every complaint that comes in, therefore, the appearance occurs that some complaints are investigated.

Well, the fact is that some are some are not. The appearances on the ones that are and the ones that are not are the result of political favoritism. We had statements to the effect before our committee, that yes there is

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favortism. Therefore, I have been told and it was stated to me by members of General Law that they're not recommending a staff reduction and even though they are going along with regulatory reductions, the intent is to do better complaint enforcement.

It was, of course, my desire through this debate since it has left the Program Review Committee, the debate with General Law, the debate with the GAE Committee to have seen the commission dismantled and have the executive responsibility carried out by a non-political administrator. That has not occurred. I am not prepared today here to enter any more amendments to this which I did enter in the GAE Committee to the support of Rep. Ossler and we had very, very little support to bring the bill before you back into compliance with some of the other recommendations that you mentioned.

But, again, I want to say that I think the bill goes along way in deregulating liquor and as it stands before us today, I do support it because I'd say two-thirds of a loaf are better than none. Through you, Mr. Speaker, I have one question of clarification and legislative intent to ask Rep. Carragher.

DEPUTY SPEAKER FRANKEL:

Please state your question, sir.

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REP. HARPER: (24th)

Rep. Carragher, relative to your comments on what this bill does with the credit law, I believe you did say the intent of the bill is to essentially get the Commission and staff out of the business of collecting bills for the Liquor industry and only adjudicate where there is a non-compliance with a mandatory process set up. Therefore, it is the intent that less staff time be spent on the enforcement of credit.

DEPUTY SPEAKER FRANKEL:

Rep. Carragher, would you respond.

REP. CARRAGHER: (5th)

Through you, Mr. Speaker. The description you have given of our intent, Rep. Harper, is absolutely correct and the answer to your question is yes.

REP. HARPER: (24th)

Thank you. I have no other questions, Mr. Speaker.

DEPUTY SPEAKER FRANKEL:

Will you remark further.

REP. ZAJAC: (83rd)

Mr. Speaker.

DEPUTY SPEAKER FRANKEL:

Rep. John Zajac, Jr.

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REP. ZAJAC: (83rd)

Yes, Mr. Speaker. I rise to support the bill and add a few comments. As the General Law Committee sat in conference in public hearing to meditate over what the Program Review Committee had sent over, we also found that some of the savings that were anticipated by Program Review, perhaps, would not be found in reality. One that comes to mind was the registration of private brand labels.

If, for instance, that was eliminated as Program Review had suggested, that would not only have not saved any money, that would have done just the opposite, in fact that would have lost revenues for the state as generated by the Commission.

As a matter of fact Hueblein Company of Hartford who is a local distiller and distributor of liquor alone accounted for a lot of the revenues as they have several brand registrations and others. It's also a protection by brand for any manufacturer as a patten type of thing that no one else could duplicate. But as we looked at that and several other things we found that if we accepted those suggestions, we would, in fact, we losing revenues for the state rather than the savings that were tacked

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as saving \$500,000 as saving by deregulating. So, we did what we thought we had to do, yet, we left in place what we thought produced enough revenues to support the Liquor Commission.

It probably smacks as yesterday's bill of insurance where we deregulated or to the tune of some people spoke to as a semi-deregulation and perhaps this fits that shoe also. And very often, I'd point out, what happens is everybody recommends some state agency being tucked into the umbrella of consumer protection and when you ask Mary Heslin what she thinks about all these things, I think, she would say that it would probably end up with one super agency, the Consumer Protection Agency if we took all the recommendations over the last four to six years and end up putting everything there.

We have in fact, as you know put boxing in there, we have put pharmacy in there as we ripped that out of the Health Department where it once was and we continue to enlarge her department without usually giving her the the staff and the regulatory inspection staff to inspect those various departments.

So, we did what we, we accepted what Program Review sent over and ran extra hearings and came up with

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this sort of compromise deregulation bill and I'd advocate your support for this bill.

REP. VAN NORSTRAND: (141st)

Mr. Speaker.

DEPUTY SPEAKER FRANKEL:

Rep. Van Norstrand.

REP. VAN NORSTRAND: (141st)

Thank you, Mr. Speaker. I, too, I guess echo some of the sentiments of Rep. Zajac and the proponent. I'm glad to see the section in 1B which I know the recommendation is a product of the report from Program Review about some of the regulations that have always struck me as unnecessary. I could have done better without section 10b in the bill, but be that as it may.

I did have, however, one brief question if I might of the proponent. Through you, Mr. Speaker, starting really at the bottom of page four, line 162 and running up the next three lines, the requirements, evidencing requirements when applying for a permit of state and local building, fire, zoning and local ordinances, my recollection of the Liquor Commission applications that there are sub-sections of the application wherein you get the fire marshall to sign off and someone else to sign off,

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that's all that's intended. Is it just the problem that there never has been language to authorize requiring it.

DEPUTY SPEAKER FRANKEL:

Rep. Carragher, will you respond.

REP. CARRAGHER: (5th)

Let me try to answer the question this way, Rep. VanNorstrand. What we have attempted to do here is to in fact, require more information from the applicant now than we have in the past. What we have done is we have removed the requirement and the law that stands now that the commission must investigate all applicants. Now, we're saying they may investigate. The hope being that that will cut down their work load so that they will only investigate those that they think they have to investigate.

But we've asked for additional information in that language to make sure that they make a better and good judgement as to who they should and should not investigate.

DEPUTY SPEAKER FRANKEL:

Rep. Van Norstrand.

REP. VAN NORSTRAND: (141st)

Through you, Mr. Speaker, but historically the Liquor Commission application forms have always had a section where the fire marshall had to sign off that the place was safe, the town clerk had to sign off that you

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were a voter and what the hours for serving were in that particular town. I'm just asking is that all that's being done here is to provide statutory language that was missing before.

DEPUTY SPEAKER FRANKEL:

Rep. Carragher.

REP. CARRAGHER: (5th)

Well, the answer is yes, but I also think we're requiring some additional financial information. That kind of thing.

REP. VAN NORSTRAND: (141st)

I saw that, through you, Mr. Speaker, up on 154, 157 on down. I wasn't referring to that. I'm just trying to confirm why the presence of this language.

DEPUTY SPEAKER FRANKEL:

Will you remark further.

REP. OSLER: (150th)

Mr. Speaker.

DEPUTY SPEAKER FRANKEL:

Rep. Dorothy Osler.

REP. OSLER: (150th)

Serving on the Program Review Committee too, as Rep. Harper did, I'm very happy to see this bill come out

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even if it's only half a loaf or two-thirds of a loaf. And I hope you will give it your support. I truly hope that what Rep. Carragher has said on page 9 of the bill line, well starting probably at the top of the page, line 355 and on down with regard to reporting overdue bills where a wholesaler is permitted to give a retailer 30 days credit that that indeed is taking the state out of the credit business.

I'm not quite as convinced as Rep. Carragher is that he's truly doing it because they're getting all kinds of reports and they're sitting in and holding hearings and so forth, but we will watch how that works out. I know that, indeed, it does cut down on the administrative time and the office time spent by our very highly paid Liquor Commissioners who earn a rather nice salary and are an appointment by the Executive Branch which offends on there or whoever and work a couple of days a week and come out rather well for it.

I had -- I would had preferred that even though Consumer Protection might have gotten to be a so called super agency, that this might have fitted under there rather well along with a number of the other regulatory things we do have. But since that does not seem to be so,

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I will not make a big fuss about that. The credit I think is the big thing I think to get the state out of being the bill collector for the wholesalers. There are only in the area of 10 to 20 wholesalers, beer and hard liquor in the state.

And it certainly is not difficult for them to notify each other of who are the bad credit risks and who is getting over their head as far as borrowing money to purchase stock to be sold in the stores and restuarants. I think the number of liquor permits, number 52 different kinds of permit has not been dealt with in this bill at all and the Program Review Committee did think that 52 was a few more than necessary probably in our small state.

But we had asked the Liquor Commission to come up with some suggestions as to how they could cut down that number of 52 separate kinds of permits and they did not come up with any. So, we as a Program Review Committee and our staff did come up with some suggestions which the General Law Committee did not like. So, they are not in the bill and I would have liked to see them in the bill. But, as far as it goes, I think the bill does a good job. So, I hope you'll give it your vote.

REP. CARRAGHER: (5th)

Mr. Speaker.

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DEPUTY SPEAKER FRANKEL:

Rep. Carragher.

REP. CARRAGHER: (5th)

Mr. Speaker, I would like to respond to a couple of statements made both by Rep. Mannix and Rep. Osler. First of all, with regards to the Program Review recommendation, to place the Liquor Control Commission under the Department of Consumer Protection, I would point out to you some very real things.

Number one, no where in any state in this nation is a Liquor Control Commission or Department under a Department of Consumer Protection because it doesn't belong there. If you had wanted to make a recommendation by Program Review which I understand was originally what you wanted to do is to recommend to put Liquor Control under the State Tax Department, I think that would make sense.

I don't think Consumer Protection makes sense. Commissioner Heslin doesn't think it makes sense either. I talked to Commissioner Dubnow of Revenue Services. And I asked him that if General Law wrote the bill so that he would have jurisdiction, what would his reaction be. His reaction was that he really didn't think that he wanted it either. But if we wrote the law that way that

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he would certainly enforce it and do the best job that he could. And I would point out to you that as Chairman of the Committee I offered that recommendation to the General Law Committee.

I offered the recommendation that either to keep the Commission as it is or to transfer the whole commission to Revenue Services. The Committee unanimously said leave it where it is. That's the rationale for leaving it where it is. With regard to the credit situation, I know that there are some people that are rather hung up on this whole credit thing. And I must say to you in all candor that the recommendation that Program Review with regard to credit was a vague statement which in my judgment very frankly, and I'm not trying to be critical but very frankly was unworkable.

And there would have been no enforcement of any kind whatsoever, and we're talking here about an awful lot of tax money. I think that what we've come up with in this credit law which I said is very similar to that of New Jersey makes good sense. It does in fact take the state out of the collection business as far as all the paperwork and everything. But the state still has the hammer to use if we have to use it. And I think we need to have that hammer to use if we have to use it and

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that's why the credit section is drafted the way it is. Rep. Osler, you mentioned the permits. I couldn't agree with you more, that there are too many liquor permits. I would, however, suggest to you that the recommendation, the two liner you sent me, said reduce it from 52 or 60 whatever it is now down to five or ten, I forgot what you said. Well, that's a wonderful idea, except nobody could figure out how to do that.

It was not in your report. We spent a lot of time trying to figure out how to do that. We couldn't figure out how to do that either. But what we did do was we took a bill and to establish a commission, committee, a task force, whatever you want to call it, to study the consolidation of liquor permits. The General Law reads that bill, we gave that bill a Joint Favorable Report, we sent it to Judiciary. It was the last I ever saw of it.

I haven't seen it since. So, I have tried to address some of the concerns of some members of the Program Review Committee have and some of the reasons why your whole loaf isn't here. I would also respectfully say that the Program Review recommendation as far as how much money would have been saved, I think is absolutely

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erroneous. Absolutely erroneous. And I think some of the recommendations that were in there were not workable and that's why they're not in here. I think this does deregulate. This goes most of the Program Review recommendations as far as deregulation are in this bill. They are there because I agree with Program Review on the deregulation.

And I said that from the beginning. The ones, the few that aren't there, aren't there because I have to disagree with them because I don't think they're workable and the Committee didn't either. General Law or GAE. Well, Mr. Speaker and members of the House, I think that this bill is indeed workable, it does deregulate considerably. As Rep. Harper pointed out, he was absolutely right when he said that they're going to be able, the staff over there is going to be able to spend less time pushing around papers and more time out on the street and bars and restuarants etc., enforcing the law which is where they ought to be.

REP. ZARNOWSKI: (115th)

Mr. Speaker.

DEPUTY SPEAKER FRANKEL:

Rep. Alexander Zarnowski.

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REP. ZARNOWSKI: (115th)

Thank you, Mr. Speaker. I have a few questions to the proponent of the bill through you, sir.

DEPUTY SPEAKER FRANKEL:

Please state your first question, sir.

REP. ZARNOWSKI: (115th)

The first question is if they're not going to register the bartenders, are they still going to have to have a health certificate to tend bar.

DEPUTY SPEAKER FRANKEL:

Rep. Carragher, will you respond.

REP. CARRAGHER: (5th)

Sir, through you, you are correct that they are not going to have to be registered any more, however, there is language in the bill that states that the permittee of the premises is absolutely responsible for all the actions of his employees. As far as the health thing, I don't think that's tied into the registration. I can't answer that, but I don't believe it's tied into the question though, sir.

DEPUTY SPEAKER FRANKEL:

Rep. Zarnowski, you have the floor.

REP. ZARNOWSKI: (115th)

Well, I ran a business for 12 years, sir, and every bartender had to have a health certificate that worked

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for me. And that was one of the requirements at that time. That's back in the early 40's right after the war, 1946 to '56. And this is very important, because you're going to have all kinds of people tending bar. And I believe they should be registered, they shouldn't be felons because now without any regulations you could have anybody tending bar.

They could be diseased. As I understand it, they don't have that regulation now. But they're handling glass, liquor, food, because some of those places have a combination bartender and waiters. I would say that some of your recommendations are good, but that is the bad one. They should be regulated. They should be registered. Thank you.

DEPUTY SPEAKER FRANKEL:

Rep. Carragher, do you seek permission to speak for a third time, sir?

REP. CARRAGHER: (5th)

Yes, I do.

DEPUTY SPEAKER FRANKEL:

Is there objection? Hearing none, you may proceed, sir.

REP. CARRAGHER: (5th)

Mr. Speaker, if I might, I'd like to try to respond

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to our rationale with regard to the statements made by the last speaker. In regard to the registration of bartenders, I would point out to you sir, as a practical matter that the committee took a very hard look at that whole area of whether bartenders ought to be registered or not. Very frankly as a practical matter, the only thing that that registration of bartenders really accomplished was the Liquor Control Commission to be accepting paperwork and filing it. Because they didn't do anything with it.

And it had absolutely nothing to do with the health aspect. There are no questions on bartender registration forms that deal in any way whatsoever with health. They dealt with whether an individual had been arrested before. Those are the kinds of questions on them, but nothing to do with health and it's my contention that this legislation as far as registration of bartenders had absolutely nothing to do with that whole health thing and it wouldn't surprise -- this does not delete anything as far as health requirements are at all.

REP. MISCIKOSKI: (65th)

Mr. Speaker.

DEPUTY SPEAKER FRANKEL:

Rep. John Amos Miscikoski.

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REP. MISCIKOSKI: (65th)

Well, Mr. Speaker, I don't know just exactly where to start here. My restuarant is still for sale I think we'll go that far. Start right there. I have always wanted and I said this before, every legislators should be in business once in his life before he comes here, because all he does is pass laws to put everybody out of work, out of jobs, business and the whole works.

You know we've got to be practical and sensible about these things. Even like the bartenders, I'd be sending out those forms every single week to the Liquor Commission when I call there I say is this the Gestapo Agency. This is the way I call them, they know me. You know what is it that they always constantly harrass, permittees.

In the liquor permit business they're the first class tax collectors in the state of Connecticut, you've got to be first class judges because they've got to make a decision on minors coming in that might want to buy something to drink instead of arresting the minor, they arrest the permittee that's trying to earn a living, because they ain't got the guts to do what they have to do.

You know, the legislature and government, all they do is pass balogna from one side to the other. Now, this

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here business of sending out more and more inspectors get them out on the street, you ought to get them the Hell off the street and leave the people alone and let them earn a living. Why don't they police any other industry like this, they don't.

Even the criminals in prison don't get treated this way. I'm getting excited about this thing and I'll stay here the whole night long telling you about the problems that they have. And not only that, what a rip off on the license. The people, even the professional people, doctors, lawyers, nobody pays the license that a restuarant guy pays. He has to pay \$1200 for a permit to serve drinks in his restuarant and work his can off to pay for that permit. And if you have a cafe it's \$1750 for a license.

\$3,000 if he wants to work extra hours, they penalize them. What a bunch of baloney. Why don't you pass on the same license to everybody else. Thank you.

REP. ZAJAC: (83rd)

Mr. Speaker.

DEPUTY SPEAKER FRANKEL:

Rep. John Zajac.

REP. ZAJAC: (83rd)

Yes, Mr. Speaker, I think we've asked Rep. Miscikoski

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last year and the year before when he informs us his restuarant is for sale what his asking price and he never tells us. I wish one year he would tell us. But I rise really to agree with Rep. Osler's statement and to assure her that I, too, feel as she did on at least two of those issues that she mentioned and she hoped that the Liquor Commission would get out of the tax collection business and that's what we feel too.

The recommendation that's sent over by Program Review is exactly that. What they said that they felt as they ran their hearings during the summer months and came up with suggestions as they saw what they felt were apparent violations or at least too many hearings, much too much time being spent in those areas and as well as the permits.

And, as Rep. Carragher said, we agree with both of those ideas. We incorporated our way of going at it and we feel and will monitor as you will, Rep. Osler that this thing will work that way. We think that the inspectors should be out on the streets policing more of the violations and spending more time on revocations of licenses serving minors and that sort of thing if that exists rather than tax revenue collection agency hearings on permittees.

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The study that we advocated out of General Law for -- to streamline the permit, even though we agreed that that should be done as you did in your committee, we thought that an indepth study should be addressed in that and I address that myself having been on the committee for several years because although I agree that it should be some consolidation, I also found that it was very difficult to recommend where.

For instance, I have in the past been on the committee when we created some of the new permits. Number one, the coliseum permits for special type of things, for Hartford and New Haven as they built the coliseums that we never had. A few years back of that we created what we call the airline permit as special laws were needed for airplanes to take on liquor at Bradley.

There has been, in fact, a reason, a good reason in the past for the varying types of special permits. The differ from one to the other depending on how much food they serve, between a full restuarant cafe and a -- a full restuarant rather and a cafe, the difference being the amount of food or sandwiches that they may have to sell. Although, it's expanded over the years beyond the point, perhaps and we agree it should be somehow consolidated,

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we didn't know how to do it. So, we recommended that study and I haven't followed the bill as it went to Judiciary and I hope it's still alive. I know the Committee is gone, but I wonder now whether that bill is still coming in one of the new files that we may see. I hope, Rep. Osler, that it is.

But, as I say, I think that no one may be happy in total with this bill, but I was sure the Program Review Committee that probably 80% of your recommendations have been incorporated in this. I'm not totally happy with this bill because I, too, have felt that the bartenders should be registered. But it was a good idea that didn't work and a lot of paperwork, an application was going to the Commission and I was on the Committee once again when we created the registration of that by some of the feelings of the state police at the time and they were going to plug it into their computers and run the check.

It didn't work because if it was working then, just last month, a permittee wouldn't have evidently been caught in violation by one of the Liquor Inspectors by having hired a 17 year old bartender. But I also am not satisfied that we're eliminating something that should work, it should be retained. It's a little bit of everything

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from the streamlining process, eliminating the things that were excessive paperwork and didn't really function properly. And I hope in total it will achieve both what the Program Review Committee's aims and goals were and also what the General Law Committee members felt they could adopt. I once again, urge your adoption of the bill.

DEPUTY SPEAKER FRANKEL:

Will you remark further.

REP. MISCIKOSKI: (65th)

Mr. Speaker.

DEPUTY SPEAKER FRANKEL:

The Chair has a suspicion that Rep. Miscikoski is about to inform us of the purchase price of his establishment. The Chair recommends that you do your business off the floor.

REP. MISCIKOSKI: (65th)

Mr. Speaker, through you, I'd like to sit down with Rep. Zajac and I think we'd clean a \$100, \$125,000. We can sit down and iron this out without an agent and, you know, I think he's got a good deal of he's willing to work 24 hours a day and take the crap from everybody that comes along. And you know another thing I would like to

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add, you know, here as I am here, you know, as I'm standing here maybe one of my waitresses serves somebody a beer and they'll arrest me, not her, me. (applause and cheers)

You know, that's what I like about this, always pass the baloney to everybody else. You know, anybody that is a permittee is a special type of person like I said before. He has to be the judge, the jury, everybody. I'll tell you what, even the police aren't that good. Thank you.

DEPUTY SPEAKER FRANKEL:

Will you remark further.

REP. MANNIX: (142nd)

Mr. Speaker.

DEPUTY SPEAKER FRANKEL:

Rep. John Mannix.

REP. MANNIX: (142nd)

If I may have a final word and Mr. Miscikoski, Rep. Miscikoski be, there's certainly a lot of truth in what he's saying, as a fellow businessman. We have half a loaf here or some portion of a loaf. As I see it, we have the wrong portion of that loaf. Historically, the major problem, as I see it, the favortism and political

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influence in the liquor business is the Liquor Control Commission and yet we haven't done anything with it. And it was one of the major recommendations here. We're letting that stand. I know why not one state in the union has put control of liquor under consumer protection. I just gave you the reason.

It's a sacred cow. It's a political sacred cow. That's why it was reversed in the Appropriations Committee several years ago. A phone call was made, as told to me by one of the members of the Appropriations Committee a phone call was made by a member of the Commission and said, look, if you do this, this is what's going to happen. He moved it for reconsideration and for removal of that Commission lost the following day.

We have to change the system here. A dark cloud still hangs over the Capitol because of this commission. Because of paid political favoritism. The question, through you, Mr. Speaker, to Rep. Harper.

DEPUTY SPEAKER FRANKEL:

Please frame your question, sir.

REP. MANNIX: (142nd)

Thank you, Mr. Speaker. On page 161 of the report Rep. Harper, you recommended that an anti racketeering

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statute, that the legislative Program Review and Investigations recommend the adoption of an anti-racketeering statute to combat organized crime in the liquor industry. Is it true that that has been developed or hasn't it? Through you, sir.

DEPUTY SPEAKER FRANKEL:

Rep. Joseph Harper, will you respond, sir.

REP. HARPER: (24th)

Through you, Mr. Speaker. Your question is, is there a bill before us to implement --

REP. MANNIX: (142nd)

-- that recommendation.

REP. HARPER: (24th)

I'm not certain. I would refer that to Rep. Tulisano. I believe the Judiciary Committee heard the bill. I'm not certain if they reported it out.

REP. MANNIX: (142nd)

Through you, then sir, to Rep. Tulisano.

DEPUTY SPEAKER FRANKEL:

Rep. Tulisano, will you respond, sir.

REP. TULISANO: (29th)

Mr. Speaker, there's a bill entitled, commonly called the RICCO Bill, Racketeering and Corrupt Influence

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Organization, yes, it's on the Calendar.

DEPUTY SPEAKER FRANKEL:

Rep. Mannix, you have the floor, sir.

REP. MANNIX: (142nd)

One other question to Rep. Harper. Through you, sir, did you find in your deliberations apparently, did you find, let me rephrase it. Did you find that there was racketeering in the liquor industry in our state?

DEPUTY SPEAKER FRANKEL:

Rep. Harper, will you respond.

REP. HARPER: (24th)

Yes, through you, Mr. Speaker. We did not find concrete evidence of racketeering activity, Rep. Mannix, but the recommendation was submitted upon the recommendation of Chief State's Attorney Austin McGuiggan who did indicate there is the potential for such activity in this industry and that the state would go a long way in terms of toughening up its laws to regulate and prevent such activity if it had such a bill.

DEPUTY SPEAKER FRANKEL:

Rep. Mannix, you have the floor, sir.

REP. MANNIX: (142nd)

Thank you, through you, sir, a question to Rep. Stolberg.

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DEPUTY SPEAKER FRANKEL:

Please state your question, Rep. Stolberg.

REP. MANNIX: (142nd)

Rep. Stolberg, in your revenue estimates, did you take into consideration the reduction in revenue that will be brought by this measure. Excuse me, for breaking into your afternoon meal.

DEPUTY SPEAKER FRANKEL:

Rep. Stolberg, will you respond.

REP. STOLBERG: (93rd)

I don't believe we did, Mr. Speaker, but if the gentleman could indicate the fiscal note that might be helpful in my recollection.

DEPUTY SPEAKER FRANKEL:

Rep. Mannix, you have the floor, sir.

REP. MANNIX: (142nd)

Through you, Mr. Speaker. Rep. Stolberg, as I read it the fiscal note indicates a loss of revenue because of lack of registration and the gross loss of revenue is \$50,000.

DEPUTY SPEAKER FRANKEL:

Rep. Stolberg.

REP. STOLBERG: (93rd)

Through you, Mr. Speaker, I don't believe we did

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take this into consideration. I didn't note any fiscal note on the file copy, but if the gentleman has a fiscal note, no, we did not take that into consideration.

REP. MANNIX: (142nd)

Thank you, Rep. Stolberg. I'm not going to make an issue over that. It's a relatively small amount of money. To sum up, I think that we do not have the type of bill that most of us would hope for and, of course, basically the Program Review recommended.

We've done some work on the cosmetics, but not on the substance of the problem and I would hope, I'm sure you will all, many of you will vote in favor of this measure because it does provide some benefit, but the heart of the problem is not being taken care of and, therefore, I'm going to vote against it and I would hope that in the near future, perhaps in the next session we can address the basic problem with the control of the liquor industry in our state.

DEPUTY SPEAKER FRANKEL:

Will you remark further.

REP. CARRAGHER: (5th)

Mr. Speaker.

DEPUTY SPEAKER FRANKEL:

Rep. Carragher seeks permission from this Chamber

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to speak for a fourth time. Is there objection from any member? Hearing none, you may proceed, sir.

REP. CARRAHER: (5th)

Mr. Speaker and members of the House, I'm going to be very brief here, but I feel absolutely compelled to reply to some of the remarks made by Rep. Mannix.

You know, I've been listening to certain people around here talking about the Liquor Commissioners are political appointees, throw them out. Ladies and gentlemen, every Commissioner, every Deputy Commissioner of every single Department in this government is a political appointee of the governor. Whether the governor is a Democrat or a Republican. Now, maybe you don't like that either.

But I think it's unfair to single out three Liquor Control Commissioners and name them. I haven't -- I was unable to find any instance, concrete or otherwise that shows that any one of those three gentlemen, I might add two Democrats and two Republicans, I couldn't find an evidence that these gentlemen had done anything wrong. And I think it's unfair to imply that they have. Now, I don't even know the three gentlemen. I know one of them, I've met the gentleman. One of the others, Mr. Schnieder,

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testified before the Committee and quite frankly, Mr. Schneider impressed me greatly, very articulate, very bright individual, made good common sense with what he had to say to the General Law Committee. And I'm not afraid to stand here and say that I think that's unfair to make that kind of a presumption.

I really do, and it seems that sometimes around here we like to take shots at people and I don't think that's fair either.

DEPUTY SPEAKER FRANKEL:

Will you remark further.

REP. MISCIKOSKI: (65th)

Mr. Speaker.

DEPUTY SPEAKER FRANKEL:

Rep. Miscikoski seeks permission to speak for a third time. Is there objection from any member.

REP. MISCIKOSKI: (65th)

Thank you, Mr. Speaker. I love to talk when --

DEPUTY SPEAKER FRANKEL:

Rep. Miscikoski, you have the floor sir.

REP. MISCIKOSKI: (65th)

Thank you, Mr. Speaker. You know, I love this word politics. What are there. What should become of a

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legislator or elected official. All of a sudden politician is a dirty, stinken word. What's the matter with you people. Can't you get up and defend a job that runs the country. I don't understand you. Believe me they make politics a dirty word here. Well, let me tell you I take pride in being a politician because they run the country and we need more politicians.

Don't be ashamed of it. The process that selected us is political. Everything is political. Even buying a candy bar sometimes is political. What the Hell's the difference. The idea is to get the job done, but they make politics, lobbyists, all dirty words.

They're here serving the people. I should of got up and spoke about lobbyists the other day. I missed it, I was taking care of my constituents. You know, I forgot to add that, you know, when you take and get these permits for bartenders or waitresses, you have to go down to city hall, get it verified to see if he's a registered voter, if he's a criminal, for cripe sakes, the FBI I don't think investigate everybody else. But just a poor hard working waitress and a bartender trying to earn a living and the permittee's fighting a way to be arrested from working. I mean all these dates and facts that I brought

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out here today, these are true facts. There's no lies in it. Look, I don't care if there's politics, garbage and all that. Let's lay off making politics, get up and defend being a politician instead of being a coward and calling it a dirty word.

And you know, it's very sad in America when I see this. And let me tell you there's a lot of people in public office throughout the United States that work for not one single red cent and get abused. And let me tell you something, without these people, this country would be nothing. Thank you.

REP. ZAJAC: (83rd)

Mr. Speaker.

DEPUTY SPEAKER FRANKEL:

Rep. Zajac, do you seek permission to speak for a third time, sir?

REP. ZAJAC: (83rd)

Yes, I do.

DEPUTY SPEAKER FRANKEL:

Rep. Zajac seeks permission to speak for a third time. Is there objection from any member? Hearing none, you may proceed, sir.

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REP. ZAJAC: (83rd)

Mr. Speaker, in conclusion and brevity, I just wanted to say that I think that Rep. Miscikowski's asking price is a little bit too high. And I think that his permit fees are a little bit too low. Let's get on with the vote.

DEPUTY SPEAKER FRANKEL:

Will you remark further? If not, would the staff and guests please come to the well of the House.

Would the members please take their seats.

The machine will be opened.

The House of Representatives is now voting by roll.

Would the members please return to the Chamber.

There is a roll call vote pending in the Hall of the House. Would the members return to the Chamber immediately.

Have all the members voted?

Have all the members voted?

If so, the machine will be locked.

The Clerk will take a tally.

Would the Clerk please announce the tally.

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CLERK:

House Bill No. 5680.

Total number voting 136

Necessary for passage 69

Those voting yea 131

Those voting nay 5

Those absent and not voting 15

DEPUTY SPEAKER FRANKEL:

The bill is passed.

CLERK:

Page 5, Calendar No. 195, House Bill No. 5241,

AN ACT CONFORMING THE UNEMPLOYMENT COMPENSATION ACT TO
FEDERAL REQUIREMENTS. Favorable Report of the Committee
on Labor and Public Relations.

REP. KINER: (59th)

Mr. Speaker.

SPEAKER ABATE:

Rep. William Kiner.

REP. KINER: (59th)

Mr. Speaker, I move acceptance of the Joint
Committee's Favorable Report and passage of the bill.

SPEAKER ABATE:

The question is on acceptance of the Joint

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GEN. ASSEMBLY
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VOL. 25
PART 2
326-586

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SENATE

TECHNICAL SESSION
Tuesday, March 23, 1982

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FAVORABLE CHANGES OF REFERENCE, HOUSE BILLS - Referred
to Committees Indicated

Energy and Public Utilities. House Bill 5612.

AN ACT CONCERNING THE IMPLEMENTATION OF THE LAW CONCERNING PASSIVE SOLAR DESIGN FOR SUBDIVISIONS. Referred to Committee on Appropriations.

Environment. Substitute for House Bill 5662.

AN ACT CONCERNING THE PRESERVATION OF THE UPPER CONNECTICUT RIVER AREA. Referred to Committee on Government Administration and Elections.

General Law. Substitute House Bill 5676. AN ACT CONCERNING REGULATION OF WELL DRILLING. Referred to Government Administration and Elections.

General Law. Substitute House Bill 5680. AN ACT CONCERNING THE REGULATION OF ALCOHOLIC BEVERAGES IN CONNECTICUT. Referred to Government Administration and Elections.

Planning and Development. House Bill 5791. AN ACT INCREASING THE MAXIMUM LEVELS OF PROPERTY TAX RELIEF FOR ELDERLY HOMEOWNERS AND RENTERS. Referred to Committee on Finance, Revenue and Bonding.

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SENATOR CASEY:

As amended by House Amendment A.

THE CHAIR:

Will you remark Senator?

SENATOR CASEY:

Yes. Mr. President, this Bill would allow Charles Leonard who has been the Superintendent of High Meadows Facility of the DCYS for 22 years, to purchase the State owned residence where he now lives. The Amendment is merely technical and if there are no objections, Mr. President, I ask that it be placed on the Consent Calendar.

THE CHAIR:

Any objection to placing the item on Consent? Hearing none, so ordered.

THE CLERK:

Moving to page 18, page 18, Calendar 565, File 555, Substitute for House Bill 5680, AN ACT CONCERNING REGULATION OF ALCOHOLIC BEVERAGES IN CONNECTICUT, with a Favorable Report of the Committee on Government Administration and Elections.

THE CHAIR:

The Senate will stand at ease for a minute.

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THE CHAIR:

The Senate will stand at ease for a minute.

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The Senate will return to order. We're at the top of page 18, Calendar 565. Senator Baker.

SENATOR BAKER:

Mr. President, I move for acceptance of the Joint Committee's Favorable Report and passage of the Bill.

THE CHAIR:

Will you remark Senator?

SENATOR BAKER:

Mr. President, this Bill would re-authorize the Liquor Control Commission for an additional five years as a result of Sunset Review and make certain substantive and technical changes in related law. The Bill would change the laws concerning extension of credit within the liquor industry by allowing, rather than requiring, that

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the Department of Liquor Control suspend or revoke a permit for violating the credit laws and by establishing a notification system with which a wholesaler or manufacturer would be required to inform other wholesalers or manufacturers of a retailer's delinquencies.

The Bill would also give the Department the discretion to investigate permit applicants and generally increase the amount of information applicants must provide. The Bill would reduce State regulation of the Liquor Control industry by eliminating the Liquor Control Commission's statutory authority to issue regulations concerning business practices and by prohibiting it from issuing regulations, requiring prior approval of alterations of premises, requiring prior approval for live entertainment or the installation of amusement games, requiring registration of employees or agents, requiring a presence of a permittee on the retail premises and prohibiting employment of a retailer in another occupation.

In addition, the Bill would allow on-premises retailers to sell liquor below cost. The prohibition against selling below cost would continue to all other permittees.

Further, the Bill would allow on and off premises

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retailers to store liquor in one secure location registered with and approved by the Department. The Bill would eliminate certain limitations on bottle sizes which may be sold or purchased by certain permittees.

And finally, the Bill would require the Director of Personnel of the Department of Administrative Services to evaluate the salaries of the Liquor Control Commissioners and to submit a report to the General Assembly by January 15th of 1983. Mr. President, if this Bill passes, the effective date would be July 1st, 1982. If there are questions, I'd be happy to answer them. Otherwise, I would move this to the Consent Calendar.

THE CHAIR:

Is there any objection placing the item on Consent?
Senator Johnson.

SENATOR JOHNSON:

Mr. President, there is no objection placing the item on Consent, but I think there are a few other things that need to be said. I think it's important to recognize as we stand here tonight, and I will be brief because the hour is late and we have a lot of business to do. But,

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this is a good example of what can be accomplished legislatively if Legislators take the time to review carefully, precisely what the bureaucracy is in fact doing. Specifically, what papers it is shuffling; what judgments it is making from those papers; what its inspectors in the field are doing with their time and what judgments they are making.

This Bill specifically eliminates the right of a State Inspector to approve or pass judgment of alterations or changes in the interior of shops, thus saving many miles of travel and hours of inspection. There is absolutely no increased dangers to public health or safety by the elimination of this responsibility and I could go on similarly through the kinds of things that we have pulled the Commission back from doing for people which really serves no useful public good. But I want to call your attention to two aspects of the Bill because indeed, in our budget, there is a great deal more money for this agency than there ought to be.

The Bill specifically re-writes the application process, reducing the number of documents required and targeting them very specifically to the judgments that the

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Commission has to make. There should be no need for financial investigation except in the rare case. They should not be investigating as they are now in great depth every single application because we have clarified the information that is needed and tailored it to the judgment which must be made. In the area of the credit law, it is very clear from the entire legislative history of the Bill that they are no longer to devote a third of their hearing hours to credit enforcement issues. They should have a very rare and occasional contact with enforcement of the credit law because it is now primarily of a self-enforcing mechanism.

Unfortunately, these reductions in bureaucratic costs are not reflected in the fiscal note and I think it's important to understand why. The why is because the only source of our fiscal information, the only source either for our Fiscal Analysis Office or for the Executive Branch is from the Commission itself and in fact, they are not about to give us a realistic estimate of how this will reduce their workload because they would much prefer to retain their employees and their appropriation. However, there is very good reason for the Appropriations Committee

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to be able to quite dramatically reduce their budget and divert literally hundreds of thousands of dollars to more productive service to the public in the next budget session and I hope that that will be the case. I am very proud of the work that the entire Committee did on this issue and I commend all those Senators and Representatives who worked very hard on Program Review over the summer doing twenty Sunset Reviews and four Program Reviews and this being really, I believe, a model of the kind of product that constructive legislative oversight can produce. Thank you.

THE CHAIR:

Will you remark further? Senator Mustone.

SENATOR MUSTONE:

Mr. President, I too, would like to commend the Government Administrations and Elections Committee as well as Program Review for bringing before us a Bill I think-- a Bill which I have watched developed as I would watch a child grow because of the fact that we eliminated the markup on only January 1st. We have not really seen the effects of the impact of that on the industry or the retailer and I think we've made substantial change. There

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will be remove for I believe, consolidation down the road of all the various permits that this General Assembly has created over the years, but I do commend the Committee for bringing the Bill out as nearly in the form as it was given to them. Thank you.

THE CHAIR:

Senator Johnson, for the second time.

SENATOR JOHNSON:

Yes, thank you, just very briefly. In my thinking back over the history of this course, I tended to think too much about the Program Review Committee and I do want to add that when Bills leave our Committee, they depend on the thorough review of the subject matter committee and I want to thank Senator Mustone and Senator Baker for the careful attention that their committees gave to this legislation. The General Law Committee did indeed, devote a great deal of time to very thoroughly reviewing the recommendations and the work of both of those committees was very important to an outstanding product.

THE CHAIR:

Will you remark further? The motion before the chamber is to place on Consent. Is there any objection?

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Hearing none, the matter will be on Consent.

THE CLERK:

Calendar 566, File 448, 798, Substitute for House Bill 5738, AN ACT CONCERNING POLICE TRAINING, as amended by House Amendment, Schedule A, with a Favorable Report of the Committee on Government Administration and Elections.

THE CHAIR:

Senator Baker.

SENATOR BAKER:

Mr. President, I move for acceptance of the Joint Committee's Favorable Report and passage of the Bill.

THE CHAIR:

Will you remark Senator?

SENATOR BAKER:

Mr. President, this Bill would reauthorize the Municipal Police Training Council for five years as a result of Sunset Review and it would make substantive and technical changes in related law. It would transfer the Municipal Police Training Council from the Department of Public Safety for administrative purposes only, to the Division of State Police for administrative purposes only. Under the Bill, the

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HB 5056, HB 5127, HB 5131, HB 5406, HB 5457, HB 5459,
HB 5542, HB 5761, HB 5800, HB 5821, HB 5864, 397
HB 5896, HB 5920, SB 644, SB 43, SB 352, LFU
HB 5572, HB 5931, HB 5932, HB 5680, HB 5738,
HB 5035, HB 5124, HB 5136, HB 5641, HB 5401, HB 5672,

567, 568 and 569. On page 19, Calendar 570, 572, 573 and

574. On page 20, Calendar 575, 578. Page 21, Calendar

580, 581, and 582. And that concludes the call of today's

Consent Calendar. HB 5647, HB 5648, HB 5649, HB 5976, HB 5657, HB 5851,

HB 5426, HB 5418, HB 5463, HB 5164, HB 5733, HB 5604,

HB 5722, HB 5780, HB 5782, HB 5815, HB 5957, HB 5578,

THE CHAIR:

HB 5032, HB 5133, HB 5682, HB 5822, HB 5888, HB 5798,

Senator Robertson.

HB 5955, HB 5960, HB 5397, HB 5744, HB 5626,

HB 5902, HB 5615, HB 5736, HB 5125, HB 5452,

SENATOR ROBERTSON:

HB 5488, HB 5767, SB 634, SB 382, HB 5640,

HB 5834, HB 5412, HB 5504, HB 5737, HB 5586.

Mr. President, I would like to request that Calendar
481, File 694, Senate Bill 634, AN ACT DEFERRING FOR ONE
YEAR ADOPTION OF NEW BUDGET REQUIREMENTS FOR PROGRAMS AND
SUBMISSION OF A TASK FORCE REPORT CONCERNING THE EFFECTIVE-
NESS OF PROGRAM. I'd ask that be removed from the Consent
Calendar and PR'd for tomorrow. HB 5087, HB 5091, HB 5727,
HB 5976, HB 5153, HB 5536.

THE CHAIR:

Well, it will be removed from the Consent Calendar for
now. We'll discuss the PR after the Consent Calendar. ARE
there any other questions, comments on any item on the
Consent Calendar or requests to remove from the Consent
Calendar? If not, the machine is open for the Consent Cal-
endar. Is Senator Skowronski still here?

The machine will be closed and locked.

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TOTAL VOTING 36

THOSE VOTING YEA 36

The Consent Calendar is adopted. Senator Schneller.

SENATOR SCHNELLER:

Mr. President, I would move for suspension of the rules for immediate transmittal of the following items to the House. Calendar 438, Bill 5578; Calendar 475, House Bill 5736; Calendar 477, House Bill 5452; Calendar 479, Bill 5767; Calendar 486, Senate Bill 382; Calendar 527, Bill 5542; Calendar 545, Bill 352.

THE CHAIR:

Is there any objection to the motion? Hearing none, the rules are suspended as to those items only. What is your pleasure in reference to Calendar 481 which was removed from the Consent Calendar and has been moved for adoption? Senator Schneller.

SENATOR SCHNELLER:

I would move that it be passed retained.

THE CHAIR:

Is there any objection to pass retaining Calendar 481? Hearing none, it's passed retained. Senator Schneller.

JOINT
STANDING
COMMITTEE
HEARINGS

GENERAL
LAW
PART 2
217-437

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GENERAL LAW

State Capitol
Room No. 4½
March 11, 1982
10:00 A.M.

PRESIDING CHAIRMAN: Senator Mustone
Rep. Carragher

COMMITTEE MEMBERS PRESENT:

SENATORS:

REPRESENTATIVES: Zajac, Atkin, Venvenuto,
DeZinno, Esposito, Parker,
Ruwet, Schmidle, Torpey

elt 1 SEN. MUSTONE: At this time I would like to call this public hearing to order. My name is Amelia Mustone, co-chair of the General Law Committee, State Senator from the 13th District. To my left is Rep. Robert Carragher, House Chair of this committee. To my right Rep. Catherine Parker, to Rep. Carragher's left, Rep. John Atkin, Rep. Dick Torpey, and Rep. Joe Ruwet. To my far right is Dan Duffey, Federal Legislative Research.

The bills that we will be hearing this morning are Senate Bill 258, Senate Bill 425, Senate Bill 426, Senate Bill 502, House Bill 5680, House Bill 5729, House Bill 5731, House Bill 5732, House Bill 5733 and House Bill 5768.

Because of the number of testifiers here this morning this chair would request that you attempt to keep your remarks to five minutes, please. If you have any written testimony you may submit it to the clerk over here to my right.

The first person to testify is Commissioner David Snyder.

DAVID SNYDER: I'd like to take this opportunity to speak on Bill 5680, this is a bill that is the result of a legislative program review and investigative report.

I would like to emphasize to the members of the General Law Committee that the regulations on the liquor industry are a complex system of controls emanating from three different areas: the federal area, the state area, and

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MR. SNYDER: (Continued)
the town and city of the state.

The Legislative Program Review Committee proposal deals with changes only in one area: namely that of the State of Connecticut.

We suggest that several of their proposals are inappropriate for reasons that I will set forth. In addition we feel that some of the proposals will cause some unanticipated negative results, for reasons which will be brought forward also.

First, I'd like to discuss the proposal for the elimination of investigations of permittees or backer applicants for permits. The Department's experience in the past has been many applicants whether inadvertently or not, fail to list very important information when they apply for a liquor permit. It is only upon our investigation that this crucial information comes forward. Often, applications are withdrawn or are not pursued when applicants realize that we have available this information, this information may deal with their criminal background, their financial situation. And we also feel that many applicants don't even bother to apply because they know that we do pursue these investigations. We do check out a person's background.

If information is limited to affidavit form only, there's no background investigation by the Department of Liquor Control, we feel this would facilitate the granting of permits to unsuitable persons. We also find it ironic that at a time when the Commission of Liquor Control is being criticised for not having more investigations of some areas, there is a proposal to essentially eliminate all of our investigations.

The second area I'd like to deal with is the proposal for the implementation, imposition of the graduated mandatory penalty for the sale of liquor to minors. We feel that it is essential that the Department have the decision as to what if any penalties should be imposed for violation.

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MR. SNYDER: (Continued)

The committee's proposal would mandate a staggered series of fines. That fine would be imposed for a sale to a 12 year old and to a very mature looking 17 year old.

We feel that the Department must have the discretion if a particularly outrageous incident has happened, the fine or penalty imposed should be greater than if a very minor infraction is incurred.

In addition, the committee's proposal has drawn no distinction as to time between infractions. If there would be a second infraction within one month of the first the same as a second infraction that occurs 15 years after the first infraction. We also find it somewhat unseemly to consider the penalties for sale to minors under the same rubric as a speeding violation. For this proposal to make these violations payable under Chapter 881B of the statutes which is the same one for speeding violations. Therefore, despite the tough talk to make penalties greater, we feel that the opposite result really could occur.

Because the penalties are now only to be criminal, you pay the state through the mail, we lose one area of enforcement. Now we have the potential of criminal penalties and civil penalties enforced by the Commission. If we only have criminal penalties a violation may only be treated half as fairly as before.

The recommendation for the continuation of prohibition of sales below cost we concur with. The proposal deals with the retention of a current price posting requirement while adding a provision for allowing retailers to sell an item at the price he paid for it when purchased or the price which it is now being offered, whichever is less, we oppose.

We feel it is important that each item have standard value for the month when it is being sold. It would be an administrative nightmare if the Department of Liquor Control had to determine the price of an item based upon when it was purchased. It would be absolutely impossible.

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MR. SNYDER: (Continued)

It is conceivable that there could be five items for sale on the shelf of the package store. Each item could be purchased at a different time. How could the Department discover the cost of that item or determine if the item was being sold below cost?

We address your attention to a declaratory ruling that we rendered back in the fall on this very subject. It has been furnished with a copy of my testimony this morning. The proposal for the limit of current credit laws we support in principle. We realize that there are other proposals before the committee and we are certainly available to help in any way that we could in determining what would be the best approach in this area, but we feel that it's essential that some reform occur.

The elimination of the Department's oversight of physical changes by the permittee, the elimination of the requirement that permittees spend a substantial amount of time on a permit degree, the deletion of prior approval for the installation of entertainment and games we oppose.

If the committee's report were to implemented as far as the oversight of the physical chemistry, we feel an unanticipated negative result would occur. The thrust of the committee's report has to do with how essential it is to keep minors out of barrooms and intoxicated persons out of barrooms. We can only assume that they mean barroom not bars, because in another proposal that we discussed last Friday with you, was that the committee is proposing that all on-premise permits be consolidated into one. If the committee means to keep out minors to all on-premise permits, it would keep minors out of bowling allies, you'd keep minors out of restaurants, you'd keep minors out of coliseums and everything. We therefore assume that they mean barrooms.

If the Department of Liquor Control has no say over the construction of the barroom, where the bars are placed at a premises, or over alterations in a premises, we can't tell whether a minor is really in a barroom or not. Therefore, we feel it is important that we know

MR. SNYDER: (Continued)

where the barroom is, it's confines and therefore we and the police will know if the minor is loitering, or if an intoxicated person is already in a barroom.

If the current prohibition on permittees not spending time at a premises is removed we feel that the likelihood will increase that persons will no ultimate accountability for the conduct of the premises or with no real knowledge as to the liquor laws will be allowed to be present when liquor is being sold.

However, we feel that, your committee, General Law, feels that there is sufficient, kind of beyond, pressures to eliminate this requirement, the Department of Liquor Control will interpose no objection.

The threatened requirement that we approve entertainment we feel is important for one very crucial reason, many bars and cafes in a neighborhood would be very appreciable if there limited just to the walk-in crowd who it comes to elect. But if entertainment is allowed, the premises is allowed to have a large band or such, then that neighborhood bar may become untenable to the neighbors who live nearby. Therefore, if the Department of Liquor Control can have some say, if we can require that we be notified and give approval, we might be able to deal with this situation without entertainment that may be untenable in certain circumstances.

The proposals that would have the allowance of inducement for the sale of alcoholic beverages to the extent allowed by federal law except for quantity discounts and sales below costs, we are taking no position at this time.

We would suggest however, that your committee give very careful thought to any changes in this area, after the Legislative Program Review Committee made their recommendations, it has come to light that the federal government is considering drastic changes in their importance of liquor laws.

In some areas they are proposing total elimination of their control. We feel that we should proceed very slowly

MR. SNYDER: (Continued)

here to see what the federal government will do. It says are in excess to point to the state on this regulation and if the state turns around to disperse to the federal government, they'll be no regulations in many areas.

We have recently responded to certain proposals set by the government, and that too has been made available to your committee. We would just point out that among other things there is currently being discussed by the federal government, a proposal that would in effect allow commercial bribery, it would make that not a federal violation.

Another proposal would allow unchecked persons to enter into business until the permits are investigated by the government. So that you can see that there are pretty drastic steps to be taken and as I said, we would suggest that you proceed very slowly and carefully in this area.

The elimination of brand registration and labels is likewise opposed. This results in income to the state in the amount of \$82,000. If it were to be eliminated it would be a savings of \$13,256. This would represent the salary of one employee. In at least three instances we can think of, we have used this power for what we feel has been public purpose. One beer manufacturer has been importing prestige beer from overseas. He intended to make that beer domestic and bottle it in America. The label they proposed we thought had not sufficiently set forth to its consumer that the product was undergoing this drastic change. We refused to approve this label until there'd been a sufficient advertising campaign to notify the public.

In another instance, a very famous beer was having its proof lowered. We refused to approve that label until we felt that the change in, the decrease in proof had been conspicuously noted on the label so that the consumer would know the difference.

Finally, we have failed to approve a lable for a new

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MR. SNYDER: (Continued)

product and this label would have been almost identical to a label of a very famous and high-priced type. We thought that the consumer would have been misled.

Therefore, we think that this proposal really doesn't result in any expense to the state and it results to a great protection to the public.

The elimination of the registration of bartenders and listing of liquor salesmen we oppose also. This results in income to the state in the amount of \$64,000. If it were to be eliminated there would be a savings to the state of \$14,345. This would be the elimination of one clerical position. The bartenders are persons in charge of a premises in the absence of a permittee. If the permittee is not going to be required to be present, as much as is currently the case, it may be very important to have a suitable bartender in charge. We therefore would urge your very careful consideration on the elimination of this current registration.

The enactment of an anti-racketeering statute we support. The censor of the Department of Liquor Control, the creation of a division of Liquor Control within the Department of Consumer Protection, the creation of an unaided large number commission like Alcoholic Beverages, we oppose. We recognize the great work done by the Department of Consumer Protection, we have nothing against them. We just feel that there could be no benefit to the public if we were to be consolidated under their oversight.

In fact, the experience in the past of being under another agency. Recently we were under the Department of Business Regulation. We feel that all that happened in there way was that another layer of bureaucracy was created at no savings to the public in mind or efficiency was realized.

We're afraid that that would be what would happen here if we were consolidated with Consumer Protection. The report of the Program Review Committee, we feel that these changes could occur because of savings in man-power that would be the result of their proposals. They feel that up to 11% of secretaries and clerical people could be eliminated because, for one thing, we would no longer be

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MR. SNYDER: (Continued)

investigating new applications, and secondly we would be out of the credit business. We feel that these inclusions are allusory and also counterproductive.

Our inspectors spent essentially no time on any credit matters. If credit were eliminated as a subject for departmental control there'd be no savings for the inspectors. We also feel that it would be counterproductive to eliminate so many agents because we feel that it's very important that we do continue to investigate new applications and substitutions as I previously outlined we feel it is important for the protection of the public interest. Our agents in their investigations also furnish us with a neutral source of information, at many contested hearings we have repeated comments presented by parties who are very interested. We often have to resort to the evidence presented by our agents, because they have no position, they are just there to gather evidence.

In addition, the committee feels that by putting our focus on other matters the agents could less deal with sales to minors, sales to intoxicated persons, persons loitering on premises. That may be true to some extent but they've missed one very important point, the main time we find these violations occurs in the evenings. Our agent work from 8:30 to 4:30 and we still would not have the money available or the manpower available to go out on these special investigations. We would really need one night of overtime to allow us to do this satisfactorily. We have made this proposal to the Appropriations Committee and are hopeful that they will actually come forward with some House Bill in this area.

We realize that proposals that would eliminate the position of high-paid commissioners is a hard comment to somewhat precis this because we have an interest, but we feel that there would not be the savings that are anticipated by the Program Review. We feel that they failed to consider new areas of the law that must be considered by any new commission. It's a very controversial and difficult statute and the elimination of minimum mark-up, year affirmative and determination of

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MR. SNYDER: (Continued)
of franchising. I conclude by saying that I would respectfully request that you very seriously consider the requirements of Section 2C of the statutes that sets forth the consideration of determining whether our agency should be continued or not.

We feel we continue to serve a legitimate public interest, we feel that the good things that we do have probably been reflected in this report, the way we deal with public complaints, the way we responded as best we could with equal restraint to the needs of the entire agency. We invite anyone to inspect our records to gather this information.

Thank you very much.

REP. CARRAGHER: Thank you very much, Commissioner Snyder. For the record, I'm Rep. Carragher.

Commssioner, there were a number of points that you made that I would like to discuss in a little more detail with you. First of all, the first item you've talked about is regarding the background check that is done for people who apply to be a permittee. What kind of information are these people required to give to your department?

MR. SNYDER: On the application itself?

REP. CARRAGHER: Yes.

MR. SNYDER: They would give their criminal background, they would give where they were working in the past, what experience they have, they would have to outline the source of their finances, what bank they borrowed from, if they got the money from savings, questions such as that.

If anything seems suspicious, our agents go beyond it with their own investigation. In addition, we are able to get applicant's criminal records from the State of Connecticut. It will often imply that they have failed to list very major offenses which would greatly influence

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MR. SNYDER: (continued)

our decisions as to whether they are a suitable person. They also may point out and instruct the proposed (inaudible - someone is coughing into the mike) -- if we have a contested hearing, if we have a (inaudible) on a new application, the agent's become our eyes to tell us what's there. They are a neutral force of information.

REP. CARRAGHER: What percentage of the applicants are declined?

MR. SNYDER: The ones who actually go through the whole process would be a very small percentage but many are (inaudible), many are not pursued and we feel many applications are not even submitted because the applicants know we do have authority to investigate and we do carry them out.

REP. CARRAGHER: And how much time would you say that your investigators spend on doing these background checks?

MR. SNYDER: Probably about 20% of their time.

REP. CARRAGHER: About 20%. The next point I'd like to talk about with you is the credit law that's proposed here. I believe your statement was that you support that in principle?

MR. SNYDER: That's correct. I believe there are other proposals before your committee and my understanding is that some of them deal with changes in what has been proposed in this particular bill and my understanding is that a new bill will actually be more favorable to us and (inaudible) those comments till later.

REP. CARRAGHER: That's correct. Let me ask you this, Commissioner. Are you familiar with the New Jersey credit system?

MR. SNYDER: No, Sir, I'm not.

REP. CARRAGHER: You're not. You mentioned that if we were to take the state out of the credit business, so to speak, that we really would not diminish the amount of manpower that you need to enforce the credit law now. Is that your statement?

MR. SNYDER: Essentially, a little over one of our clerical persons spends time gathering information from various sources for joint hearing before the commission. We estimate that 5% or so of the commissioner's time is taken up with hearings and other related matters on credit. The precise savings really would not be as great as one might think. You're talking about the numbers. I think the Program Review Committee mentions that approximately one-quarter to one-third of our hearings are on creditors and bartender applications. That may be true numerically but they're very short hearings. They take very little of our time. One could take three or four hours. We could do 15 or 20 credit hearings once every half hour.

REP. CARRAGHER: With regard -- now you say that you oppose the recommendation that would take you out of having to approve the physical changes? Okay, let me give you an example of a restaurant owner came to me the other day and said that in his restaurant he happened to have a small petition and right now since the weather was cold, he got a carpenter all lined up just to take that out. It's not really going to change that much of the place and they can't do it because he has to wait until you folks say that it's okay to remove one small two foot partition that's probably five feet long. Does that make sense to you?

MR. SNYDER: It may make sense if that partition would increase the barroom. Then a minor - as the situation is now, maybe the minor can be in another room that just serves food. If you remove the partition, the whole room may become a barroom and the recommendation of Program Review is that minors not be allowed to loiter in a barroom. That's what we're saying. A little partition may be a lot more important if you get specific. We don't delay people if they just want (inaudible) to make sure that they're not doing something that would change the barroom. We also think it's important -- what are the dimensions of the premises? If they start increasing in size or taking over rooms that sell liquor that were not approved before, we want to know about it and the police want to know about it so we know what the areas are under the responsibility of the permittee and backer.

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REP. CARRAGHER: With regard to the games being installed in a barroom, under current law if anyone wants to install any electronic game of any sort, whether be it pinball machines or those other kinds of machines that they have now. Do they need your approval to install one machine?

MR. SNYDER: Yes.

REP. CARRAGHER: And you think that you ought to remain with that approval?

MR. SNYDER: We're mainly concerned with entertainment. We're not concerned with games because entertainment, as I say, you might have a small neighborhood bar that doesn't disturb the neighbors but if you start bringing in rock bands pretty soon that can be a very -- very much of a nuisance to the neighbors. That's why we want to know what they want to do. We don't want to know what performers are going to be there but is that nice neighborhood bar going to become a raucous center for entertainment that may obstruct (inaudible) hearings on applications, contested applications, people would say we have no objection if they just have a neighborhood bar. We do object if they get in (inaudible) at one time or (inaudible)

Belt 3 (Gap in Tapes)

REP. CARRAGHER: Just one other question. Could you clarify a little bit more for me, what the issue of the registration of bartenders -- now by simply registering bartenders, do you do a background check on all the bartenders that register?

MR. SNYDER: We check their police records. We do not do a background check. We don't have agents meet with them to get information. We just check with the State Police for a record. If there's anyone whose record seems to us to raise questions as to their credibility, we have a hearing to give them a chance to show under state statute that they have been rehabilitated and have passed and are a suitable person in the liquor industry and we very rarely turn people down, but many bartenders, when they know that we have scheduled him for a hearing will just withdraw the application and not bother to pursue it.

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REP. CARRAGHER: You know, I find it very hard to understand how people can be employed in some much more sensitive areas than being a bartender without that kind of going through this kind of process. It's very difficult for me to understand that, quite frankly. I mean, the guy is not going to be president, he's going to be a bartender.

MR. SNYDER: We realize that and we, this is not a hard and fast thing with us. We just feel that there are some reasons to support the continuance of the present system. That is what we want to bring forward to your attention this morning. We realize that some things may have to change, and the best thing about the sunset committee report is that the Commission has recourse to evaluate what we do, what is still in force.

Not just do things for the sake of doing them. But we've tried to bring forward the reasons, the rationale for things that have been in existence for years and years. Some are no longer as important. As I said, (inaudible) hours and bartenders, there are reasons to support them.

But times change as you mentioned, and the reasons are not as strong now as they were before.

REP. CARRAGHER: Thank you, Commissioner. Are there any other questions? Representative Torpey.

REP. TORPEY: Commissioner, what is the logic behind the section that says you have to sell liquor above cost?

MR. SNYDER: Above cost?

REP. TORPEY: Yeah. Isn't that what it says? You can't go, you can't sell below cost.

MR. SNYDER: That's right. I think you, I can't speak for the Legislature, why the Legislature passed this bill, but I am assuming that people would say that large enterprises might be able to temporarily sell below cost, therefore, thereby making drop out of business small mom and pop enterprises that just wouldn't have the capital to fall back on.

This is predatory pricing, I think. You didn't want to knock people out of business by selling below cost.

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REP. TORPEY: Okay, and then also what is the logic for controlling the credit?

MR. SNYDER: I think that we all agree that something should be done in this area. I cannot speak to the original reason that the Legislature passed this bill, but I know it's been in existence for many years. I believe that it was important in this industry to keep people who are not financially responsible away from the business, because it might lead to sales to minors, sales after hours, sales on Sunday.

REP. TORPEY: Thank you.

SEN. MUSTONE: Any other questions? Thank you, Commissioner Snyder. The next person to testify is Commissioner Mary Heslin, followed by Representative John Woodcock.

COMMISSIONER MARY HESLIN: Good morning. My name is Mary Heslin. I am the Commissioner of Consumer Protection. And I am here to speak with regard to --

SEN. MUSTONE: Excuse me, Commissioner. Would you please direct your voice into the central mike, the one that's turned down, thank you.

COMM. HESLIN: Okay. I am here to speak with regard to House Bill 5680, which has a number of sections, but the one that concerns me the most, of course, is the transferring of the functions to the Department of Consumer Protection.

I am at this point opposed to that kind of a move. I do not disagree with the concept of taking certain functions such as this commission and placing them under another agency for administration. I am concerned, however, with regard to the re-allocation of resources and the determination of some of the inspectional force.

The question of savings I do not think is clear in my mind. I believe that and I would recommend that there be a year's time in which one could study whether or not the resources that may be terminated by one section, which would terminate the credit process, if the re-allocation of some of those resources towards the basic concern that this agency should be worrying about, and that is public health and welfare, will in truth in itself provide better services from that

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COMM. HESLIN: (continued)

commission and in essence be a savings. I realize that the bill as it stands, has some good points. And I also recognize that it is attractive because it claims to be saving a considerable amount of money.

I would question that savings, because the savings have to come from two major changes of function. One, the administration and two, the cutback of inspectional operation.

Someone has to carry on the administration. If it were to be transferred into the Department of Consumer Protection, I question whether or not you could terminate all of the administrative functions that are currently operating under the Commission. And whether or not in reality we could absorb those functions under the administration that we currently have.

As you know, we are still reeling from reorganization of two years ago, with all of the additional board activities that we are now responsible for, and we're trying to settle that down.

I secondly question whether or not at this point in time, with minimum pricing has not as yet settled. And it has not as yet pointed out whether or not it is going to have an effect upon the marketplace. Whether this is the time to have this kind of a major shake-up with a commission that brings in millions of dollars worth of revenue. I think it is an important change. I support the termination of the agency being one to collect bills. I do not think that that should be one of the functions of this particular agency.

And as it is pointed out in the study, about 37% of all the activity relative to costs and to hearings, was really due to this credit collection procedure. I would recommend that some of those resources be directed, as I said towards public health and welfare, determine whether or not the savings and better operations are possible. And within a year's time, ask for some kind of accounting from the Liquor Control Commission to see if that particular change has had an impact upon making investigations better, and the functioning towards public health and welfare stronger as it should be.

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REP. ZAJAC: (continued)

recalls say on a transmission or whatever, called a manufacturer's defect. By your reading of this bill, would a recall on a given part, once it becomes known that it's quite random and the manufacturer recalls in the nature of saying go back to your dealer and they'll make good and replace it or fix it. Would that sort of situation be defined as a lemon? Would that, would all recalls be --

REP. WOODCOCK: I understand where you're coming from, Representative Zajac, and yes, to a certain degree it would. If the recall provided that the consumer bring the car back to the dealer and the dealer was unable to fix the particular defect that first time and three other times. Then they would fall within the definition of lemon under this proposal. But it would have to be four times or more.

REP. ZAJAC: Before the recall.

REP. WOODCOCK: Right, before it would be a lemon as defined in this proposal.

SEN. MUSTONE: Thank you, sir. The chair would just like to remind you that we do have 40 other speakers. The clerk has informed me that we must vacate this room at 12:30 so I again request your cooperation in keeping your remarks to five minutes or less. The next person is James Carey from the Department of Consumer Protection, followed by Dr. James O'Brien.

JAMES CAREY: My name is James Carey. I'm the Director of Licensing Administration for the Department of Consumer Protection. And I will briefly comment in reference to the Department's opposition to Committee Bill 5680.

The, I will echo the remarks, without being redundant to Commissioner Heslin, is that the Department of Consumer Protection is in no way prepared to equipped to assume this responsibility. And I just way to say in reference to her comments concerning the reorganization of government, we're having our difficulties still in attempting to service effectively the various boards and commissions that were merged into the Department of Consumer Protection.

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MR. CAREY: (continued)

I would like to criticize greatly the estimate of savings which is being represented in reference to the transfer of responsibility to the Department of Consumer Protection. I can't see that at all. And I want to say that I feel I speak with good experience, because a few years ago, I was requested to go internally within the Department of Consumer Protection to do, I mean in the Department of Liquor Control, to conduct and analyze exactly what they were doing and how they were doing it, because it was proposed then to possibly come over to the Department of Consumer Protection.

I can tell you that in twenty years experience in state government as an administrator in regulation and license law, that they don't have enough people to do the job that they're confronted with at the present time. Now, when I went through the licensing process of the Liquor Control Commission, I believe at that time they were backlogged in processing applications somewhere between six to nine months. And it's a factory and they just don't have enough people. And some of the criticisms are coming unjustifiably to that department on the basis that applications do take time to process, and so on.

I would seriously question the elimination of some of that paperwork that they require in checking the backgrounds of individuals going into this business. Also compounded by liquidating the effectiveness of inspection of establishments. And I think you go back to the days when you got bootlegged booze on the shelf and you would go back to the days that you wouldn't have any control whatsoever over dispensing of that.

And I think that they have a very difficult task. One other area I looked into at the time that was under criticism was revocations of licenses and the disciplinary actions that they were taking. And to give you an idea of how ridiculous some of these problems are that the Department gets confronted with, there's for example, an intoxicated person comes into a bar and the owner or the bartender or the waitress refuses to serve the individual. He becomes belligerent, maybe shoves somebody or endangers somebody, and a complaint is filed. And there's a chorus of people who are echoing through the Liquor Control

MR. CAREY: (continued)

Commission to revoke the license of the establishment that did their job and refused the individual.

So, in many cases, they take into consideration what all these adverse effects or side effects are when they, and I can't see anything to really criticize the Department administration of that responsibility at this time.

One thing I would like to point out is that in possible changing from one commission to the other. Where is the justification for this? In my experience with state government, I don't know of any major scandals that the present structure has been exposed to in the State of Connecticut.

I've seen it in every state around us and in California, but I haven't seen it, so I really think that if you really want to know what's going on, and I'm not being sarcastic, I really think you should go over there, inside like I did and see what makes that Liquor Control tick. Thank you.

SEN. MUSTONE: Thank you. I just have a comment, Mr. Carey, is that the justification lies in that Program Review and Investigation under mandate has to sunset, and they, I
Belt 5 (gap in tape) O'Brien followed by Edward Liska.

DR. JAMES O'BRIEN: Good morning. I'm Dr. James O'Brien, I'm chairman of the State Pharmacy Commission. I'm appearing in regards to the General Law Committee Bill 426, which because we weren't aware, haven't filed any written report, but would like your indulgence to do so at the close of the session.

I'd like to make some comments today on some of the provisions that would have marked effects on the practice of pharmacy. On page one of your bill, where you very appropriately set limits for missed meetings, the bill represents 50% as the cut-off point for being automatically believed to resign. That seems quite high to me. I would like four meetings, not necessarily consecutive or a third of the meetings in any given year for unexcused absences, not somebody with a heart attack or something of that extent.

MR. LEONE: (continued)

we don't think that this language is necessary. With regard to Bill 425, which will give the Board of Pharmacy and other boards within the Department, in lines 24 and 25 the right to impose a fine, not to exceed \$500 on practitioners, we oppose that.

We feel that the section in 426 expand the options that are available to the board for violations. The pharmacists who come before the board are usually there because of some laxness or possible error or incompetence and that imposing a fine does nothing to protect the public health and safety. We think that the board is there to protect the public health and safety, that they should correct the situation or if necessary suspend or revoke the license of the pharmacist, depending upon the severity of the situation.

And we do not think that imposing a fine as a court would do, would do anything to improve the practice of pharmacy or improve the public health or safety in the State of Connecticut as it relates to the practice of pharmacy.

Finally, with regard to Bill 5680, we're taking no position on that, other than to state that in Section 18 of that bill, which addresses druggist permits, it continues to require that the Pharmacy Commission issue a certificate of fitness for a pharmacist who wants to carry liquor in his pharmacy.

But in Bill 426, the regulation of the Pharmacy Commission under which they issue those certificates of fitness is being revoked. So either the certificate of fitness in Section 18 of this bill must be revoked or the revoking of the regulation must be put back in.

We feel that the certificate of fitness is an anachronism. If a pharmacist is licensed, if the commission has approved the location of the pharmacy, that should be sufficient, and just the fact that the pharmacy has been approved is sufficient, and a certificate of fitness should not be necessary. Thank you.

SEN. MUSTONE: Thank you, Mr. Leone. Are there any questions of Mr. Leone? Next person to testify is Thomas Finan, followed by Raphael Podolsky.

ATT. PODOLSKY: (continued)

I wouldn't object, if you wanted to do it for everybody. But I just think that would, I think that's a more manageable bill, if you limited it to dealers.

REP. CARRAGHER: I also note that all the complaints here have been handled by the Department of Motor Vehicles. Currently.

ATT. PODOLSKY: Right.

REP. CARRAGHER: And if you delete Section 7 as you state, then you are not giving the power to that department to promulgate regulations. Which I think may be a problem. Number one, and I would secondly make the comment to you that I would hope that the both chairmen of the Transportation Committee agree with you that the bill should not go over there.

ATT. PODOLSKY: I would certainly be happy to explore that with them. It seems to me that this bill's detailed enough that it doesn't need regulations. And that's the reason why I think the section is expendable is that would move the bill along. If it has to go to Transportation, then you might as well leave the section in. That would be my recommendation.

REP. CARRAGHER: Thank you, sir.

ATT. PODOLSKY: Thank you.

HAROLD GORMAN: Good morning, committee members. I'm here to comment on House Bill 5680, and I'll shorten my comments in the spirit of moving your hearings along. By way of background, I'm the vice president and general counsel of Heublein Spirits Group, and as your sunset report on this topic reveals, we at Heublein are the only distillers yet remaining in the State of Connecticut.

Heublein has been in continuous business in Connecticut since 1876 and we've been in the liquor business except for one brief interruption during Prohibition, since 1915. We're the largest U.S. producer of alcoholic beverages and last year we returned to the federal government from sales out of the State of Connecticut operation only,

ATT.GORMAN: (continued)

\$107 million in federal excise tax. We also contributed large sums of money to the State Treasury of the State of Connecticut in the form of state excise tax as well as state sales tax.

I've been in the liquor industry for some 14 years as a lawyer with various of the Heublein companies. Most of my practice however, has dealt with our relations with various liquor control commissions, especially the commission in the State of Connecticut. However, as a multinational and national producer of various alcoholic beverages, we are painfully aware of other events happening in the federal government and in other state areas which will have a dramatic impact on House Bill 5680 and the ability of this state to implement it, if in fact it is enacted.

Now, my comments will not treat many of the aspects of specific changes sought in 5680. We have made testimony on companion bills through Herman Wolf, and I believe the representative of the State Liquor Commission has made ample testimony as to some of the problems they would have with enforcement of some of the new provisions.

I would think, too, that some of the wholesalers who do have an interest in the business in the State of Connecticut and who do employ large numbers of people and supply revenues for the large number of retail outlets in the state, that those comments and all should be carefully considered by this committee also.

Now let me restrict my comments to two major events which are presently happening on the federal scene, which will dramatically impact House Bill 5680. And they should be brought to this committee's attention.

One change is a mode and manner by the federal government in collection of federal excise taxes. And over the last year you've probably seen in the Washington administration a huge outcry about President Reagan's concept of doubling federal excise tax. That will not occur this year and hopefully not next.

But what has happened out of that particular involvement is the fact that over the next ten years, there is a general

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ATT. GORMAN: (continued)
phase-in program being contemplated by the federal government which would have the state take on the responsibility and get the proceeds for collection of all excise taxes on distilled spirits and wine which emanate from the borders of that state.

Now we say to you that you need therefore a commission who is knowledgeable in enforcement techniques and the tactics and regulations it has under it, because there is going to be a yeoman's task ahead, if in fact the federal government does contemplate and implement a change-over in the matter and method of federal excise tax collection.

Another important development in the world of the liquor industry these days is the abolition of the BATF, the Bureau of Alcohol, Tobacco and Firearms. Now, I apologize for the use of the abbreviations, but apparently in our business those are used commonly and that's the reference I will use, namely the BATF.

Now over the last six months, the BATF has already been abolished, re-established, abolished and re-established again. And I would remind you ladies and gentlemen that the situation in Washington is desperate as it effects the BATF. And to the extent that this particular bill makes a reference out to the use of federal statutes, regulations or enforcement techniques which heretofore has been under the control of the BATF, I say to you those rights and remedies will no longer be available to the State of Connecticut if in fact BATF goes where it seems to be heading, and that mainly is to abolition.

Belt 7 Now let me read to you quickly a statement by John Walker, Junior, who's the Assistant Secretary of the Treasury, statements he made before the Senate Committee on Appropriations. He says, and I'm quoting, (gap in tape) field offices and out-placement of enforcement personnel.

And from a plan reduction in the level of FAA Act enforcement. Please understand that what they're contemplating doing is in essence, revoking the FAA Act and that contains all the trade practice provisions that this bill would seek to enforce in this state. So what I'm saying to you, in the event that there was a reliance on federal statutes, you're likely to find in three years

ATT. GORMAN: (continued)

that there will be no laws governing the liquor industry. And we at Heublein, from both an administrative and practical standpoint, would not like to tolerate a situation where we sell our product with other unregulated businesses in the various states of this Union.

Now there is other things happening which were ably argued by your own Attorney Generals as the major cases in Connecticut over the last six months. Mr. Richard Sheriden and Mr. Langer with the Attorney General's Office won a very important victory for the State of Connecticut about the reasonableness of the enforcement of certain liquor law provisions in this state. And for what it's worth, you may care to know, that Connecticut leads the nation in having laws in effect that reasonably control the flow of alcoholic beverages through and to the consumer.

Unlike the states of Oklahoma, Florida, Massachusetts and California, all of which have suffered major litigation setbacks, Connecticut has been able to support on a reasonable basis laws and regulations, that reasonably regulate liquor products in this state.

What is happening as an advent of these laws being developed in other states through this litigation and in the United States Supreme Court, is a liberalization of the federal liquor laws and a turnover of enforcement responsibilities to various states by way of the 21st Amendment. So I say to you, ladies and gentlemen, you should take careful note of the fact that the federal government thinks, even though we may be unaware of it, that they're going to turn over enforcement to the various states down the road at a very near state.

So consequently I say to you, rather than sunset on the Liquor Control Commission, I think more sunshine is in order. And I think an aggressive posture should be taken by you people in making the Liquor Control Commission stronger, rather than weaker.

In my dealings with that Liquor Control Commission, I can humbly say that even as an adversary, they're still, in my view, very equitable. And we find it very disturbing indeed, as the only distiller in Connecticut, although we have plants in three other states, that we may be faced

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ATT. GORMAN: (continued)

with a situation where we have unregulated business practices going on, when we are merely trying to fairly compete. Thank you, ladies and gentlemen.

REP. CARRAGHER: Thank you, Mr. Gorman. Are there any questions? Thank you, sir. Carroll Hughes. To be followed by George Montano. And Noel Tomas.

CARROLL HUGHES: Mr. Chairman, if it's all right, we'll make very brief comments, rather than speaking as separate speakers.

REP. CARRAGHER: That's fine.

MR. HUGHES: Okay, thank you. My name is Carroll Hughes, the Executive Director of the Connecticut Package Stores Association. With me is Attorney Richard Goodman, the Package Store attorney on my left and president of the Connecticut Package Stores Association, Richard Madgic.

We'd like to speak in regard to some of the sections in Bill 5680. The first section, President Madgic of the Package Stores Association would like to speak in regard to the elimination of the independent Liquor Control Commission.

RICHARD MADGIC: My name is Dick Madgic. I'm the president of the Retail Package Store Association. Two and a half months ago, we had our minimum mark-up eliminated, or the implementation of it. And we are just starting to find out what our new businesses are going to be like. And we, never more have we needed control than what we need right now.

As we prepared ourselves for the marketplace without minimum mark-up, we invited speakers from other states, particularly Massachusetts and Oklahoma. And one of the major compliments that we heard and comments that we heard from these people, were the strength that our Liquor Control Commission has and the fairness with which they regulate their laws.

We feel now that this marketplace needs these laws, more so now than they ever have in the history. It gives us an opportunity to be able to control things that are going

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MR. MADGIC: (continued)

on in the marketplace, such as illegal wine tastings. We have a minor problem that's getting larger. Drunk driving is becoming a serious problem. If we don't have a regulatory body that we can have access to on a daily basis, even by the telephone, these subjects are going to get out of control.

We have advertising problems that are going on constantly. In fact, the Attorney General's Office is going to address themselves to one of these problems as it approaches the anti-trust laws. We have a below-cost selling problem, down in the Fairfield County area. And we just feel as retailers, we need a strong regulatory body to be able to handle these until our marketplace settles itself.

MR. HUGHES: Carroll Hughes, and I might just add that one of the things we feel is very important about the Commission is that we are able, our members are able, without expensive attorneys or whatever, and even inexpensive ones, to appear before the Liquor Control Commission and represent themselves, which is, it seems to be a trend today to go back to administrative adjudication. And I think that actually the Liquor Control Commission has been ahead of itself in being able to have the many permittees that have been out there in the field, to go represent themselves before the Commission and in most cases, they've felt that they've received a fair and equitable decision from that body.

And during business hours, I might add, too. And I don't think that you're going to get people that aren't being paid, at least a suitable compensation, to be there two or three days a week and available by phone during business hours and I just find that retailers remark so frequently about that availability. And it's very critical I think to the whole, the whole issue.

I might just comment on a couple of other items that are in Bill 5680. One of those is the regulation of advertising, or the so-called de-regulation, as is represented by the report from Program Review and Investigations Committee. We feel that the regulation of that advertising is very critical. The entire liquor industry may be a little different from some other consumer products that are out there in the marketplace, and I think

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MR. HUGHES: (continued)

it's been recognized by your Committee during the past few years and certainly is recognized by the full-time Commissioners in the State Local Control Commissioner and staff. And that if there are deceptive practices that could occur, they may occur in the liquor industry. And we feel that the trend is going the other way with the BATF as the previous speaker indicated. And that if anything, we should retain this type of regulation in the state in terms of what is listed on bottles, what is listed in terms of advertising and the whole area of the inducements, the signs, the, and other factors dealing with that.

The -- one of the most important things in the -- to a retailer, particularly now with the unstabilized market as it has been for the last few months is the section that comes from Program Review indicating the invoice shall be the determiner of the selling below or at cost. That's a prize to someone who wishes to provide for deception in the marketplace to use the invoice price at several months back to indicate that those are the items he has on his shelf and it's very, very difficult to prove when those particular goods actually came in.

And as I think Commissioner Snyder pointed out yesterday, you could have conceivably five different prices on five different items on the shelf and would work to the disadvantage of the consumer in the marketplace because one could pick up a bottle, I think it adds a lot of friction when you have that type of situation with items on the shelf that are based on invoice as opposed to the posted price of that month and that is the below cost price. So I think the below cost selling was placed in there at a time to help stabilize the package stores and to take that determination of what is below cost selling out of the liquor laws which actually raised havoc with that very stabilizing provision that you added in the 1981 session of the General Assembly. And those are the comments I have. I think Attorney Goodman has some on a couple of other subjects. Here he is.

ATTORNEY GOODMAN: I'd just like to address briefly two sections. The first is section 9 dealing with credit. It may seem surprising, but the retailers support a strong credit law for the liquor industry. We understand the feeling that perhaps there is too much administrative time being

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MR. GOODMAN: (continued)

taken up and therefore, we are supportive of the concept to try and withdraw the Commission from the day to day enforcement. The bill does, to a certain extent, toward that, we think a substitute bill that you will be hearing tomorrow probably is a better one which doesn't really give the time that we may need on some other things.

But we are generally supportive of a strong credit law because our belief is this industry, more so than any other, needs continued stability. And the credit law is one of the things that brings stability to this industry.

I would also like to address on section 18 and perhaps -- this is concerning drugstores and it may seem to you like something like this should go through. The section very simply will allow drugstores to sell the same sizes, all sizes, as package stores are allowed to sell of liquor. And I think the average reaction is my goodness, why shouldn't they be able to? And I think part of the danger that you face with this bill is trying to take out of context one section and perhaps one of the complex area of the law. Because it's not a question of whether or not drugstores should sell the whole line. Really the question is if you wanted to start analyzing, why are drugstores in the business of selling alcoholic liquor to start with. Drugs and liquor is not the most natural combination. It happens to go back to the days of prohibition and when you weren't allowed to sell liquor and people said well, maybe for medicinal purposes, so a crack went open.

But I dare say, leave this alone. I think it should be left alone. If you are going to allow drugstores to sell everything in the form of alcoholic beverages, it should be recognized on the other side that drugstores in addition to alcoholic beverage sell today about everything under the sun. They are not much different from supermarkets or anything else and you might as well do away with about a third of the laws you now have regulating who can sell what and I repeat what I said earlier about credit. Stability in this industry in who can sell, the fact that you deregulate it is important and while a very seemingly unimportant thing like letting drugstores sell all sizes opens up a whole new area for drugstores or people who are not now drugstores take out druggists' license, put in their department store, etc., drug store, get a full liquor license and you are going to

MR. GOODMAN: (continued)
have what you prohibit in many other sections of the regulations. Thank you.

REP. CARRAGHER: Are there any questions? Thank you, gentlemen. George Montano.

GEORGE MONTANO: My name is George J. Montano and I'm the Executive Director of the Wines and Spirits Wholesalers of Connecticut. Mr. Chairman and distinguished members of the Committee, this bill, H.B. 5680 has 24 sections and I could very easily spend a half hour on each one and I won't spend more than one second, as Chairman Carragher looks at me. It's an all-encompassing bill. And our Association of Wholesales is opposed to all of these sections except section 9 which deals with credit. We have worked out some language based on what is in the bill already and we will present that tomorrow when another credit bill comes up for public hearing. I won't take up time right now to discuss that.

However, I will leave for Representative Torpey and any other member, I have three copies of a study that was conducted on the credit laws of various states. And to answer very quickly the question of Representative Torpey, the basis of a credit law is to prevent the evils of a tied house and also to prevent the inducements that the large wholesalers with large funds can control the purchases of a retailer and the wholesaler would be the one to decide what goes on the shelf and not competition.

Specifically in H.B. 5680, we are opposed to section 10 which abolishes our franchise. Now this is contrary to the recommendation of the Program Review Committee and I think it was only a question of draftsmanship, but the Supreme Court has ruled that franchises are pro-competitive. In Oklahome where franchises are prohibited, the public has a very, very small choice of product. Whereas in Kansa which went from no franchises to a franchise system, they went from availability of product of 4300 to an availability and variety of 14,883. Also, section 10 abolishes brand registration and labels. Now the consumer benefits from brand registration. It protects the consumer from misbranded, illegal and impure beverages. Now recently, the Treasury has okayed the construction of backyard distilleries to produce gasahol and they are now admitting

Belt 8

MR. MONTANO: (continued)

that in many areas, they have done nothing more than to legalize moonshining. Because many of the products that are coming out of the backyard distilleries that do have government permits are being fed into the alcohol beverage industry. Now the State benefits from brand registration because the State will now the source and the authenticity of all of the products coming into the state. They will also know the date of shipment. And there will be a clear and easily verified paper order trail for tax collection.

We're also opposed to section 11 which abolishes the Liquor Control Commission. Our wholesalers, especially now more than ever want a strong Liquor Control Commission that can enforce the laws. And I won't add to that because Commissioner Snyder very able covered all the areas dealing with the need for a strong Liquor Commission. I would like to say one thing, though. In reading the Program Review report, it was very interesting that nowhere in that report does it mention the income of the Liquor Control Commission. One reading that report would walk away with the impression that the total operation was a cost to the general taxpayer. The Liquor Control Commission has an income almost of \$7 million. And its expenses including fringe benefits approximately \$1,300,000. Lastly, we are in favor of House Bill 5733 which deals with the affirmation on beer. And with that I will end. If you have any questions, I will gladly attempt to handle them.

REP. TORPEY: Mr. Chairman, no question, but a remark to thank the gentleman for his explanation. Didn't convince me, but I thank him.

MR. MONTANO: Thank you, Representative.

REP. CARRAGHER: Thank you, Mr. Montano. Noel Thomas.

NOEL THOMAS: Good morning. My name is Noel Thomas. I reside at 27 Plank Lane, Glastonbury, Connecticut. I'm probably your first person to testify on behalf of myself and excepting for repairs that have taken place on a vehicle that I have owned since this was new and I purchased it in the town of Plainville here in Connecticut. I'm appearing before this Committee this morning in support of Representative John Woodcock's lemon bill. I am taking that position because a major repair problem I have suffered

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MR. DUBITZKY: (continued)

and gentlemen, in the face of all this. I complained. Starting with the Motor Vehicle Department, Consumer Protection Department, Mrs. Heslin, and others. No reaction whatsoever, and by the time the end of my complaint arrived, the dealer said, Mr. Dubitzky, the warranty period is over. Now it's up to you to take care of it. Now, ladies and gentlemen, thank you for giving me the opportunity before you. At my young age of 81 plus, I say to you please, I would personally would like to see a much, much stronger Bill, but even this little Bill that Representative Woodcock presented, as we have said time and again, during my 81 years life, it's a step in the right direction. Thank you very much.

SEN. MUSTONE: Thank you very much. Would you like to leave that with our clerk, Mr. Dubitzky? And thank you for not mentioning the model. Were there questions of Mr. Dubitzky?

REP. TORPEY: No question. I'd just like to say to Mr. Dubitzky, for a man 81 years old, you look damned good and especially for one that's frustrated with his automobile.

SEN. MUSTONE: The next person to testify is Attorney Alan Mall followed by Leonard Conlin please. Attorney Alan Mall. Is Alan Mall in the room? Can we please then go to Michael Conlin. If he appears, we'll call upon him.

MR. LEONARD CONLIN: Senator Mustone, and members of the Committee, my name is Leonard Conlin and I'm Chairman of the Board of the Connecticut Cafe and Restaurant Liquor Council. I'm here to address myself to Bill 5680. In the interest of brevity and I know you've heard a lot of speakers today speak on various topics, we have come to a conclusion, at least the concensus of our opinion, that this particular Bill is probably premature. Based on the testimony of Commissioner Heslin and based on the testimony of several other people, we probably find that the Liquor Control Commission, with all its evils and all its defects, etc., in all probability can best handle the particular job at the particular moment in time. We certainly would not endorse going anything beyond one year

MR. CONLIN: (continued)
of time to correct a lot of the deficiencies that are inherent in the liquor laws of the State of Connecticut. We have several major points that we would like to make.

SEN. MUSTONE: You have two minutes to make them in, Mr. Conlin.

MR. CONLIN: Okay, Senator. I was afraid this was happening. I didn't know whether I signed up on the wrong sheet of paper, but I saw Representative Zajac take it out of the room and I think he left it in the men's room. I would have preferred to speak earlier in the ballgame. We, as retailers, feel that we have been the whipping boys of the liquor industry of the State of Connecticut for far too long. If you look on any one of the issues of the Connecticut Beverage Journal, you will see that all the violations, all the fines, etc., are addressed primarily to retailers and not to wholesalers. We also feel briefly, and I will tell you this--that the wholesalers dominate the liquor control industry of the State of Connecticut.

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The laws are written to their great favor and advantage. I'm sorry that Representative Carragher is not here because he did indicate that he wanted to discuss things that are going to be taken up tomorrow. I would say that tomorrow, to allow some of the things that are going to be proposed, would be allowing a cartel similar to OPEC and it would be illegal in any other industry if they did it in the meat business, the packing house business, the vegetable business, etc., they'd be subject to fines. They would be subject to triple fines and they would probably be thrown in jail because you're talking under the Robinson-Patman Act and most of the things they provide are illegal. They're talking about collusion. They're talking about intimidation of other wholesalers and they're talking about directly influencing other people from supplying retailers. And it's only done in the name of alcohol. Always remember it. They could not do it in the meat business. They couldn't do it in the grocery business. They could not do it in the vegetable business. They do it under Liquor Control and under the 21st Amendment.

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MR. CONLIN: (continued)

We feel that none of this in its best, would be any good for the industry in itself. I in particular, have a case that was adjudicated by the Liquor Control Commission over a year and a half ago in a debt from a wholesaler. It was satisfied by me. We have the cancelled check to prove it. We have letters and records of the Liquor Control Commission to prove it. I am now in the process of being sued in Court for the exact same debt that was satisfied through the Liquor Control Commission a year and a half ago. So even if that's right now, this credit collection system of the Liquor Control Commission does not work. It will work even less under the proposals of Amendment to Section 30-48.

SEN. MUSTONE: Thank you very much, sir. I would say in defense of Representative Carragher he will be--we both did receive a subscription, monthly, of the Connecticut Beverage Journal, sir, and Representative Carragher will have the advantage of the--of your testimony, sir. Dan Duffy who is with Legislative Research always takes notes on testifier's comments so therefore we always review them after. Thank you very much, Mr. Conlin.

MR. CONLIN: Thank you Senator.

SEN. MUSTONE: Representative Zajac.

REP. ZAJAC: I would say in jest, of course, Mr. Conlin, that you're right, I did remove the paper in the bathroom and for the life of me, I don't know where the Senator got it back. Inside information.

SEN. MUSTONE: The next person and I might add that the next six speaker are speaking on the same Bill which is Senate Bill 258. So, as I said earlier, while in fairness we will allot you the three minutes, please, if you want to give testimony in the spirit of cooperation, please do not just continue to duplicate one another's comments. The next person is Seymour Sloane, followed by Barbara Epstein.

MR. SEYMOUR SLOANE: My name is Seymour Sloane and I'm from

MR. VINICK: Can I clarify what I said, please. I said they do not offer the services of anyone who is not qualified as an interior designer. (inaudible)

MR. DUFFY: That's fine, but that's a long way from supporting the legislation which is what I understood.

REP. CARRAGHER: Mr. Duffy and I then, sir, misunderstood what you said. I'll be happy to look back when this is typed from the printer

(gap in changing of belt)

Belt 15 MR. DUFFY: -- legislative review and program review process, the reconstitution of the Board of Pharmacy and the Pharmacy Commission essentially as its been drafted. Let me just make a couple of comments. As we understand the draft, the Pharmacy Commission would be reconstituted. There is language in there that refers to the ability of the Connecticut Pharmaceutical Association to make a nomination annually and the language is that the Governor may accept, may appoint one of those nominees. I just want to state for the record that the Connecticut Pharmaceutical Association does represent some of the professionals, but they do not represent retail pharmacy.

Our Association represents Rite Aid, Genovese, Supermarkets, general corporation all of those individuals. And we think the language is fine as it is, we just don't want it to preclude other nominees from being considered by the Governor and we certainly wouldn't want it to preclude a representative from the chain drug industry serving on the commission.

SEN. MUSTONE: Thank you very much, Mr. Duffy. The next person to testify is Elva Vocatura followed by Roy Ervin and in addition to that we still have three more testifiers and we are running late. Thank you.

ELVA VOCATURA: Sen. Mustone, Representative Carragher, members of the Committee. These two hour sits that I get to speak three minutes are really getting me down. I'll tell you, but my name is Elva Vocatura and I'm President of the Connecticut Cafe and Restaurant Liquor Council. I am speaking in favor of House Bill 5680. I would also like to commend Mr. Spencer Cain and his Committee and I think

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MS. VOCATURA: (continued)

it's kind of tragic the things that have happened to this wonderful report since it has been presented to the Legislative Program Review. We are -- before I begin, go any further, our purpose here today is not to criticize the Liquor Control Commission, but the statutes and regulations by which the Commission governs. We do not favor placing the Liquor Control Commission with the Consumer Protection Agency. We were in favor of the original move, but we do feel that we do need a commission.

And to regulate the retail and wholesale liquor. There's several things I need to talk about in such a short time, but I think that one is the defined wholesaler territories. Package store owners are allowed to purchase out of designated areas and cafe owners, restaurant owners aren't. We support this bill that will give us the same equal opportunity to do our buying where the prices and territories are most convenient for us. The Liquor Control's function as a collection agency for wholesalers, I'm very, very strongly in favor of eliminating the Liquor Commission in collection of fees for spirits and when a wholesaler only pays \$800 a year for a license and I pay \$3000 for a year for a license, they make millions and millions of dollars and we certainly are not in that category.

So, I think that the licensing is a little unfair and I think that they should not be allowed to go to states to have their bills collected for them. I know of no other industry that allows this to happen. We have a bill coming up tomorrow in double jeopardy, I won't speak on that, but I think that the discretionary powers of the Liquor Control Commission are antiquated and that I think that you have done a fine job, but we've still got a long way to go to eliminate the need to move a jute box or physical changes in the interior/exterior of your business is ridiculous, it's a waste of the commission's time for that kind of thing.

Bartenders' licenses are a hoax. They have no legal -- give us a legal recourse or no other means of being able to profit by having our bartenders licensed. To eliminate regulations prohibiting outside neon and painted signs advertising, we should certainly be able to advertise the way that we want and I think everybody agrees that we do

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MS. VOCATURA: (continued)

it in good taste. To delete the prior approval requirement concerning entertainment and games but retain current legislation concerning lewd behavior. I think that's a must. We to protect our businesses with the kind of entertainment we have.

SEN. MUSTONE: I wonder if you could possibly summarize, Ms. Vocatura.

MS. VOCATURA: Well, as I said I'm also in favor of House Bill 5733 which is establishing prices on keg beer and I would urge the committee to perhaps not move the Liquor Control Commission but to complete a study. I think you've done a fine job, but you've got a lot of work to do. Where are you going to put this commission and if those five Commissioners or three Commissioners don't have to spend so much time collecting liquor bills and are allowed to regulate us in the proper way and updating the regulations then I think we'll have a much more viable and workable situation.

SEN. MUSTONE: Thank you. That's what we're attempting to do. Roy Ervin followed by Larry Riefberg.

ROY ERVIN: Thank you Sen. Mustone. I'm Roy Ervin representative for United States Brewers Association in Connecticut which is opposing House Bill 5733 concerning keg beer prices. As you know, affirmation last year was passed after very many rounds of compromise. As far as cans, bottles and cases.

During the public hearings never was there testimony with reference to kegs of beer or even in our private hearings trying to compromise the bill for everybody to be happy did kegs come up. I don't think it was done on purpose, I think we're just so wrapped up with the minimum markup bill and our affirmation part of it that no one gave real serious thought to the differences of beer that are shipped in Connecticut. However, kegs of beer or barrels of beer are very different, obviously, from packaged beer.

In Connecticut in the latest statistics we sold in this is in barrelage, 1,911,000 barrels of beer. And that's are 31 gallons a barrel. Out of that sum total almost 85% of it was in small containers. Yours regular 12 ounce

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SEN. JOHNSON: Thank you very much Sen. Mustone, and the Committee members that are still here. I just wanted to put on the record that Rep. Harper, my Co-Chairman of the Program Review and Investigations Committee and I made the decision to appear before you at the end of your meeting out of respect to the public primarily. But we, we do want to have the opportunity to talk with the Committee at some length to explain the rationale behind our recommendations contained in the Program Review and Investigations Oaksite Study of Liquor Control and regulation in Connecticut.

As this hearing has gone on considerably longer than was intended, we will not go into that discussion at this point. We will arrange to meet with the Chairman and the Committee members though for that purpose. You've heard a lot of very interesting testimony today and I think that before you make that decision you need to hear more of the background material that our staff developed and the material upon which we made our decisions that led us to our conclusions. But I do want to enter into the record at this time, the fact that Committee specifically voted to support the continuation of the franchise system.

And the fact that the bill eliminates that is a drafting error and not -- and is recognized as such by everyone involved. I want to make that clear since that did come up earlier in the hearing. At a later time, which we will arrange, Joe and I would like to go through in some detail the rationale behind our recommendations. Thank you.

SEN. MUSTONE: Very well. Thank you, Senator Johnson. We only have two committee members present here. We have a meeting to JF bills on Monday morning at 10:00. I might have suggested that perhaps we meet with you and Rep. Harper before that meeting Nancy, but we would like to be able to have time to contact the other members of the Committee. We have a tentative meeting which I believe won't be tentative, it will be scheduled for the JF day which will be the last day that we're JFing bills on the 17th, so would it be convenient if we met at perhaps 9:30 and then perhaps that way we could reach all our committee members so that they would be present.

MS. VOCATURA: (continued)

and it only seems they happen in the liquor control industry. We have a local mortician who gets arrested about every other month for driving under the influence. He was a commissioner or is a commissioner on the Mortician's Commission. And the commission doesn't fine him for drunken driving charge, nor do they take his license away.

Commissioner Snyder in his remarks yesterday cited the loss of revenue. Surely the more than 750,000 dollars in licensing fees should be enough. Why should the Liquor Commissioner have the power of quasi-judicial powers? There is no other industry or regulatory board in the State of Connecticut that is tried twice for the same, or no, pays a fine twice for the same offense. Nor has their license been revoked for civil penalties unrelated to their professional occupation.

In violations found by the Commission, and I would like to make a point of this, there is no local recourse for us in the courts, and the bottom line is that our association feels this regulation has been unfair for so many years. We would urge your consideration for support for this House Bill 5880. Thank you, Senator.

SEN. MUSTONE: Thank you, Miss Vocatura. Did you say that Vic were here?

MS. VOCATURA: Vic is gone.

SEN. MUSTONE: Is Mr. Haines here? Yes, would you step forward, please, followed by Richard Madgic.

BILL HAINES: Senator Mustone, I am speaking for two people, but I will be brief. My name is William Haines and I live in Waterford. I am a member of the Connecticut Cafe and Restaurant Liquor Council and I own and operate three cafes in the New London-Groton area. I feel that there are several things that should be corrected within the Liquor Control Commission's rules and regulations and the methods that the commission operate under.

I wish to voice strong support for House Bill 5880, which is the Dual Penalty Bill. I feel that the State would be much better served if House Bill 5680 were enacted. This is the regulation of alcoholic beverages in Connecticut.