

## Three-Tier Alcohol Distribution System

By: Duke Chen, Principal Analyst  
June 23, 2020 | 2020-R-0048

### Issue

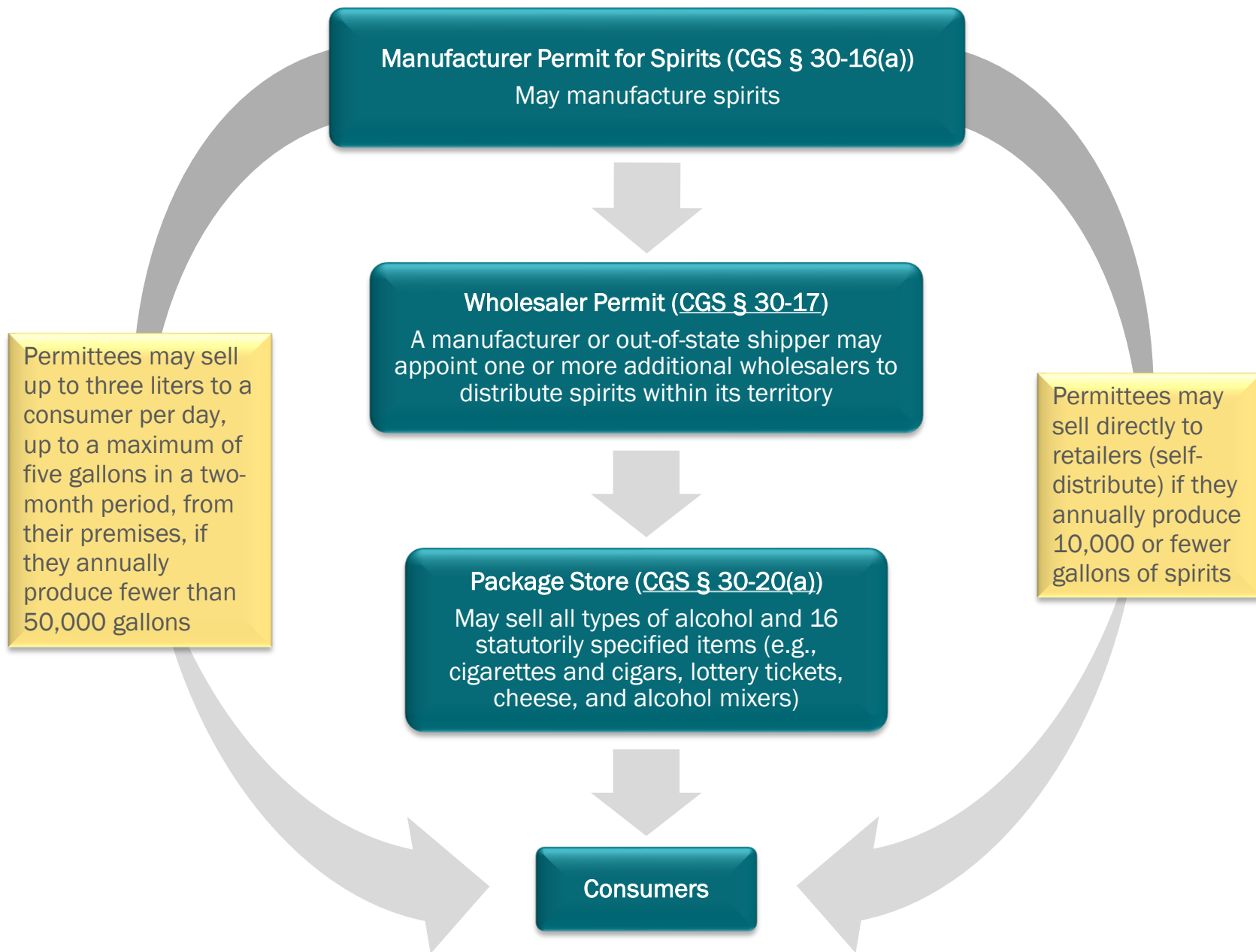
Provide flow charts on Connecticut's three-tier alcohol distribution system, as amended by [PA 19-24](#). (This report updates OLR Report [2018-R-0356](#).)

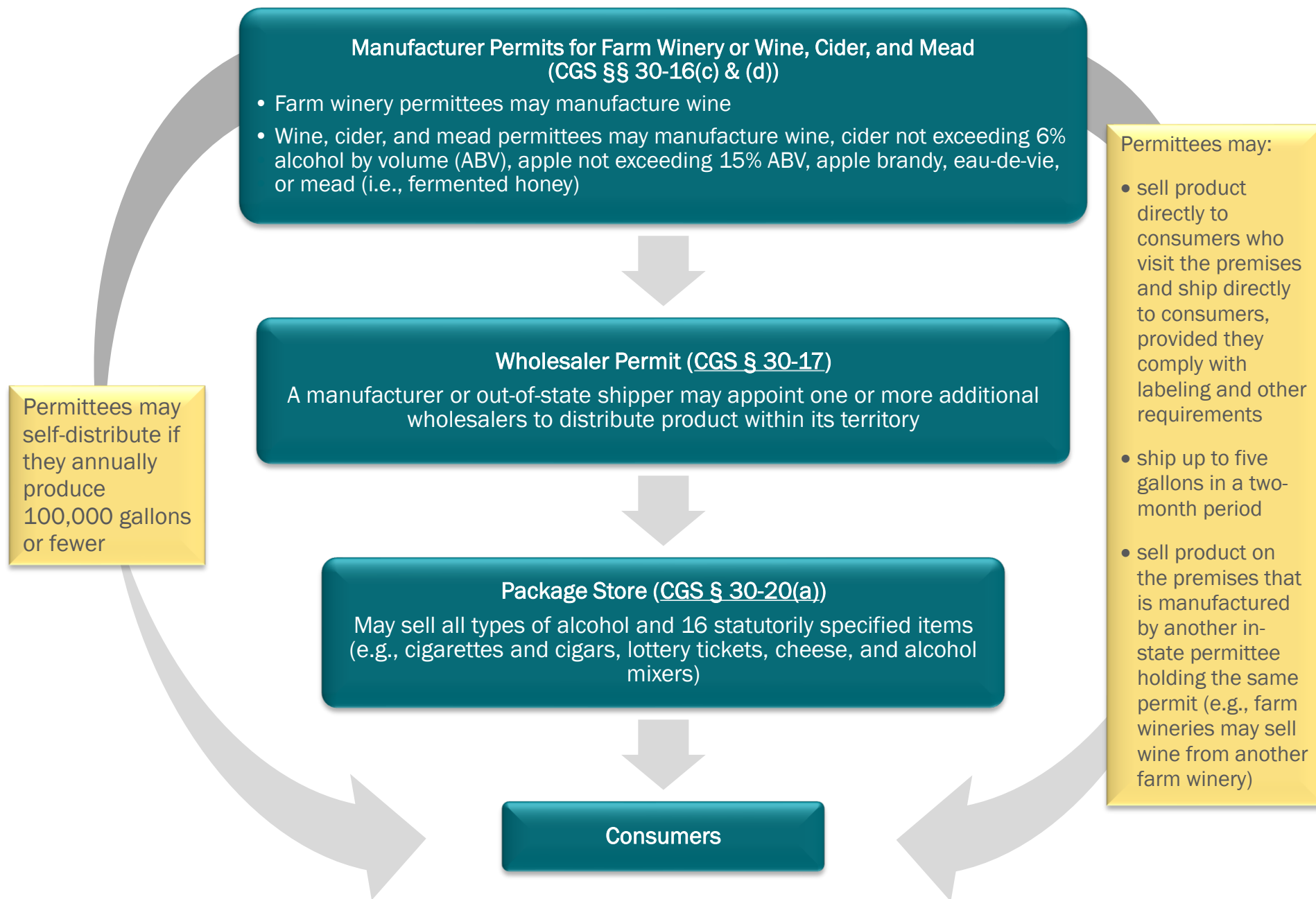
### Summary

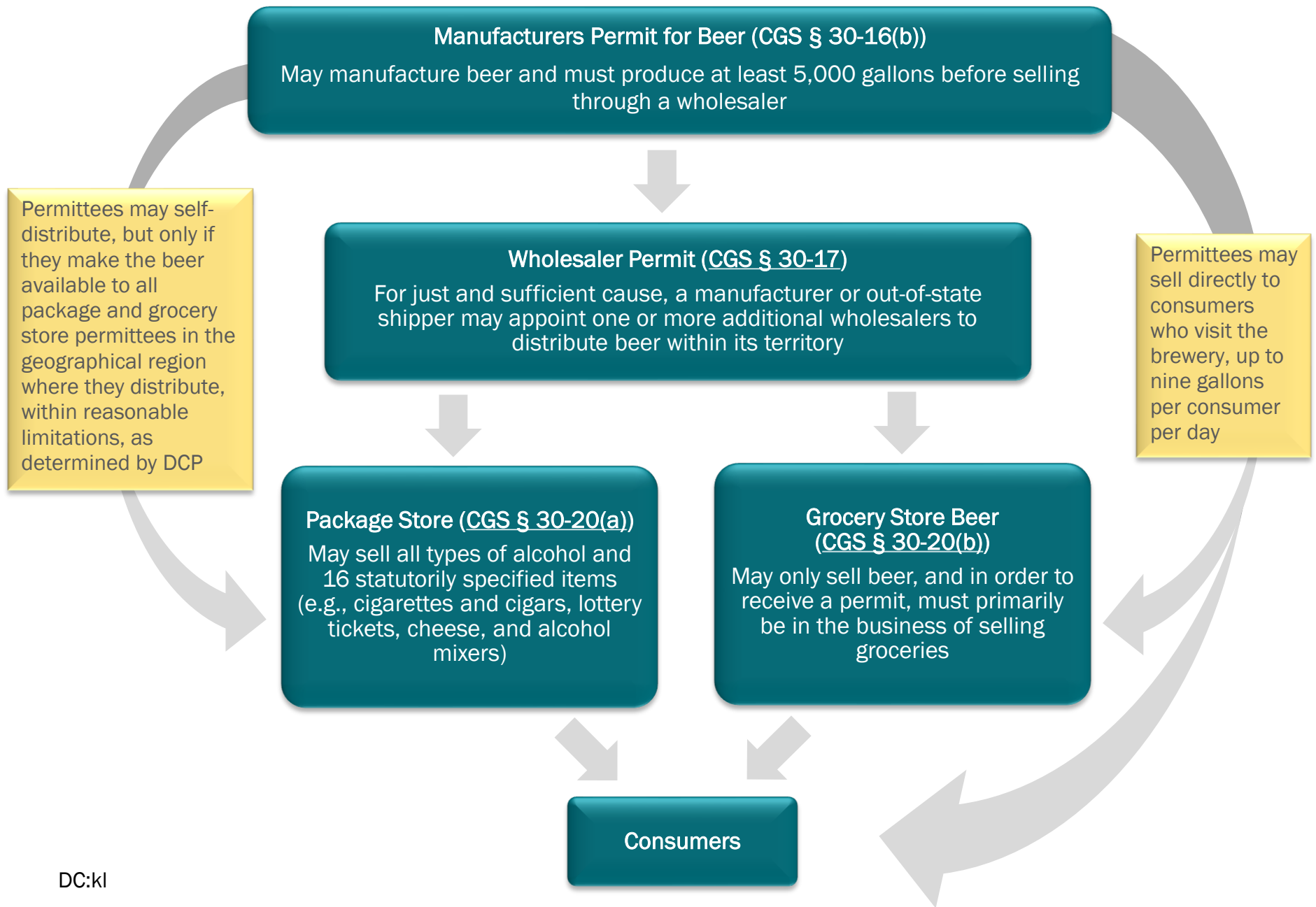
After the repeal of Prohibition, most states (including Connecticut) adopted a three-tier alcohol distribution system, which requires the separation of manufacturers from retailers. Generally, under the three-tier distribution system, manufacturers must sell their products to wholesalers, who in turn sell to retailers, who sell to consumers. But Connecticut, like most states, has exceptions that allow manufacturers to sell directly to consumers under certain conditions (e.g., farm wineries).

In 2019, the legislature made various changes to the system that go into effect on July 1, 2020. Among other things, [PA 19-24](#) (1) limits the manufacturer permit that allowed the production of all alcoholic liquor to just spirits; (2) creates a new wine, cider, and mead manufacturer permit with requirements and abilities substantially similar to a farm winery permittee; and (3) consolidates four manufacturer beer permits into one. By making changes to the manufacturing tier, the act affects the three-tiered system as a whole.

The following are flow charts of Connecticut's three-tier distribution system, beginning July 1, 2020.







DC:kl