

Legislative History for Connecticut Act

SB 334	PA 401	1984
House	6403 - 6408	(6)
Senate	2193 - 2200, 2314	(9)
General Law	199 - 202	(4)
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CONNECTICUT
GEN. ASSEMBLY
HOUSE

PROCEEDINGS
1984

VOL. 27

PART 18

6333-6686

SPEAKER STOLBERG:

The Speaker in the negative.

The Clerk please announce the tally.

CLERK:

Senate Bill 320.

Total number voting 140

Necessary for passage 71

Those voting yeas 7

Those voting nays 133

Those absent and not voting 11

SPEAKER STOLBERG:

The bill is defeated.

CLERK:

Page 16, Calendar 756, Substitute for Senate Bill No. 334, AN ACT CONCERNING THE TRANSFER OF LIQUOR PERMITS, as amended by Senate Amendment Schedule "B". Favorable Report of the Committee on General Law.

REP. MOSLEY: (72nd)

Mr. Speaker.

SPEAKER STOLBERG:

Rep. Maurice Mosley.

REP. MOSLEY: (72nd)

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

SPEAKER STOLBERG:

Will you remark?

REP. MOSLEY: (72nd)

Mr. Speaker, this bill simply continues the rights that a person has before 1981 in terms of transferring his interest and permits by intervivos or testamentary dispositions. Prior to -- well, when we put in the moratorium we prohibited individuals that had two or more package stores, or package store permits from transferring it to his children or to his wife.

Mr. Speaker, the Clerk has an amendment, LCO No. 2057. I'd like the Clerk to call and read.

SPEAKER STOLBERG:

The Clerk has an amendment, LCO 2057, Senate "A". Will the Clerk please call. What is the LCO number you have, Rep. Mosley?

REP. MOSLEY: (72nd)

The LCO No. I have is 2057.

SPEAKER STOLBERG:

And is that designated "A" or "B"?

Okay, the indications are, Senate "A" was rejected. Senate "A" is LCO 3414. Senate "B", apparently was adopted. Senate "B" is LCO 2057. Will the Clerk please call LCO 2057, Senate "B".

kok

House of Representatives

Monday, May 7, 1984

CLERK:

LCO No. 2057, designated Senate "B", offered by Sen. Murphy.

REP. MOSLEY: (72nd)

Will the Clerk please read.

CLERK:

In line 14, after the word "person" insert the words "who had on June 8, 1981 such interest in more than two such permits".

REP. MOSLEY: (72nd)

Mr. Speaker, this amendment basically confines or restricts the number of people that could transfer their permits, and I move adoption of the amendment, Mr. Speaker.

SPEAKER STOLBERG:

Will you remark on Senate "B"? Will you remark on Senate "B"? Rep. Mosley.

REP. MOSLEY: (72nd)

I just moved adoption of the amendment.

SPEAKER STOLBERG:

You just moved adoption? No one wants to remark on Senate "B"? Fine. All those in favor of Senate "B", please indicate by saying aye.

kpt

House of Representatives

Monday, May 7, 1984

REPRESENTATIVES:

Aye.

SPEAKER STOLBERG:

All those to the contrary, nay.

Senate "B" is adopted.

Will you remark further on the bill? If not, will members please be seated. Staff and guests come to the well of the House. The machine will be opened.

CLERK:

The House of Representatives is now voting by roll.

Will all members please return to the Chamber immediately. The House of Representatives is currently voting by roll. Members please return to the Chamber at once.

SPEAKER STOLBERG:

Have all the members voted? Have all the members voted and is your vote properly recorded? If all the members have voted, the machine will be locked and the Clerk will take a tally.

Rep. Muriel Buckley of the 41st District.

Rep. Buckley, you're going to have to announce your vote, ma'am.

Rep. Buckley.

REP. BUCKLEY: (41st)

Thank you, Mr. Speaker. In the affirmative, please.

kpt

House of Representatives

Monday, May 7, 1984

SPEAKER STOLBERG:

Rep. Buckley in the affirmative.

Rep. Murdock.

REP. MURDOCK: (17th)

In the affirmative, please.

SPEAKER STOLBERG:

Rep. Murdock of the 17th in the affirmative.

Rep. Karsky.

REP. KARSKY: (4th)

In the affirmative, please.

SPEAKER STOLBERG:

Rep. Karsky of the 4th in the affirmative.

Rep. Casey.

REP. CASEY: (118th)

In the affirmative, Mr. Speaker.

SPEAKER STOLBERG:

Rep. Casey of the 118th in the affirmative.

Will the Clerk please announce the tally.

CLERK:

Senate Bill 334 as amended by Senate "A".

Total number voting 143

Necessary for passage 72

Those voting yea 143

Those voting nay 0

Those absent and not voting 8

House of Representatives

Monday, May 7, 1984

SPEAKER STOLBERG:

The bill is passed.

CLERK:

Page 17, Calendar 761, Substitute for Senate Bill 198, AN ACT CONCERNING STATE GRANTS TO PUBLIC LIBRARIES. Favorable Report of the Committee on Appropriations.

REP. HELFGOTT: (53rd)

Mr. Speaker.

SPEAKER STOLBERG:

Rep. Michael Helfgott.

REP. HELFGOTT: (53rd)

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

SPEAKER STOLBERG:

Will you remark.

REP. HELFGOTT: (53rd)

Ladies and gentlemen, the bill before us proposes to change the manner in which the State of Connecticut reimburses their local communities for their public libraries.

Ladies and gentlemen, we have had similar bills before us for quite a few years now. I don't think there's ever been a question but that the way in which we presently

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GEN. ASSEMBLY
SENATE

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THE CHAIR:

The record will so note.

SENATOR AVALLONE:

Mr. President, I would like to be recorded in the affirmative.

THE CHAIR:

Senator Avallone wishes to be recorded in the affirmative? The record will so note.

THE CLERK:

Calendar 229, File No. 329, Substitute for Senate Bill No. 334, An Act Concerning The Transfer Of Liquor Permits. Favorable Report of the Committee on General Law. The Clerk has amendments.

THE CHAIR:

Senator Dorr.

SENATOR DORR:

Yes, Mr. President. I move adoption of the joint committee's favorable report and passage of the bill.

THE CHAIR:

Clerk, please call the first amendment.

THE CLERK:

Clerk has Senate Amendment Schedule "A", LCO No. 3414, Senator Dorr.

SENATOR DORR:

Yes, Mr. President.

THE CHAIR:

Senator Dorr.

SENATOR DORR:

Yes, Mr. President. I move adoption of the amendment and ask that the reading be waived and permission to summarize.

THE CHAIR:

Without objection, you may proceed.

SENATOR DORR:

Mr. President, one second while I get the file.

THE CHAIR:

The Senate will stand at ease.

SENATOR DORR:

Yes, Mr. President. This amendment would prohibit the removal of a retail liquor premises if the move is more than seven hundred and fifty feet from the old permit premises. "The removal of the permit premises" shall be without the approval of the Department of Liquor Control and "The Department shall not approve the removal of any retail permit premises to a new location unless the new location is in the same municipality as the present location." Mr. President, the retail liquor dealers support this amendment wholeheartedly. This is an amendment which installs equity into the agreement which was reached several years ago with respect to the decontrol of liquor pricing and I would move adoption of the amendment.

THE CHAIR:

Do you wish to remark further on the amendment? Senator Skelley.

SENATOR SKELLEY:

Mr. President, in the two years that Senator Dorr and I have known each other I suppose there's only one issue we actually disagreed on of any

substance and this particular issue happens to be the one. During the time in which we dealt with the elimination of minimum mark-up in the liquor industry, I'm sure the members of the circle who were here can appreciate the fact that there was some rather intense negotiations that took place at that time with the brewers, the wholesalers and the retailers and there were several concessions that were made to each side. One of the concessions that was made was that we would limit, in fact, any additional permits, but that permit could be transferred. I happen to think that allowing that permit to be transferred across town lines or wherever, in fact, is good for the consumer in the State of Connecticut. We're finding right now that certain small retail package store owners who really were borderline at the time can no longer exist in the market place where they have to be a little bit more competitive. We're also finding that those major liquor store operators that had wished to become more entrepreneurs and, in fact, are experiencing a much greater profit, in fact, are being able to be businessmen now and not totally regulated. With all due respect, I would ask that the circle defeat this amendment.

THE CHAIR:

Do you wish to remark further?

SENATOR MORANO:

Mr. President.

THE CHAIR:

Senator Morano.

SENATOR MORANO:

Mr. President, through you a question to Senator Dorr.

THE CHAIR:

You may proceed.

SENATOR MORANO:

Senator Dorr, I understand that the amendment before us was in the form of a bill in the House and was recommitted in the House. Is that true?

THE CHAIR:

Senator Dorr.

SENATOR DORR:

This is a different measure. The bill that was in the House which was recommitted said that only people who had more than two liquor permits were prohibited from moving them. This bill is significantly broader in that it restricts the removal of all retail liquor permit premises, so it's significantly different in that everyone is prohibited from moving it. The other measure which was recommitted in the House of Representatives about a week and a half ago prohibited the removal of a retail liquor permit premises when that person was grandfathered in with more than two retail liquor permit premises. Now is that redundant?

THE CHAIR:

Senator Morano.

SENATOR MORANO:

Mr. President, Senator Dorr was very, very definitive in his answer and semantically I think he agrees that it was recommitted in the House despite the language he referred to today. I think it's important that these transfers be allowed. There are times when areas, shopping areas, business conditions, change in an area, and it's an opportunity for a liquor store to

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change locations and sometimes it might be a borderline, bordertown situation where all they merely move into the next town, and as long as they meet the zoning conditions, I think it's all right. I think the amendment should be defeated.

THE CHAIR:

Clerk, please make an announcement for an immediate roll call.

THE CLERK:

An immediate roll call has been called for in the Senate. Will all Senators please take their seats. An immediate roll call has been called for in the Senate. Will all Senators please be seated.

THE CHAIR:

Question before the chamber is a motion to adopt Amendment Schedule "A", LCO No. 3414. Machine is open. Please record your vote. Senator Wilber Smith, Senator Owens. Has everyone voted? Machine is closed. Clerk please tally the vote. Result of the vote, 7 yea, 28 nay, the amendment is defeated. Do we have any further amendments?

THE CLERK:

Yes, Mr. President.

THE CHAIR:

Clerk, please call the next amendment.

THE CLERK:

Clerk has Senate Amendment Schedule "B", LCO No. 2057, Senator Murphy.

THE CHAIR:

Senator Murphy.

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SENATOR MURPHY:

Mr. President, I move adoption of the amendment and ask that the reading be waived.

THE CHAIR:

Without objection, you may proceed.

SENATOR MURPHY:

Very briefly, it's a short technical amendment, Mr. President, which inserts language on line 14 which will clarify that the main bill itself the transfer is limited to individuals and not corporations and to those who had more than two permits prior to affirmation. I move adoption of the amendment.

THE CHAIR:

Do you wish to remark further? If not, all those in favor signify by saying aye. Those opposed, nay. The ayes have it. The amendment is adopted. Call the next amendment please?

THE CLERK:

Clerk has Senate Amendment Schedule "C", LCO No. 3320, Senator Streeter.

THE CHAIR:

Senator Streeter.

SENATOR STREETER:

Yes, Mr. President. I would ask that this amendment be withdrawn.

THE CHAIR:

Without objection, the amendment is withdrawn.

THE CLERK:

No further amendments.

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THE CHAIR:

No further amendments? Senator Dorr.

SENATOR DORR:

Yes, Mr. President. On the bill itself, this bill changes the liquor laws of the State of Connecticut to allow transfer of liquor permits to - well, let me back up a bit, Mr. President. Liquor Control Act defines a permit as "a purely personal privilege good for one year which does not constitute property, ceases at the death of the permittee and may not be bequeathed to heirs. Upon a permittee's death, the Liquor Control Act does allow the continuation of a alcoholic beverage business by estate trustees for six months under an appropriate court order. Further, the current law prohibits a permittee or backee from acquiring an interest in more than two package store or drug store liquor permits. However, it does not apply to those having an interest in any number of those permits prior to June 8th, 1981." This bill, if adopted, Mr. President, would confirm the continued rights of pre 1981 holders of interest in such permits and would allow them to be transferred to a wife, husband or child either the holder's lifetime or as an inherited bequest. Under the bill, if adopted, nothing could require the surrender, disposition or release of any pre 1981 interest in an alcoholic beverage permit nor effect the holder's right to continue holding, using and renewing such permit. In addition, the bill would allow the transfer of any interest in such permit to a spouse or children regardless of whether they themselves were already holders of other permits. Such transfer rights, by law, could be exercised by any person or corporation including those as backers own or control more than five per cent of a business. Mr. President, if there's no objection to this measure, I would ask that it be

2200

placed on the consent calendar.

THE CHAIR:

Without objection, so ordered.

SENATOR DORR:

Thank you, Mr. President.

THE CHAIR:

This was amended by Amendment Schedule "B". That was the only amendment that succeeded. The matter is placed on the consent calendar. Thank you, Senator Dorr. Proceed with the next item.

THE CLERK:

Yes, Mr. President. On page 2, calendar 239 has been passed temporarily, Calendar 283, File No. 424, Substitute for Senate Bill 460. An Act Concerning Information Required To Be Submitted By General Bidders. Favorable Report of the Committee on Government Administration and Elections.

THE CHAIR:

Senator Daniels.

SENATOR DANIELS:

Mr. President, I move for the adoption of the committee's favorable report and passage of the bill.

THE CHAIR:

Will you remark?

SENATOR DANIELS:

Yes. Mr. President, under current law, the general bids of the state public works department are required to include the names of sub-contractors to be used by the general bidder and the amount of the sub-contractors. What

SENATOR SCHNELLER:

Mr. President, yes. I thought Senator Avallone did, but I would move this to the consent calendar.

THE CHAIR:

Clerk ... Senator Schneller.

SENATOR SCHNELLER:

Mr. President, I'm not quite with it. Yes, Mr. President, thank you. One of our members would like to leave at this point or has to leave and therefore, I'd ask that we do a consent calendar on everything that we had put on consent to this point.

THE CHAIR:

Clerk will call a roll call for the purpose of a consent calendar.

THE CLERK:

An immediate roll call has been called for in the Senate. Will all Senators please take their seats. An immediate roll call has been called for in the Senate. Will all Senators please be seated.

THE CHAIR:

Clerk will call the consent items.

THE CLERK:

On page 1, calendar 229. On page 2, calendar 372. On page 5, calendar 527 and 529. On page 6, calendar Nos. 530, 532 and 534. On page 7, calendar 535, 537, 538. On page 8, calendar nos. 540 and 545. On page 9, calendar 546 and 549. On page 10, calendar nos. 552, 553, 554 and 558. On page 11, calendar No. 559 and 562. On 12, calendar 564, 565, 567. On page 13, calendar 569 and 572. On page 14, calendar 574 and 575. On page 17,

SB334-SB453-SB17-SB82
SB101-SB189-SB198-SB213-SB420
SB600-SB625-SB-528-SB547
SB195-SB552-596-SB611-SB118
SB307-SB530-SB512-SB518-SB560
SB594-SB633-SB637-SB570
SB174-SB116-SB117-SB423

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GENERAL LAW

March 6, 1984

MR. CRAWFORD: We don't have any written testimony. But I will summarize my points. The bottom, I guess, the bottom line on our analyzing FOB prices and retail prices is FOB prices are basically the same, with very minute differences, but retail prices are higher in Connecticut, and the reason they're higher is because of the whole-sale and distribution system. They have higher markups and they have a monopoly on the area, basically.

That's one point. Another point is that if you really want a law to help consumers, pass one that passes through the price savings. Also, pass one that requires that if a supplier sells a brand to any wholesaler in the state, it must offer the product to every other wholesaler in that state or you'll get competition, and you'll get lower prices if you do that, but I would bet you that won't happen. Because basically this is a special interest bill. OK, that's summary number two. And that's the main points I want to make. I could summarize my points of the whole talk, but if you don't have time, that's fine.

REP. MOSLEY: Thank you very much. Questions? Roy Rouivseville. I believe the speaker who just spoke was James Crawford and the next one was Roy Rouivseville.

MR. ROY ROUIVSEVILLE: I'm Roy Rouivseville. I'm president of M&R Enterprises Inc., which is the owner of 5 retail liquor stores in surrounding Hartford. I went into the business in 1953, and in 1963, they made a law in the state of Connecticut that said that you can only own two liquor stores. At that time I had 7 or 8, and my wife acquired a few more, and now we are down to 7 stores in the family. I reached the age of 62 and wanted to retire. My sons have worked for me ever since they've been 18 years old, 19 years old, whatever the age was that was legal for them to go to work. They're basically running the business now.

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And I went to Reid and Reiger and they told me that I should transfer my interest in M&R to my children for tax purposes, and we applied to the Liquor Control Commission to do that, but in 1980 or '81, the rewrote Section 30-48A that says that nobody can acquire an interest in two or more stores and by my giving the stores

MR. ROUIVSEVILLE: (continued)
to the children it breaks that law. It was the intent of the committee that wrote the law that there shouldn't be any reason why I shouldn't be able to do what I wish with what I have owned for almost 30 years. And the purpose of this bill is to allow me and to give my children my share of the business so that I can retire.

And I hope that you will meet with this bill in a favorable point. Any questions?

REP. MOSLEY: Yes, just one question on my part. You do not want to give them the stores individually, like give one or your sons one store. You want to give them a piece of each store, is that correct?

MR. ROUIVSEVILLE: Reid and Reiger said that I should form a holding company owned by the three children, separate corporation, and that M&R enterprises, which owns all the stores would become part of the holding company and still operate as M&R Enterprises, but the holding company would own it, similar to what the banks do today. They have bank holding companies and they have a lot of banks underneath them.

REP. MOSLEY: And who advised you to do this, sir?

MR. ROUIVSEVILLE: Well, I went to the Liquor Commission, and they told me that --

REP. MOSLEY: No, you said someone advised you to form a holding company.

MR. ROUIVSEVILLE: Reid and Reiger, the State attorneys.

REP. MOSLEY: OK, and the whole purpose of doing this is for tax purposes?

MR. ROUIVSEVILLE: Well, I'm going to die one of these days and according to Sen. Murphy, it's illegal for me to die because the law says that my estate can't own over two stores. Because you can't acquire an interest in more than two stores. And I don't feel that the liquor business is any different than any other business. If I owned 5 furniture stores, I'd be able to turn them over to my children if I had them for 30 years. I don't think

- MR. ROUIVSEVILLE: (continued)
that I should have to dispose of them. And the reason that this bill is put in, it only affects about two people in the state of Connecticut, but it happens to affect me, and I feel that I should be, seeing I been in the business for 30 years, that I should be able to dispose of my estate and give it to my children.
- REP. MOSLEY: OK. Rep. Zajac.
- REP. ZAJAC: Well, I just wanted to point out that furniture and liquor stores are quite different. As you know, the regulations on liquor, you've lived with them all your life, and you know that they're highly regulated compared with furniture stores.
- MR. ROUIVSEVILLE: I understand, but a grandfather clause usually takes care of that, and I was protected under the grandfather clause.
- REP. ZAJAC: Have you explored, you say you had three children. You have three children. Now, two or more, even under the grandfather, if your advisors looked into why you couldn't give each one two stores, rather than 20%, all children would share in 20% of all 5 or 7 stores, if you wanted to spin it off for estate purposes. You could give each child full interest in two.
- MR. ROUIVSEVILLE: No, one of them owns one now. How do you divide 7 into 3 and get 2? Somebody's going to own more than 2.
- REP. ZAJAC: Yeah, or perhaps your wife could retain the other.
- MR. ROUIVSEVILLE: We want to get out of the business. You know, I'm going on 63 years old next month, and I've spent my time. I've been in it since 1953.
- REP. ZAJAC: I was only suggesting perhaps there was some other way you could handle your estate.
- MR. ROUIVSEVILLE: Yeah, they suggested that. There's a lot of advantages to having the 5 stores in one corporation. When you have 50% ownership, you have the right to transfer, you can buy together, you can advertise together.

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MR. ROUIVSEVILLE: (continued)
It's against the, I'm trying to think of the name of the law, but if one son decided to advertise the same price as the other, that's price fixing, and it runs into an awful lot of legal problems. And I think the bill only says it just goes through the one generation.

My oldest son is 32, my daughter is 27, my youngest one is 25, so let them worry about it 25 or 30 years down the road.

SEN. DORR: Further questions for Mr. Rouivseville? Thank you.

MR. ROUIVSEVILLE: There's one question I should ask, or answer. You made a couple of remarks that affirmation dropped the price of beer in the state of Connecticut when it was on affirmation. And all I can say is in some of the ads that I advertise liquor and beer that I was selling Michelob three weeks ago for \$9.99 a case, and it cost me \$9.75. And I would say that's quite a drop in the price.

SEN. DORR: Very good. We thank you. Betty Tianti. T. William Knapp, Mr. Knapp, to be followed by Beatrice Wood and George Montano.

MS. BETTY TIANTI: Sen. Dorr, Rep. Mosley, members of the General Law Committee, my name is Betty Tianti, and I'm the secretary-treasurer of the Connecticut State AFL/CIO. I compliment you on your patience for this lengthy hearing, and I will keep my remarks very brief. I'm here in support of Raised Committee Bill 335, which is An Act Concerning Per Diem Payment For Members Of The Electrical Examining Board. I would urge favorable consideration for this particular piece of legislation. We do have working members of the various occupational licensing boards, and in many instances, it requires them to give up a day's pay when the board sits. The per diem allowance is a modest \$50 for each meeting or hearing, and we would believe that it is not the intent of the State to have someone lose compensation and urge favorable report on this bill.

The other bill that I would like to address and support is Raised Committee Bill 430, which is An Act Concerning