



The Spirit

Newsletter of the Connecticut Package Stores Association

Winter 2016

Special Interest Groups Return to the Capitol

The alcohol beverage industry is moving into its pre-legislative session activities and lobbyists from the different interest groups are now frequently showing up at the Capitol as legislators begin to return.

The interim rules allow legislators to pre-file bills for the 2016 session, which begins on February 3rd. Normally more bills are filed closer to the start date of the legislative session since the deadline for individual bills is February 5th, just two days after the session opens. Committee bills are allowed until late February and all individual legislator's bills have to be approved by a committee before a public hearing can occur.

The General Law Committee has a deadline date of Tuesday, March 15th to report bills out of committee. This means that bills which affect the liquor industry will have public hearings on Tuesday or Thursday during the weeks of February 15th, 22nd, 29th or March 7th.

The deadline date for the legislature to end is Wednesday, May 4th. However, it's not over until it's over because they could be called back into special session if they do not pass a budget revision bill by that date. Stay tuned.

Our Team is Hard at Work Lobbying for your Interests

Package stores need to keep vigilant in order to keep your interests safe. An old saying is "You never know what you have until you lose it". Unfortunately for package stores, some interest groups always want what you have, so you have never had a chance to forget what you have.

The food stores, convenience stores, cheese and cigar outlets, big box stores and others want to sell your products. We don't see this going away in the near future. In fact, we see more entities wanting to get in on alcohol beverage sales. We are working again on the issue of redefining "case" with Diageo and the wholesalers, and we expect other issues to surface in the next few weeks. (continued next page)

Unclaimed Bottle Deposits

Continue to Grow

Remember several years back when the legislature voted to take unclaimed bottle deposits away from the wholesalers and give them to the state? At the time, the estimates were that unclaimed deposits amounted to \$10 million per year.

A recent report issued by the Department of Revenue Services indicated that the following monies were return to the state as a result of unclaimed bottle deposits in the past few years:

2011-2012: \$27,134,224

2012-2103: \$27,528,488

2013-2014: \$27,384,746

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Possible Solid Waste Changes Coming

A solid waste study being conducted through the Department of Energy and Environmental Protection (DEEP) during the past few months has been completed, but not yet released, and may affect many product manufacturers.

The law governing Connecticut's trash disposal system was changed in 2014 and the former CT Resource Recovery Authority (CRRA --the garbage incineration plants) is now becoming the Materials, Innovation and Recycling Authority (MIRA) and several changes are being recommended for the disposal of solid waste and waste recycling.

The state legislature set a 60 percent recycling goal for all municipal solid waste, at the request of the Governor. The first step was to retain a consultant who would categorize those items that are in the Municipal Solid Waste (MSW) that could be recycled. The preliminary report was issued in October. It is to be followed by another report which makes recommendations on ways to handle the waste to gain the increased (60%) rate.

Although it has not yet been released, CPSA lobbyists have learned of potential recommendations or methods that may be followed to gain the 60 percent rate. These may include:

- Mandatory diversion of recyclables based on fees, expansion of container collection and product stewardship by manufacturers.
- Packaging fees or taxes on disposable items may also be part of the mix.
- Extra fees on refuse containers used in municipal solid waste collection may also occur.
- Mandatory composting

The goal of the recommendations will be to encourage more recycling and discourage the current system by increasing costs to change behavior so the system does not keep operating in its current fashion.

Lobby for You

(cont. from page 1)

All package stores are reminded to contact your legislators again. Talk to them while they are in your store and call them in January. We will keep you informed, but many of the issues come up unexpectedly. We anticipate the traditional issues from the various interest groups but there are always new ones to contend with before the General Law Committee.

Keep active and seek other package store owners to join CPSA and rally together. Let us know if you hear something unusual from your legislators or others coming into your store.

**Check us out
on the web:**

CTPSA.com

Special Permit Now Required to Sell Electronic Cigarettes

Although Sec. 30-20 of the CT General Statutes allows package stores to sell cigarettes, a new law just passed that requires retailers to obtain a special permit from the Department of Consumer Protection to sell electronic cigarettes. The cost of this annual permit is \$400 and was intended to be per premises. However, the department is interpreting the law to mean \$400 per employee working at any premises selling the e-cigarettes, including convenience stores, grocery stores, gas stations, package stores and vapor shops.

The e-cigarette sales permit was passed by the legislature last session in an effort to generate money for the deteriorating budget situation. Since there was no way to know who was selling e-cigarettes, the state needed to create a registration process to track the sales of these products. That is why the seller was charged rather than a tax on the products itself.

It is expected that the fees may change during the next session, but a replacement of the revenue will also have to occur. It is uncertain at this point how many package stores are selling electronic tobacco delivery devices (e cigarettes), but all sellers will need to have an electronic nicotine delivery system certificates by March 1, 2016 in order to continue selling the products.

Budget Gimmicks Could Continue in 2016 Session

Although the budget issue for 2016 was resolved in the December Special Session for now, budget problems are expected to continue into next year.

It is anticipated that there may be another deficiency in the current 2016-2017 biennial budget. As part of the legislation passed during the special session, legislators gave the Governor the authority to cut another \$93 Million from the budget in 2016, but not more than 1 percent of any line item. He cannot do this without approval of all six legislative leaders.

If there is any unexpected revenue shortfall projected for the 2017 fiscal year, another round of revenue enhancements (taxes, fees, new projections of revenue) could be advanced by the Governor or the legislature in the 2016 legislative session.

The alcohol beverage industry could be subject to the same pressures that have occurred in recent years. Items such as new sales of products, changes in alcohol pricing and increases in hours have all been used against CPSA in the past. However, these proposals have not met the revenue projections and were dismissed after heavy lobbying by the CPSA team of lobbyists.

We continue to remain vigilant.

We Can't Tell You If We Can't Find You

Retailers have come a long way from the days of being isolated from the outside world except through contacts with wholesalers' salespeople. Twenty years ago, salespeople carried stories from store to store about the happenings in Hartford at the legislature.

All that has changed with the advent of e-mail, which allows us to quickly communicate to you the latest happenings at the Capitol and actions you need to take for the sake of your business. Unfortunately, we cannot spread the word as quickly to everyone because some retailers do not have email and others simply do not want to give their e-mail addresses out.

We need your email address so we can contact you QUICKLY about what is happening and what you can do to have an impact on the public process. This is probably the most important pro-business action you can take for your store. Please respond to us today with your e-mail address.

Send your e-mail address with your name and the name and location of your store to:

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