

## SENATE PROPOSAL OF AMENDMENT

### H. 772

An act relating to alcoholic beverage tastings and other liquor licensing issues

The Senate proposes to the House to amend the bill as follows:

First: In Sec. 1, in 7 V.S.A. § 2, by striking out subdivision (15) in its entirety and inserting in lieu thereof the following:

(15) “Manufacturer’s or rectifier’s license”: a license granted by the liquor control board that permits the holder to manufacture or rectify, ~~as the case may be, spirituous liquors for export and sale to the liquor control board, or malt beverages and vinous beverages for export and for sale to bottlers or wholesale dealers, or spirituous liquors for export and for sale to the liquor control board, upon application of a manufacturer or rectifier and the payment to the liquor control board of the license fee as required by subdivision 231(1) of this title for either license.~~ This license permits a manufacturer of vinous beverages to receive from another manufacturer licensed in or outside this state bulk shipments of vinous beverages to rectify with the licensee’s own product, provided that the vinous beverages produced by a Vermont manufacturer may contain no more than 25 percent imported vinous beverage. The liquor control board may grant to a licensed manufacturer or rectifier a first class restaurant or cabaret license or first and third class restaurant or cabaret license permitting the licensee to sell alcoholic beverages to the public only at the manufacturer’s premises, which for the purposes of a manufacturer of malt beverages includes up to two licensed establishments that are located on the contiguous real estate of the holder of the manufacturer’s license, provided the manufacturer owns or has direct control over those establishments. A manufacturer of malt beverages who also holds a first class restaurant or cabaret license may serve to a customer malt beverage by the glass, not to exceed eight glasses at one time and not to exceed four ounces in each glass. The liquor control board may grant to a licensed manufacturer or a rectifier of malt ~~or vinous~~ beverages a second class license permitting the licensee to sell alcoholic beverages to the public ~~only at~~ anywhere on the manufacturer’s or rectifier’s premises, ~~which for the purposes of a manufacturer of malt beverages, includes up to two licensed establishments that are located on the contiguous real estate of the holder of the manufacturer’s license, provided the manufacturer owns or has direct control over those establishments.~~ A licensed manufacturer or rectifier of vinous beverages may serve, with or without charge, at an event held on premises of the licensee or the vineyard property, spirits and vinous and malt beverages, provided the licensee gives the department written notice of the event, including details required by the department, at least ~~15~~ five days before the event. Any beverages not manufactured by the licensee and served at the event shall be purchased on

invoice from a licensed manufacturer or wholesale dealer or liquor control board. Upon application and payment of the license fee as required by subdivision 231(11) of this title, the liquor control board may grant to a licensed manufacturer or rectifier of vinous beverages fourth class or farmers' market licenses permitting the licensee to sell fortified wines and vinous beverages by the bottle to the public at the licensed premises or at a farmers' market, provided that the beverages were produced by the manufacturer or rectifier. No more than a combined total of ten fourth class and farmers' market licenses may be granted to any licensed manufacturer or rectifier. An application for a farmers' market license shall include copies of the farmers' market regulations, the agreement between the farmers' market and the applicant, and the location and dates of operation of the farmers' market. A farmers' market license shall be valid for all dates of operation for a specific farmers' market location. However, in no case may a person with an interest in more than one manufacturer's or rectifier's license have an interest in more than four fourth class licenses. The manufacturer or rectifier shall pay directly to the commissioner of taxes the sum of \$0.265 cents per gallon for every gallon of malt beverage and the sum of \$0.55 cents per gallon for each gallon of vinous beverage manufactured by the manufacturer or rectifier and provided for sale pursuant to the first class license or the second class license or the fourth class license or combination thereof held by the manufacturer or rectifier. Holders of a manufacturer's or rectifier's second class license for malt beverages may distribute, with or without charge, malt beverages by the glass, not to exceed two ounces per product and eight ounces in total, to all persons of legal drinking age. The malt beverages must be consumed upon the premises of the holder of the license. At the request of a person holding a first class or second class license, a holder of a manufacturer's or rectifier's license for malt beverages may distribute without charge to the management and staff of the license holder, provided they are of legal drinking age, no more than four ounces per person of a malt beverage for the purpose of promoting the beverage. Written notice shall be provided to the department of liquor control at least 10 days prior to the date of the tasting. A licensed manufacturer or rectifier of spirits may do either or both of the following only on the manufacturer's or rectifier's premises:

(A) ~~Sell by the glass or bottle to the public spirits manufactured by the licensee.~~

(B) ~~Dispense by the glass, with or without charge, spirits manufactured by the licensee, provided that no more than one quarter ounce per product and no more than one ounce in total is dispensed to each individual of legal age.~~

Second: In Sec. 1, 7 V.S.A. § 2, by striking out subdivision (28) in its entirety and inserting in lieu thereof a new subdivision (28) to read as follows:

(28) “Fourth class license” or “farmers’ market license”: the license granted by the liquor control board permitting a manufacturer or rectifier of malt or vinous beverages or spirits to sell fortified wines manufactured by the licensed manufacturer or rectifier and vinous beverages by the bottle unopened container and distribute, by the glass with or without charge, those beverages by the glass manufactured by the licensee. No more than a combined total of ten fourth class and farmers’ market licenses may be granted to a licensed manufacturer or rectifier. At only one fourth class license location, a manufacturer or rectifier of vinous beverages may sell by the unopened container and distribute by the glass, with or without charge, vinous beverages produced by no more than three additional manufacturers or rectifiers, provided these beverages are purchased on invoice from the manufacturer or rectifier. A manufacturer or rectifier of vinous beverages may sell its product to no more than three additional manufacturers or rectifiers. A fourth class licensee may distribute by the glass no more than two ounces of malt or vinous beverage with a total of eight ounces to each retail customer and no more than one-quarter ounce of spirits with a total of one ounce to each retail customer for consumption on the manufacturer’s premises or at a farmers’ market. A farmers’ market license is valid for all dates of operation for a specific farmers’ market location.

Third: In Sec. 3, 7 V.S.A. § 67(a), by striking subdivisions (1) and (2) in their entirety and inserting in lieu thereof new subdivisions (1) and (2) to read as follows:

(1) A second class licensee. The permit authorizes the employees of the permit holder to dispense ~~vinous or malt beverages~~ to retail customers of legal age on the licensee’s premises vinous or malt beverages by the glass not to exceed two ounces of each vinous or malt beverage with a total of eight ounces of vinous or malt beverages. Vinous or malt beverages for the tasting shall be from the inventory of the licensee or purchased from a wholesale dealer. Pursuant to this permit, a second class licensee may conduct no more than ~~30~~ 48 tastings a year. In addition to the 48 tastings, a second class licensee may conduct no more than five beverage tastings per week, provided the tastings are conducted as part of an educational food preparation class or course conducted by the licensee on the licensee’s premises and provided the licensee has acquired a permit for each tasting.

(2) A licensed manufacturer or rectifier of vinous or malt beverages. The permit authorizes the permit holder to dispense ~~beverages produced by the manufacturer or rectifier~~ to retail customers of legal age for consumption on the premises of a second class licensee ~~or at a farmers’ market~~ beverages produced by the manufacturer or rectifier by the glass not to exceed two ounces of each beverage with a total of eight ounces of vinous or malt beverages. ~~Pursuant to this permit, a~~ A manufacturer or rectifier may conduct no more than ~~one tasting a day on the premises of a second class licensee.~~ No

~~more than four tasting permits per month for a tasting event held on the premises of second class licensees shall be permitted~~ 48 tastings per year.

Fourth: In Sec. 6, 7 V.S.A. § 231(a)(21), by striking out the following: "\$200.00" and inserting in lieu thereof the following: \$15.00