

# Connecticut Industry Leadership Summit and Liquor Compliance Conference

Wednesday, April 22, 2009  
Chevrolet Theatre  
Wallingford, CT



State of Connecticut  
Department of Consumer Protection  
Liquor Control Commission  
Liquor Control Division



# Liquor Compliance Conference

**“Don’t Ask, Don’t Take –  
Don’t Offer, Don’t Give”**



# Liquor Compliance Conference

- **Sec. 30-6-A32a - Wholesalers, Manufacturers, and Out of State Shippers may furnish liquor retailers with the following services, advertising material or equipment as follows:**
  - Inside advertising material which has no intrinsic or utilitarian value other than point of sale advertising, whose aggregate cost shall not exceed \$500 per retail outlet per calendar year per brand, exclusive of installation cost
  - Advertising novelties and specialties for use on the retail premises. Examples include: trays, coasters, napkins, stirrers, menu sheets, menu covers, calendars, and pourers displaying brand names whose aggregate cost shall not exceed \$500 per distributor of such items per retail outlet per calendar year (*neons, umbrellas and cold boxes displaying brand names are other examples of items with intrinsic/utilitarian value*)
  - Wine lists may be distributed without cost limitation. Such lists may contain lists from different brand owners, manufacturers, out of state shippers, and wholesalers at the discretion of the retailer.
  - Consumer novelties of nominal value for unconditional distribution to patrons of retail outlets, whose aggregate costs shall not exceed \$500 per distributor of such items per retail outlet per calendar year

**\*\*There is no mention of display enhancers in this regulation. They are therefore prohibited.\*\***

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- Wholesalers may clean and repair beer lines between barrels and faucets in retail premises and may furnish tapping accessories, provided the aggregate cost or reasonable value of any services rendered and any material used in connection with the cleaning and repairing of coils and the tapping accessories furnished shall not exceed \$500 for each permit premises in any one permit year.

**\*\*The installation of new draught lines is not listed as a permitted service. It is therefore prohibited.\*\***

- Brand owners may display in retail premises items, other than alcoholic liquors, which patrons may order by order forms available in such premises. Requires prior written submission and approval by the department, retailers not to stock or deliver such items nor to incur any cost and provided the patron shall not be required to make any purchase on the premises in connection therewith. Such submissions may be emailed to either [john.suchy@ct.gov](mailto:john.suchy@ct.gov) or [gerald.langlais@ct.gov](mailto:gerald.langlais@ct.gov)

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- No brand owner, manufacturer, out of state shipper, wholesaler, or salesman for any such entity shall display, stock, rotate, or affix the price to alcoholic liquor products for their package store, grocery store, or druggist liquor store permit businesses, except as follows:
  - The one time stocking of shelves in the sales area only at any newly licensed package store, grocery store, druggist liquor premises, or any premises that has recently had a change in the control of ownership, is permitted for all products.
  - The setting up, building, and maintenance of displays in point of sales advertisements is permitted for all products
  - The rotating of all perishable products (i.e.-Baileys, Carolines, Starbucks Cream Liquor etc...) is permitted provided that rotating consists of moving stock from rear to front on the shelves in the sales area only, and does not include the stocking or cleaning of shelves and other services such as product placement in the sales area or any other area.
  - The affixing of prices on point of sale material, as established by the retailer is permitted for all products
  - The maintaining of floor displays by the addition of fill cases or cases, whether cut or uncut, that does not include the stocking or cleaning of shelves
  - The maintaining of cold boxes in display refrigerators by the addition of single bottles or wine and spirits cordials or beer
- Any brand owner, manufacturer, out of state shipper, wholesaler, or salesman for any such entity who elects to provide any of the aforementioned services shall do so only with the permission of the retailer involved and shall provide the same service to all their retail customers without discrimination

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- **Sec. 30-17b. Wholesaler's Salesman Certificates** -

- No person shall be employed by any wholesaler of alcoholic liquor to sell or offer for sale alcoholic liquor to any retailer unless such person holds a wholesaler's salesman certificate or files an application for such certificate not later than ten days after the date of his initial employment.
- Any person desiring a wholesaler's salesman certificate or renewal thereof, shall file a sworn application for such certificate on forms provided by the Department of Consumer Protection.
- Upon approval of such application, the department shall issue a certificate which shall be renewed only upon change of employment.

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- The Department shall not issue a wholesaler's salesman certificate to any person who is, by statute or regulation, declared to be an unsuitable person to hold a permit to sell alcoholic liquor.
- The Department of Consumer Protection may, in its discretion, refuse a certificate to a wholesaler's salesman if it has reasonable ground to believe:
  - That the applicant appears to be financially irresponsible;
  - That the applicant is in the habit of using alcoholic beverages to excess;
  - That the applicant has wilfully made any false statement to the department in a material matter; or
  - That the applicant has been convicted of violating any of the liquor laws of this or any other state or the liquor laws of the United States or has been convicted of a felony or has such a criminal record that the department reasonably believes he is not a suitable person to hold a certificate.

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- **Sec. 30-6-A29 - Inducements to Purchase; Tie-in Sales; Solicitation**

- These provisions shall apply to transactions between all types of permittees, and are intended to prevent artificial stimulation of sales of liquor by any means.
- No permittee in transactions with another permittee shall directly or indirectly offer, furnish, solicit or receive any free goods, discounts, gratuities, gifts, prizes, coupons, premiums, combination items, quantity prices, cash returns, loans, guarantees, inducements or special prices, or other inducements with the sale of alcoholic liquors.

**\*\*Examples of recent violations in this area have been wholesalers providing liquor retailers with tickets to events, gift cards, gas cards, meals and trips.\*\***

- No permittee shall require any purchaser to accept additional liquors in order to make a purchase of any particular desired item.
- No direct consumer solicitation, in person or by mail, shall be directly or indirectly engaged in by any distiller, out-of-state shipper, manufacturer or wholesaler.
- No out-of-state shipper, manufacturer or wholesaler shall expend moneys directly or indirectly for the purpose of sales promotion and advertising and thereby give a rebate, kickback or discount by means of returning to permittees or proprietors a percentage of the total cost of merchandise purchased from such wholesaler in the nature of free drinks, sampling, advertising and other types of sales promotion...

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- **Sec. 30-94 - Gifts, loans and discounts prohibited between permittees. Tie-in sales. Floor stock allowance. Depletion allowance**
  - No permittee or group of permittees licensed under the provisions of this chapter, in any transaction with another permittee or group of permittees, shall directly or indirectly offer, furnish or receive any free goods, gratuities, gifts, prizes, coupons, premiums, combination items, quantity prices, cash returns, loans, discounts, guarantees, special prices or other inducements in connection with the sale of alcoholic beverages or liquors. No such permittee shall require any purchaser to accept additional alcoholic liquors in order to make a purchase of any other alcoholic liquor.

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- A holder of a manufacturer permit or an out-of-state shipper's permit for alcoholic liquor other than beer, may offer and provide to a wholesaler a floor stock allowance or a depletion allowance, or both, with the prior approval of the department. Such allowances shall be offered and provided on a nondiscriminatory basis to all such wholesalers authorized to distribute the products of any such manufacturer or out-of-state shipper. Such submissions may be emailed to either [john.suchy@ct.gov](mailto:john.suchy@ct.gov) or [gerald.lanlais@ct.gov](mailto:gerald.lanlais@ct.gov)
  - No such manufacturer or out-of-state shipper may require any such wholesaler to participate in any program providing such allowances.
  - The rate or percentage used to calculate any such allowance may not vary based on the quantity of alcoholic liquor that is sold.
  - "Floor Stock Allowance" means any rebate, discount or other inducement that is given to a wholesaler to be used for the sales promotion or the destruction of any alcoholic liquor other than beer that is stored in the wholesaler's warehouse or other storage facilities at the time such rebate, discount or other inducement is given.
  - "Depletion Allowance" means any rebate, discount or other inducement used for the sales promotion of any alcoholic liquor other than beer that is given to a wholesaler based on the amount of such alcoholic liquor subject to such promotion that is sold by the wholesaler.

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- **Sec. 30-6-B21a - Tastings**

- **Tastings at Package Stores:**

- No alcoholic liquor shall be consumed on the premises of a package store, except tastings
- Any wholesaler, out-of-state shipper, or manufacturer may assist in the planning, promoting, and conducting of tastings for permittees.
- Tastings by the general public may be conducted on the premises by the package store permittee, backer or employee, and shall not exceed the following amounts per patron: one half ounce per cordial or spirit, one ounce per wine, and two ounces per beer.
- No tastings shall be allowed in a package store before 12 pm or after 8 pm or on days or at times when the sale of alcoholic liquor is prohibited at package stores.
- No tastings shall be offered from more than four open uncorked bottles or cans at any one time.
- No tastings shall be offered to or allowed to be consumed by any minor or intoxicated person.
- Tastings may be conducted on the wholesaler's, out-of-state shipper's, manufacturer's, or retailer's permit premises.

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- Tastings for Charitable Organizations:
  - Tastings for a charitable organization shall be allowed only off the package store permit premises and only with prior written approval from the Department. Tastings for a charitable organization and sponsored by any non-package store permittee shall be allowed on or off the permit premises, and only with prior written approval from the department
  - “Charitable Organization” means any non-profit organization organized for charitable purposes to which has been issued a ruling by the Internal Revenue Service classifying it as an exempt organization under Sec. 501 (c) (3) of the Internal Revenue Code.
  - Permittees seeking permission for tastings for charitable organizations shall submit their request in writing to the department at least ten (10) days prior to the planned event. Such submissions may be emailed to either [john.suchy@ct.gov](mailto:john.suchy@ct.gov) or [gerald.lanlais@ct.gov](mailto:gerald.lanlais@ct.gov)
  - The nominal fee which a package store permittee may charge a charitable organization for a tasting shall not exceed the cost to the permittee of the alcoholic beverages provided.
  - A wholesaler or out-of-state shipper may assist in the planning, promoting, and conducting of tastings for charitable organizations.
  - Any permittee may gift alcoholic liquor to the charitable organization in connection with the tasting; provide free merchandise or financial assistance, whether by direct cash grants, merchandise credit, or the loaning of employees to assist the charity in any such tastings; and provide a representative(s) to lecture and respond to inquiries and provide educational materials.

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- DCP Website: [www.ct.gov/dcp](http://www.ct.gov/dcp)

State of Connecticut

Department of Consumer Protection

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