

## Legislative History for Connecticut Act

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**Act Number:** PA 06-26  
**Bill Number:** 5183  
**Senate Pages:** Senate: 1343-1359, 1601-1602, 1632-1635      **23**  
**House Pages:** House: 1032-1035      **4**  
**Committee:** General Law: 272-277, 483-484, 488-489, 526      **11**

**Page Total:**

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Transcripts from the Joint Standing Committee Public Hearing(s) and/or Senate  
and House of Representatives Proceedings

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CONNECTICUT  
GEN. ASSEMBLY  
SENATE

PROCEEDINGS  
2006

VOL. 49  
PART 5  
1310-1637F

pat  
Senate

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Will you remark further on the nomination? Will you remark further? If not, the Clerk will announce a roll call vote. The machine is open.

THE CLERK:

An immediate roll call has been ordered in the Senate. Will all Senators please return to the Chamber.

An immediate roll call has been ordered in the Senate. Will all Senators please return to the Chamber.

THE CHAIR:

Have all Members voted? Senator Cappiello. Senator McDonald. Senator Nickerson. If all Members have voted, the machine will be closed. The Clerk will announce the results.

THE CLERK:

Motion is on adoption of House Joint Resolution 130.

Total number voting, 33; necessary for adoption, 17. Those voting "yea", 33; those voting "nay", 0. Those absent and not voting, 3.

THE CHAIR:

The resolution is adopted. Mr. Clerk.

THE CLERK:

Favorable Reports, Calendar Page 9, Calendar 357, File 59, House Bill 5183, An Act Concerning Alcohol

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Liquor Price Posting, Favorable Report of the Committee  
on General Law.

THE CHAIR:

Senator Colapietro.

SEN. COLAPIETRO:

Thank you, Mr. President. I move the Joint  
Committee's Favorable Report and passage of the bill.

THE CHAIR:

On acceptance and passage of the bill, will you  
remark? Senator Colapietro.

SEN. COLAPIETRO:

Thank you, Mr. President. What this bill did  
before was require a sunset, and this, the bill today  
repeals that sunset.

The original bill just extended the, changed the  
time that when wholesalers had to post their prices  
before, and they agreed to a change to try it for two  
years, and I believe this is the repeal of it.

THE CHAIR:

Will you remark further on the bill? Will you  
remark? Senator McKinney.

SEN. MCKINNEY:

Thank you, Mr. President. Mr. President, I  
believe the Clerk is in possession of an amendment, LCO  
4267. May I ask that he call the amendment?

THE CHAIR:

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Mr. Clerk. The Senate is not, the Clerk is not in possession of an amendment, unless this is it, Senator.

The Senate will stand at ease for a moment.

[SENATE AT EASE]

Mr. Clerk.

THE CLERK:

LCO 4267, which will be designated Senate Amendment Schedule "A". It is offered by Senator McKinney of the 28<sup>th</sup> District.

THE CHAIR:

Senator McKinney.

SEN. MCKINNEY:

Thank you, Mr. President. I move adoption of the amendment and seek leave to summarize.

THE CHAIR:

On adoption of the amendment, please proceed, Senator.

SEN. MCKINNEY:

Thank you, Mr. President. Mr. President, Members of the Circle, perhaps some of you are not aware of what is becoming a new trend across our nation, which is quite disturbing with respect to alcohol use or alcohol abuse, and that is something referred to as AWOL, A-W-O-L, alcohol without liquid.

And what they are is vaporizing machines that get hooked up to alcohol, and you take the alcohol vapors

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and get drunk off the vapors without actually drinking the alcohol. I guess it's a no-carb way of getting drunk, but it is a much more dangerous high, if you will, than merely consuming alcohol.

It is something that we are seeing at our bars. It is something that younger people are getting into. It provides you with a much quicker, much more severe drunkenness or high from the alcohol.

And quite frankly, it is a trend which I don't know if it has caught on among youngsters or young college-age people in Connecticut, where it has elsewhere, but it is something that we should stop before it becomes a trend.

This amendment would simply, which defines what an alcohol vaporization device is, would simply say that no person shall sell, purchase or possess an alcohol vaporization device, and that no person shall permit such a device on premises licensed for the sale of alcohol, alcoholic liquor.

It does provide that if someone violates this law that they would be fined not more than \$1,000 or imprisoned not more than six months, or both.

I do realize that adoption of this amendment with that fine and penalty would refer it to the Judiciary Committee, but I think this is an issue that we need to debate, and we need to address.

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These are very dangerous machines. These are machines that the people who are using them I don't think have a full appreciation for the danger they cause, and I think we should be in front of the nation.

Other states have addressed this issue, but not many. I think we should be in front of the nation, as we often do on many good measures that protect our citizens, and adopt a ban on these alcohol vaporization machines, Mr. President, and I would urge adoption of the amendment.

THE CHAIR:

On the amendment, will you remark further?

Senator Colapietro.

SEN. COLAPIETRO:

Thank you, Mr. President. I would consider this an unfriendly amendment because it did go through a public hearing. It did go through the Committee process. It did get rejected by the Committee because there are no cases known in the State of Connecticut of an AWOL machine even being available to folks.

So I would urge its rejection, and I would ask for a roll call.

THE CHAIR:

A roll call having been asked for, a roll call will be taken when the vote is taken.

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Will you remark further on the amendment? Will you remark further on the amendment? If not, the Clerk, I'm sorry, I didn't see Senator Fasano.

SEN. FASANO:

Thank you, Mr. President. Usually I speak after Senator DeLuca, so probably that was the issue.

THE CHAIR:

Senator Fasano.

SEN. FASANO:

Thank you. Mr. President, these devices are out there. I can tell you as a matter of fact they are being marketed. I will tell you that it is an easy high. I will tell you that it has been featured on shows like 20/20.

I can tell you that it is a college craze. I could tell you that the margin of cost for bars and establishments that use these devices are incredible, and I can tell you that unless we act now, and follow other municipalities across the nation that are acting individually, but a state needs to come out and say, we don't want these.

And the reason why it's easier is it gets in your nasal passages. That's what makes it easier to absorb the alcohol. That's what makes it easier to get it absorbed directly to the blood stream.

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As they say, the happy hour of one of these things takes 15 minutes, and it's like taking shots. That's what it is. The sniff is a shot. Sometimes these machines are called sniffle machines, because that's what it does.

There's no harm to the bill in passing this. I would suggest to you it sets a policy. I'd suggest to you it stops a trend that eventually in Connecticut, which has a number of colleges, and I urge passage of this amendment. Thank you, Mr. President.

THE CHAIR:

Thank you, Senator. Will you remark further on the amendment? Senator Prague.

SEN. PRAGUE:

Thank you, Mr. President. Through you to Senator McKinney. Senator McKinney, you know, for somebody who's been citing drunk driving for years and years and years, I'm very interested in your amendment.

Is there, does this mechanism actually produce a blood alcohol level so that if somebody is picked up for what appears to be drunk driving, and has used one of these gizmos they would actually have a blood alcohol level?

THE CHAIR:

Senator McKinney.

SEN. MCKINNEY:

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Through you, Mr. President, if I could before I answer the question just at least note it is, I'm happy to see Senator Prague actually being the person asking the questions today. It's a nice change.

SEN. PRAGUE:

It's my turn. It's my turn today.

SEN. MCKINNEY:

It's your turn today. Senator Prague, and I also have followed your lead and voted for many of the bills, which you fought for to lower blood alcohol to .08.

Yes, it would. This gets you the same drunkenness as drinking the alcohol, but it does it much quicker, and it does it really without notice.

I mean you can, maybe, people who drink, maybe they know their limitation is maybe one or two beers. But when you put on this vaporization mask, you really have no way of knowing how drunk you're getting until it's too late, and it would absolutely produce a blood alcohol content and show that you are drunk, through you, Mr. President.

THE CHAIR:

Senator Prague.

SEN. PRAGUE:

Through you, Mr. President, thank you, Senator McKinney, for that answer.

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And through you, Mr. President, how long have these things been on the market?

THE CHAIR:

Senator McKinney, obviously not from personal experience, through what you've heard.

SEN. MCKINNEY:

Through you, Mr. President, Senator Prague, I can't answer the question exactly, but I do know that two years ago I saw a show. It was a 20/20 type show on TV, a news show. They talked about these machines.

I went on our Internet, literally, when we were in session one night, typed in alcohol without liquid, and dozens and dozens of sites popped up talking about it.

You can buy them over the Internet, these vaporization machines. There's very little screening as to how old you are. In fact, you don't have to be 21 to buy the machine because you're not buying alcohol, so my understanding of these machines is only limited to the last couple of years.

I did think I put in a bill a couple of years ago regarding this, but I would say to you, Senator that, you know, I think I've been here enough to know the fate, perhaps, of this amendment.

But I think this is an issue that if not now, next year you will be one of the ones leading the charge to make sure these are not part of our state.

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THE CHAIR:

Senator Prague.

SEN. PRAGUE:

And through you, Mr. President, maybe in the meantime we have a few more deaths on our highways due to drunk driving. Thank you.

THE CHAIR:

Thank you, Senator Prague. Will you remark further on the amendment? On the amendment, will you remark further? Senator Fasano. For the second time.

SEN. FASANO:

Yes, Mr. President. I apologize. For the second time.

Senator Prague, if I may, these devices became available in the United States in roughly 2004, but are very trumped up, very prevalent, but are prevalent in Asia and in parts of Europe.

The problem with these machines are, not only as Senator McKinney indicated, to gauge when you get drunk, because the absorption is so quick, it's very difficult for people to determine when they reach that level.

In addition, it also affects more quickly the brain cavity and the nasal passages because that's how they inhale the alcohol.

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But it became, first machines were here in 2004. Michigan, as far as I know, is the only place where these have been. Thirteen states have looked at legislation, and it's only been adopted by one state as far as my research has told as of 2005.

I have not done updated research since that, but there are states who are looking at this, and it is becoming more and more prevalent.

And I would tell you that my understanding is, the incentives to businesses and bars to put this in is the margin of profit is much greater than that of alcohol because it's liquid that is distilled, if you would, into a vapor.

Gas expands, so it takes a lot less liquid to achieve, if you would, the drunk high, so the profit is much greater. So there's an incentive to get these out, as I understand the process, through you, Mr. President.

THE CHAIR:

Thank you, Senator. Will you remark further on the amendment? Senator Colapietro for the second time.

SEN. COLAPIETRO:

Yes, Mr. President. For the second time, I just want people to know that this has been through the Committee process. People came down and testified that

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they had no intentions of ever selling this product in the State of Connecticut.

People also showed that there were no cases whatsoever in the State of Connecticut on this AWOL machine. They will not be sold, so we are making mountains out of molehills here.

Thee is not a problem. This went through the Committee process. We heard the testimony. We sat for hours and listened to people saying it's not going to happen.

So I agree with Senator Fasano is that this is a small bill, and it really, where I disagree is, if it ain't broke, don't fix it, and we don't have a problem.

And I don't, I don't disagree that we don't want people on the highway drunk. This isn't about drink and driving or anything else like that.

It's about a product and a disruption of a bill that is a very simple bill that could be complicated, and it's already gone through the Committee process, and heard well, and no attorney or anyone can say that I know for sure it causes an alcohol content increase.

I can assume that, but nobody has said that yet, so I still reject it.

THE CHAIR:

Will you remark further? Senator DeLuca.

SEN. DELUCA:

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Thank you, Mr. President. First I want to thank Senator McKinney for bringing this amendment forward because I was not aware of this until we discussed this, this device until we discussed this earlier.

You know, to hear that there is no problem, and it's not sold in the State of Connecticut, to me is the wrong way to look at this.

If you can buy it over the Internet, and businesses and bars in the State of Connecticut are already being solicited to buy this, should we wait until they have them? Should we wait until we have the first problem? Should we wait until it's a serious situation before we pass something of this nature? I don't think so.

Preventive medicine is the best. We talk about preventing problems. This is an instance and a chance to prevent a problem before it becomes that.

As Senator Prague said earlier, if this is allowed, if it's out there, do we wait until there is somebody that gets injured or killed on the highway beforehand?

I think Senator Fasano has made the case, is that this high is achieved extremely quick, and really the person doesn't realize that it's coming, and it's there. That is scary. That is putting this, which is, alcohol is a drug, but it's making it more legal, and

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putting it into my, at least my estimation, in the area of stronger drugs.

And so, if this device is allowed in the State of Connecticut, I think we are looking at trouble down the road, literally, and I would suggest that we should support this amendment, and take care of preventive medicine now. Thank you, Mr. President.

THE CHAIR:

Thank you, Senator DeLuca. Will you remark further? Senator McKinney for the, Senator McKinney.

SEN. MCKINNEY:

Thank you, Mr. President, for the second time on the amendment and last time.

Let me just state that while my colleagues were speaking, I did go on the Internet, and one site I pulled up talked how about an alcohol without liquid or AWOL device is deceptively marketed, and it's being marketed as a way to avoid carbohydrates in alcohol.

They give an analogy of saying that using an AWOL device is like taking a fistful of vitamins instead of sitting down and eating a plate full of vegetables.

A second site, and there are literally, there are literally hundreds and hundreds of sites that have been pulled up. I'll just read you one more site here, which sells these AWOL devices, and it says, these are available in all 50 states.

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Here are some facts. You can buy them easily over the Internet. You do not need to be 21 to buy them because it's not alcohol.

I can't make a representation, as Senator Colapietro did, that there's not a problem with this. I haven't been to every single bar in the State of Connecticut. I haven't been to every single home or college campus in the State of Connecticut.

If you can buy them over the Internet, it's pretty safe to assume that they are selling them in Connecticut.

You do get drunk off of these things, so you will be drunk just as you are if you had a number of drinks.

I would predict that if it's not a big problem now, it will be, and I just appreciate the debate we've had here, and hope that if not now, we will in the very near future control this issue. Thank you, Mr. President.

THE CHAIR:

On the amendment, will you remark further?  
Senator Roraback.

SEN. RORABACK:

Thank you, Mr. President. Briefly, in support of the amendment.

THE CHAIR:

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On the conversations in the room, if people have conversations, please, and particularly if they're not Members of the Circle, take them someplace else.

SEN. RORABACK:

Thank you, Mr. President. Too often this body is reactive to something we see in the headlines. The amendment that Senator McKinney is offering is giving us the chance to nip something in the bud, not to wait until a young person's life is lost on a college campus, or a horrible automobile accident occurs after someone imbibes from one of these machines.

Mr. President, you and I both know that if there were to be such an accident, Legislators would be tripping all over themselves to pass this legislation, but for me, Mr. President, we will do our state a disservice not to deny ourselves that opportunity in the future to react to some terrible situation, but rather to pass this amendment today, and insure that that terrible situation never comes to pass.

Mr. President, I think it's also instructive to realize that when this bill was considered before the General Law Committee, it passed by a vote of 14 to 1, and in the Judiciary Committee, it passed by a vote of 32 to 1.

So certainly when this bill has been debated by the committees of cognizance, they've seen the wisdom

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of keeping these machines out of Connecticut, and I hope the Senate will share that with them. Thank you, Mr. President.

THE CHAIR:

Mr. Majority Leader.

SEN. LOONEY:

Thank you, Mr. President. Mr. President, I would ask that this item be Passed Temporarily.

THE CHAIR:

The item will be marked Passed Temporarily. Mr. Clerk.

THE CLERK:

Calendar Page 9, Calendar 359, File 247, House Bill 5667, An Act Concerning The Registration Of Alcohol Liquor Brands And Fees And Price Posting And Notice, Favorable Report of the Committee on General Law.

THE CHAIR:

Senator Colapietro.

SEN. COLAPIETRO:

Thank you, Mr. President. I would ask this bill be PR'd, please.

THE CHAIR:

The item will be marked Passed, retaining its place on the Calendar. Mr. Clerk.

THE CLERK:

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Senator Looney.

SEN. LOONEY:

Yes, thank you. Madam President, the Clerk might turn to Calendar Page 6, Calendar 357, House Bill 5183 that had previously been marked Passed Temporarily, and would like to call that, mark that item Go.

THE CLERK:

Calendar Page 6, Calendar 357, File 59, House Bill 5183 An Act Concerning Alcohol Liquor Price Posting. Favorable Report of the Committee on General Law.

When the bill was last before us, Senate Amendment Schedule "A", LCO 4267 was called and designated Senate Amendment Schedule "A", and the bill was then passed temporarily.

THE CHAIR:

Senator McKinney.

SEN. MCKINNEY:

Thank you, Madam President. Madam President, I believe we are currently, have before us LCO 4267, which I had moved. I would now ask to withdraw the amendment.

THE CHAIR:

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If there is no objection, it is so ordered.

SEN. MCKINNEY:

Thank you, Madam President.

THE CHAIR:

Senator Colapietro. Oh, Senator Looney.

SEN. LOONEY:

Yes, thank you, Madam President. If there is no objection, would like to place that item, Calendar Page 6, Calendar 357, House Bill 5183 on the Consent Calendar.

THE CHAIR:

If there is no objection, it is so ordered.

THE CLERK:

Calendar Page 7, Calendar 384, File 211,  
Substitute for House Bill 5439 An Act Promoting  
Industries Using Recycled Materials. Favorable Report  
of the Committees on Commerce and Environment.

THE CHAIR:

Senator Gaffey.

SEN. GAFFEY:

Thank you, Madam President. Madam President, I  
will recuse on this matter pursuant to Rule 15.

THE CHAIR:

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pendency of a roll call vote in the Senate on the  
Consent Calendar.

THE CLERK:

An immediate roll call has been ordered in the  
Senate on the Consent Calendar. Will all Senators  
please return to the Chamber.

An immediate roll call has been ordered in the  
Senate on the Consent Calendar. Will all Senators  
please return to the Chamber.

Mr. President, those items previously placed on  
today's Consent Calendar begin on Calendar Page 3.

Calendar 225, Substitute for Senate Bill 463.

Calendar Page 4, Calendar 259, Senate Bill 386.

Calendar Page 6, Calendar 357, House Bill 5183.

Calendar 358, House Bill 5682.

Calendar 359, House Bill 5667.

Calendar Page 7, Calendar 378, Substitute for  
House Bill 5182.

Calendar 380, House Bill 5558.

Calendar Page 8, Calendar 387, House Bill 5738.

Calendar 389, Substitute for House Bill 5042.

Calendar Page 14, Calendar 33, Substitute for  
Senate Bill 153.

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Calendar Page 16, Calendar 91, Senate Bill 86.

Calendar 94, Substitute for Senate Bill 228.

Calendar Page 17, Calendar 133, Senate Bill 294.

Calendar Page 18, Calendar 176, Substitute for  
Senate Bill 425.

Calendar Page 19, Calendar 178, Substitute for  
Senate Bill 554.

Calendar Page 22, Calendar 249, Substitute for  
Senate Bill 71.

Calendar Page 22, Calendar 257, Substitute for  
Senate Bill 313.

Calendar Page 23, Calendar 269, Substitute for  
Senate Bill 316.

Calendar 272, Substitute for Senate Bill 359.

Calendar Page 25, Calendar 361, Substitute for  
House Joint Resolution 20.

Calendar Page 26, Calendar 362, Substitute for  
House Joint Resolution 22.

Calendar 363, House Joint Resolution 28.

Calendar 364, House Joint Resolution 36.

Calendar 371, House Joint Resolution 49.

Calendar Page 27, Calendar 373, House Joint  
Resolution 51.

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Calendar 374, House Joint Resolution 53.

Calendar 375, House Joint Resolution 59.

Mr. President, that completes those items previously placed on the First Consent Calendar.

THE CHAIR:

Thank you, Mr. Clerk. The machine will be opened.

THE CLERK:

The Senate is now voting by roll call on the Consent Calendar. Will all Senators please return to the Chamber.

The Senate is now voting by roll call on the Consent Calendar. Will all Senators please return to the Chamber.

THE CHAIR:

Have all the Members voted? Have all the Members voted? If so, the machine will be locked. Mr. Clerk, please announce the tally.

THE CLERK:

Motion is on adoption of Consent Calendar No. 1.

Total number voting, 33; necessary for adoption, 17. Those voting "yea", 33; those voting "nay", 0. Those absent and not voting, 3.

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THE CHAIR:

The Consent Calendar passes. Mr. Majority  
Leader.

SEN. LOONEY:

Yes, thank you, Mr. President. Mr. President,  
that concludes our business for this evening. It is  
our intention to convene tomorrow at noon to proceed  
with the business on that date.

A couple of Journal notations, Mr. President.

THE CHAIR:

Please proceed.

SEN. LOONEY:

Thank you, Mr. President. Senator Ciotto and  
Senator Daily were both absent today and missed votes  
due to illness.

THE CHAIR:

The Journal will so note, Sir.

SEN. LOONEY:

Mr. President, also, I believe the Clerk is in  
possession of Senate Agenda No. 2.

THE CHAIR:

Mr. Clerk.

THE CLERK:

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CONNECTICUT  
GEN. ASSEMBLY  
HOUSE

PROCEEDINGS  
2006

VOL. 49  
PART 4  
990-1305

sae  
House of Representatives

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On Page 3, Calendar Number 73, House Bill Number  
5183, AN ACT CONCERNING ALCOHOLIC LIQUOR PRICE  
POSTING, Favorable Report of the Committee on General  
Law.

REP. STONE: (9<sup>th</sup>)

Thank you. Good morning, Mr. Speaker. I move  
acceptance of the Joint Committee's Favorable Report  
and passage of the Bill.

SPEAKER AMANN:

Thank you, Sir. The question is on acceptance of  
the Joint Committee's Favorable Report and passage of  
the Bill. Representative Stone, you have the floor,  
Sir.

REP. STONE: (9<sup>th</sup>)

Thank you, Mr. Speaker. Last year the General  
Law Committee and this General Assembly passed a bill  
which would allow beer wholesalers to post several  
prices during the month for various product items  
which would be effective the following month during  
particular periods of time.

In an effort to monitor how that process would  
work, given that it was a change in the way that they  
do business and given the fact that it may have had

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some impact on the retailers, package stores and grocery stores, the General Law Committee put a sunset on that bill which would expire, which would have the bill expire on June 30<sup>th</sup>, 2006.

We had another public hearing this year on the issue. We talked with the advocates and the stakeholders on the issue in terms of how last year's bill had been implemented and how effective it was.

It turns out that it had worked very well within the industry, and we passed a bill this year that effectively removes that sunset from the original Bill. And I move adoption.

SPEAKER AMANN:

Thank you, Sir. Do you care to remark further? Would you care to remark further? Representative Greene.

REP. GREENE: (105<sup>th</sup>)

Thank you, Mr. Speaker. Good afternoon to you. I rise in support of this Bill. As Representative Stone has indicated, we had another public hearing on this and we found out that this seems to be working very well. So I urge the Chamber's support. Thank you.

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SPEAKER AMANN:

Thank you, Sir. Will you remark further? Will you remark further? If not, staff and guests please come to the Well of the House. Members please take your seats and the machine will be open.

CLERK:

The House of Representatives is voting by Roll Call. Members to the Chamber. The House is voting by Roll Call. Members to the Chamber, please.

SPEAKER AMANN:

Have all the Members voted? Have all the Members voted? If all the Members have voted, please check the board to make sure your vote has been properly cast.

If all the Members have voted, the machine will be locked and the Clerk will take a tally. The Clerk please announce the tally.

CLERK:

House Bill Number 5183.

Total Number Voting	139
Necessary for Passage	70
Those voting Yea	139
Those voting Nay	0

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Those absent and not voting 12

SPEAKER AMANN:

The Bill passes. The Clerk please call Calendar  
Number 183.

CLERK:

On Page 23, Calendar Number 183, Substitute for  
House Joint Resolution Number 22, RESOLUTION  
CONFIRMING THE DECISION OF THE CLAIMS COMMISSIONER TO  
DENY OR DISMISS CERTAIN CLAIMS AGAINST THE STATE,  
Favorable Report of the Committee on Judiciary.

SPEAKER AMANN:

Representative Lawlor.

REP. LAWLOR: (99<sup>th</sup>)

Good afternoon, Mr. Speaker. I move acceptance  
of the Joint Committee's Favorable Report and adoption  
of the Resolution.

SPEAKER AMANN:

The question is acceptance of the Joint  
Committee's Favorable Report and passage of the Bill,  
Resolution, of the Resolution. Will you remark  
further, Sir?

REP. LAWLOR: (99<sup>th</sup>)

JOINT  
STANDING  
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GENERAL  
LAW

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PETER BERDON: Thank you, Chairman Stone, and Chairman Colapietro, and Members of the Committee. As many of you may know, my name is Peter Berdon. HB 5183

I am the Executive Director of the Wine and Spirits Wholesalers, having just recently succeeded that position to George Montano, who sends his wishes from warm and sunny California.

Representative and Senator, our position on this bill really is an issue of providing additional time within which to allow the wholesalers to provide pricing to the retailers.

Currently, what is required under our current law is the prices are filed on the 12<sup>th</sup> of the month. There's an amending period that takes four days after that. We have an affirmative obligation to provide the prices to retailers.

And that's done by way of publication of a trade journal. Some of you have seen this last year. It's *The Connecticut Beverage Journal*. It's a lengthy document that takes quite a bit to put out.

In fact, one of the representatives from *The Connecticut Beverage Journal* is here today. This takes approximately six business days to produce.

So from the 12<sup>th</sup> of the month, we have a 4-day amending period, then an additional 6 days to produce this written document, and then it has

to be mailed to the retailers. You're talking about actually getting this document to the retailers about the 27<sup>th</sup> of the month.

So trying to comply by the 12<sup>th</sup> of the months is just a physical impossibility for us. There is available to retailers who do want pricing earlier, at a nominal fee of \$35, through *The Beverage Journal*, you guys should go online, and you can research the prices.

It will tell you which wholesalers are selling, it will tell you what their prices are by product, it's a very interactive website, and that's available by the 16<sup>th</sup> of the month.

And, certainly, to those retailers who request it, tentative pricing is available in advance of that on the 12<sup>th</sup> of the month.

So we, certainly, would like to see the statute changed so that we could actually comply with it. It's just a matter of physically doing the work that's necessary to get the information to the retailers. That's our only comment on the bill.

REP. STONE: Peter, the \$35 fee, what is that--

PETER BERDON: It's \$35 annually, and I believe it comes with a subscription to *The Connecticut Beverage Journal*. I'm giving them a little bit of a plug here.

So you get both the written materials and the printed materials for that \$35 fee, which is

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really a nominal cost to be able to get that kind of electronic data.

REP. STONE: [inaudible - microphone not on]

PETER BERDON: Representative Stone, the multiple posting issue applies to beer only at this point in time.

Most of my clients do not sell any beer, with the exception of one. So I would let Mr. Sullivan, who represents that association, deal with that issue. It really does not impact our clients.

REP. STONE: Okay, and do you have specific language as--

PETER BERDON: Yes, I did include some specific language with our written testimony. I think, perhaps, the most prudent way to handle it is to have a requirement that the prices be mailed out six business days after the close of the amendment period so that the periods are all kind of timed together.

You have to understand that, even though the amending period says the 12<sup>th</sup>, that date gets moved around a little bit, depending on intervening holidays that may be on a Friday or a Monday.

So by way of example, if a holiday falls on a Monday, and the 12<sup>th</sup> happens to be that Monday, they may push back the price filing period to the previous Friday so that they don't get pushed up against the back of the month in

terms of getting the prices out the door to the package stores.

And that is done in conjunction with *The Beverage Journal* and the Department of Consumer Protection, actually establishing that calendar of dates well in advance.

So as long as there's a six-day time period after the close of the amending period, we would be satisfied with that. And I think *The Beverage Journal* could comply with that. I'm getting a nod from them, yes.

REP. STONE: Anyone else have any questions? Thank you very much.

PETER BERDON: Great, thank you very much, Chairman Stone and Chairman Colapietro. Thank you.

REP. STONE: Next is Alan Wilensky.

ALAN WILENSKY: Good afternoon, Representative Stone, Senator Colapietro, Members of the Committee. My name is Alan Wilensky, and I'm President of the Connecticut Package Stores Association.

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From what I can see on my agenda, this is, I believe, the first of a few times that I'll be up to speak to you today.

Speaking from the package store industry, I have not seen the paperwork that Mr. Berdon has presented, but it is our concern that the retailers get the next month's prices as efficiently and as truthfully as is possible.

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To a certain extent, this links up with the multiple pricing bill. As of yesterday, I still have not received my *Beverage Journal* for the March pricing [Gap in testimony. Changing from Tape 1A to Tape 1B.]

--because it's mailed out at magazine rates. So thank you.

REP. STONE: You don't have to--

ALAN WILENSKY: No, that's fine. So the magazine rate does sometimes take additional time, as far as that particular production goes.

We understood that in the beer pricing bill, the 12<sup>th</sup> was a very difficult timeframe to hit. I've had discussion with some of the beer wholesalers recently, and we have a mutual agreement that the 15<sup>th</sup> is certainly fine for that particular bill.

We're just trying to make sure that the retailers are made well aware at the end of the month so that we can get our pricing done in a timely fashion for the consumer and for our purchasing.

REP. STONE: And what for change from the 12<sup>th</sup> to the 15<sup>th</sup>, the multiple posting bill that we passed last year, has it worked for you guys?

ALAN WILENSKY: There have been facets of the bill that have worked. There have been some things that need to be tweaked.

That's why, when we sat down with the beer wholesalers recently, the extension of the timeframe, which did not allow for the amendment period, was certainly an agreeable position.

The 15<sup>th</sup> is not a problem for us as retailers. And we did request that the sunset provision be extended for one year so that we can now look at how this next phase of it is going to work to make sure that everything is working in a fashion for both parties.

REP. STONE: So for the 12<sup>th</sup> to the 15<sup>th</sup>, you'd like just another year of--

ALAN WILENSKY: We'd like to see it work one more time, just so everybody can just massage it, perhaps, one more time to see if it can be made permanent and everybody's happy with the bill.

REP. STONE: And how many of your, if you know, members take advantage of the Internet posting? Is that something you--

ALAN WILENSKY: I'm not aware of how many members are doing it. I don't at this time. I had made a movement to do that and just never followed through at this point. So I'm not familiar with the Internet posting at this time.

REP. STONE: I was just curious of whether that's been used or not. Anyone else have any questions? Thank you very much.

ALAN WILENSKY: Thank you, we'll see you, Sir.

JOINT  
STANDING  
COMMITTEE  
HEARINGS

GENERAL  
LAW

PART 2  
320-641

2006



WINE AND SPIRITS WHOLESALERS OF CONNECTICUT, INC.

PETER A. BERDON  
EXECUTIVE DIRECTOR  
GENERAL COUNSEL

GEORGE J. MONTANO  
PRESIDENT EMERITUS

February 28, 2006

TESTIMONY OF  
WINE AND SPIRITS WHOLESALERS OF CONNECTICUT

**In Support, with reservations, of:**

**HB05183 (PRIORITY)**

**AN ACT CONCERNING ALCOHOLIC LIQUOR PRICE POSTING.**

**In Support, with reservations, of:**

**HB05555 (PRIORITY)**

**AN ACT CONCERNING LIQUOR PERMITS AND INVESTIGATIONS REGARDING INDUCING MINORS TO PROCURE LIQUOR.**

**In Support of:**

**HB05557**

**AN ACT CONCERNING THE SUSPENSION OF A MOTOR VEHICLE OPERATOR'S LICENSE FOR THE PURCHASE OR POSSESSION OF ALCOHOLIC LIQUOR BY A MINOR.**

**In Opposition to:**

**HB05559 (PRIORITY)**

**AN ACT CONCERNING THE LIQUOR CONTROL ACT AND COSTS OF ACQUISITION.**

The members of the Wine and Spirits Wholesalers of Connecticut ("WSWC") are a key link in the 3-Tier System which controls the distribution of beverage alcohol in this country. They purchase beverage alcohol from suppliers and manufacturers and then market and sell those products to licensed retailers – restaurants and package stores. The members of the WSWC:

- are licensed and regulated by the state of Connecticut and the federal government;
- are responsible to insure that the wines and spirits brought in to the state by manufacturers and importers are sold and distributed only to licensed retailers (package stores and restaurant);
- collect in excess of \$34 million dollars in state excise taxes;
- assist the Department of Revenue Services in the collection of Sales and Use Taxes, in excess of \$78 Million Dollars annually;
- provide in excess of 1,600 direct jobs to Connecticut residents; and

Testimony of Wine & Spirits Wholesalers of CT  
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- contribute in excess of \$200 million dollars in direct and in direct benefits to the state's economy.

The members of the WSWC are committed to ensuring that the best possible safeguards to prevent the sale of beverage alcohol to minors are in place and adults of legal drinking age consume beverage alcohol responsibly, while at the same time providing an efficient method of distribution which provides access to a wide variety of quality wine and spirits from all over the world.

**In Support, with reservations, of:**

**HB05183 (PRIORITY)**

**AN ACT CONCERNING ALCOHOLIC LIQUOR PRICE POSTING.**

The WSWC has no objection to making permanent the multiple price postings for beer. The WSWC does, however, strenuously object to the requirement that wholesalers provide retailers with the succeeding month's prices by the Twelfth day of the month. The reason for the objection is that it is simply physically impossible to comply with the requirement.

Understanding how prices are filed illustrates why such is the case. Wholesalers receive their prices from their suppliers in the beginning of the month. Both suppliers and wholesalers are required to file their prices with the State by the twelfth day of the month. Wholesalers then have four days to amend their prices to meet the lowest price for the same brand and size which filed by a competitor. After this "amending period" has passed the wholesalers then transmit their prices to The Connecticut Beverage Journal. The Connecticut Beverage Journal publishes a trade publication which sets forth all of the wine and spirits wholesale prices. The Connecticut Beverage Journal requires approximately eight days (six business days) to finalize the layout of the publication, print the publication and ship the publication to the mail house. The postal service in turn takes approximately two to three days to deliver the publication. Thus, one can see that to require the furnishing of prices to retail permittees by the twelfth of the month is physically impossible. Given the above schedule the earliest that prices can be delivered to retailers is the twenty-seventh day of the month. Attached is an alternative proposal which links the provision of prices to the close of the amending period and provides the prices have to be mailed by that date.

Additionally it is important to note for those retailers who wish to have the pricing available earlier, the Connecticut Beverage Journal offers a internet based service (at the nominal cost of \$35.00 per year) which allows retailers to obtain the next months pricing immediately at the close of the amending period. Furthermore, wholesalers, prior to the close of the "amending period" have available to retailers, upon request, price amendments which show those prices that will be changing from the current month to the next month, subject to revision during the amending period.

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HB 5183

Proposed Amendment

Section 1. Section 30-63 of the 2006 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) No holder of any manufacturer, wholesaler or out-of-state shipper's permit shall ship, transport or deliver within this state, or sell or offer for sale, any alcoholic liquors unless the name of the brand, trade name or other distinctive characteristic by which such alcoholic liquors are bought and sold, the name and address of the manufacturer thereof and the name and address of each wholesaler permittee who is authorized by the manufacturer or his authorized representative to sell such alcoholic liquors are registered with the Department of Consumer Protection and until such brand, trade name or other distinctive characteristic has been approved by the department. Such registration shall be valid for a period of three years. The fee for such registration, or renewal thereof, shall be one hundred dollars for out-of-state shippers and three dollars for Connecticut manufacturers for each brand so registered, payable by the manufacturer or [his] such manufacturer's authorized representative when such liquors are manufactured in the United States and by the importer or [his] such importer's authorized representative when such liquors are imported into the United States. The department shall not approve the brand registration of any fortified wine, as defined in section 12-433, which is labeled, packaged or canned so as to appear to be a wine or liquor cooler, as defined in section 12-433.

(b) No manufacturer, wholesaler or out-of-state shipper permittee shall discriminate in any manner in price discounts between one permittee and another on sales or purchases of alcoholic liquors bearing the same brand or trade name and of like age, size and quality, nor shall such manufacturer, wholesaler or out-of-state shipper permittee allow in any form any discount, rebate, free goods, allowance or other inducement for the purpose of making sales or purchases.

(c) For alcoholic liquor other than beer, each manufacturer, wholesaler and out-of-state shipper permittee shall post with the department, on a monthly basis, the bottle, can and case price of any brand of goods offered for sale in Connecticut, which price when so posted shall be the controlling price for such manufacturer, wholesaler or out-of-state permittee for the month following such posting. [For] On and after July 1, 2005, for beer, each manufacturer, wholesaler and out-of-state shipper permittee shall post with the department, on a monthly basis, the bottle, can and case price, and the price per keg or barrel or fractional unit thereof for any brand of goods offered for sale in Connecticut which price when so posted shall be the controlling price for such brand of goods offered for sale in this state for the month following such posting. Such manufacturer, wholesaler and out-of-state shipper permittee may also post additional prices for such

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bottle, can, case, keg or barrel or fractional unit thereof for a specified portion of the following month which prices when so posted shall be the controlling prices for such bottle, can, case, keg or barrel or fractional unit thereof for such specified portion of the following month. Notice of all manufacturer, wholesaler and out-of-state shipper permittee prices shall be given to permittee purchasers by direct mail or advertising in a trade publication having circulation among the retail permittees except a wholesaler permittee may give such notice by hand delivery. Price postings with the department setting forth wholesale prices to retailers shall be available for inspection during regular business hours at the offices of the department by manufacturers and wholesalers until three o'clock p.m. of the first business day after the last day for posting prices. A manufacturer or wholesaler may amend [his] such manufacturer's or wholesaler's posted price for any month to meet a lower price posted by another manufacturer or wholesaler with respect to alcoholic liquor bearing the same brand or trade name and of like age, vintage, quality and unit container size; provided that any such amended price posting shall be filed before three o'clock p.m. of the fourth business day after the last day for posting prices; and provided further such amended posting shall not set forth prices lower than those being met. Any manufacturer or wholesaler posting an amended price shall, at the time of posting, identify in writing the specific posting being met. [All] On and after July 1, 2005, all wholesaler postings for the following month shall be provided to retail permittees not later than ~~the twelfth day of the month prior to such postings~~ six days after the end of the amending period. For the purposes of this provision depositing in the United States mail or publication through an internet web site shall be deemed to be providing the price postings to the retailer.

TO: General Law Committee  
FROM: TONY CARALUZZI - TAUNTON WINE & LIQUOR  
NEWTOWN, CT  
RE: FEBRUARY 28<sup>TH</sup> HEARING ON MAJOR ISSUES  
IMPACTING SMALL BUSINESSES IN CT  
DATE: 2/28/06

HB 5183

Good Morning.

First of all, as Owner and Permittee of Taunton Wine & Liquor for the last Fifteen+ years, I am not surprised that yet another Hearing has been called which could bring about fundamental change to our current system of Buying & Selling Beverage Alcohol in Connecticut. It is also not a shock to me that once again most or all of the changes on the table would be incredibly beneficial to "Large Producers", "Large Wholesalers" and "Large Retailers" - and could destroy many "Small Businesses" in Connecticut like mine.

It is, however, sad to me that this meeting has been called on the last day of the month - a day that most Small Package Store Owners must "Buy-In" on this month's sale items to ensure that we can hold our prices and remain competitive when these same items increase in price next month. Most of us must delay these large purchases until the last few days of the month so that we can ensure that we have the funds to pay these bills when they are due in thirty days.

Therefore, this "Buy-in Morning" - all across Connecticut - Small Package Store Owners like myself are meeting delivery trucks outside, and checking these orders in as well. In order to compete with "Big Businesses" in our areas many of us Buy and Receive our orders - and later in the day when the trucks are gone we will also Sell. Given this reality, it is unlikely that a majority of those in attendance this morning are Small Package Store Owners. It is more likely that the goal of many of those in attendance this morning is to enact changes that would make our Small Business lives in CT even more difficult for us than they already are.

As Small Business Owners we are thankful that we can provide for our Families, and also provide competitive compensation and benefits for our Employees. However, given the high cost-of-living in CT (including Utility Bills that just increased by 20 + % overnight), and the ever-looming threat that "Big Business" will soon find a way to change our CT laws to better suit their regional and/or global business plans - and ultimately destroy much of their "Small Business" competition - it is hard to imagine the "Small Business" climate here in CT getting much worse.

Please resist relentless Lobbying by "Big Business" to legislate "Small Businesses" like ours "Out of Business".

Sincerely,  
Tony Caraluzzi