

1 H.506

2 Introduced by Representative Conquest of Newbury

3 Referred to Committee on

4 Date:

5 Subject: Alcoholic beverages; vinous beverage shipping license

6 Statement of purpose: This bill proposes to increase the amount of vinous
7 beverages that can be shipped by a manufacturer or rectifier of vinous
8 beverages. The bill further proposes to allow a manufacturer or rectifier of
9 vinous beverages to serve on its premises vinous beverages produced by
10 another manufacturer.

11 An act relating to vinous beverages

12 It is hereby enacted by the General Assembly of the State of Vermont:

13 ~~Sec. 1. 7 V.S.A. § 2 is amended to read:~~

14 ~~§ 2. DEFINITIONS~~

15 ~~The following words as used in this title, unless a contrary meaning is~~
16 ~~required by the context, shall have the following meaning:~~

17 ~~* * *~~

18 ~~(28) "Fourth class license" or "farmers' market license": the license~~
19 ~~granted by the liquor control board permitting a manufacturer or rectifier of~~
20 ~~malt or vinous beverages or spirits to sell by the unopened container and~~

1 ~~distribute, by the glass with or without charge, beverages manufactured by the~~
2 licensee. No more than a combined total of ten fourth class and farmers'
3 market licenses may be granted to a licensed manufacturer or rectifier. At only
4 one fourth class license location, a manufacturer or rectifier of vinous
5 beverages may sell by the unopened container and distribute by the glass, with
6 or without charge, vinous beverages produced by ~~no more than three~~ additional
7 manufacturers or rectifiers, provided these beverages are purchased on invoice
8 from the manufacturer or rectifier. A manufacturer or rectifier of vinous
9 beverages may sell its product to ~~no more than three~~ additional manufacturers
10 or rectifiers. A fourth class licensee may distribute by the glass no more than
11 two ounces of malt or vinous beverage with a total of eight ounces to each
12 retail customer and no more than one-quarter ounce of spirits with a total of
13 one ounce to each retail customer for consumption on the manufacturer's
14 premises or at a farmers' market. A farmers' market license is valid for all
15 dates of operation for a specific farmers' market location.

16 * * *

17 Sec. 2. 7 V.S.A. § 66 is amended to read:

18 § 66. VINOUS BEVERAGE SHIPPING LICENSE; IN STATE; OUT OF
19 STATE; PROHIBITIONS; PENALTIES

20 * * *

1 ~~(c) A manufacturer or rectifier of vinous beverages that is licensed in state~~
2 ~~or out-of-state and holds valid state and federal permits and operates a winery~~
3 ~~in the United States may apply for a retail shipping license by filing with the~~
4 ~~department of liquor control an application in a form required by the~~
5 ~~department accompanied by a copy of their in-state or out of state license and~~
6 ~~the fee as required by subdivision 231(7)(C) of this title. The retail shipping~~
7 ~~license may be renewed annually by filing the renewal fee as required by~~
8 ~~subdivision 231(7)(C) of this title accompanied by the licensee's current in-~~
9 ~~state or out-of-state manufacturer's license. This license permits the holder,~~
10 ~~which includes the holder's affiliates, franchises, and subsidiaries, to sell up to~~
11 ~~2,000 5,000 gallons of vinous beverages a year directly to first or second class~~
12 ~~licensees and deliver the beverages by common carrier or the manufacturer's~~
13 ~~or rectifier's own vehicles or the vehicle of an employee of a manufacturer or~~
14 ~~rectifier, provided that the beverages are sold on invoice, and no more than 40~~
15 ~~100 gallons per month are sold to any single first or second class licensee. The~~
16 ~~retail shipping license holder shall provide to the department documentation of~~
17 ~~the annual and monthly number of gallons sold.~~

18 * * *

19 (e) A holder of any shipping license granted pursuant to this section shall:

20 * * *

1 ~~(4) Report at least twice a year to the department of liquor control if the~~
2 ~~holder of a direct consumer shipping license and once a year if the holder of a~~
3 ~~retail shipping license in a manner and form required by the department all the~~
4 following information:

5 (A) The total amount of vinous beverages shipped into or within the
6 state for the preceding six months.

7 (B) The names and addresses of the purchasers to whom the vinous
8 beverages were shipped.

9 (C) The date purchased, if appropriate, the name of the common
10 carrier used to make each delivery, and the quantity and value of each
11 shipment.

12 * * *

13 Sec. 3. 7 V.S.A. § 67 is amended to read:

14 § 67. ALCOHOLIC BEVERAGE TASTINGS; PERMIT; PENALTIES

15 * * *

16 (b) A wine or beer tasting event held pursuant to subdivisions (a)(1) and (2)
17 of this section, not including an alcohol beverage tasting conducted on the
18 premises of the manufacturer or rectifier, shall comply with the following:

19 (1) Continue for no more than six hours, with no more than six
20 beverages to be offered at a single event, and no more than two ounces of any
21 single beverage and no more than a total of eight ounces of various vinous or

1 ~~malt beverages to be dispensed to a customer. No more than eight customers~~
2 ~~may be served at one time.~~

3 (2) ~~Be conducted totally within an area that is clearly cordoned off by~~
4 ~~barriers that extend a designated area that extends~~ no further than 10 feet from
5 the point of service, and a ~~that is marked by a clearly visible~~ sign that clearly
6 states that no one under the age of 21 may participate in the tasting ~~shall be~~
7 ~~placed in a visible location at the entrance to the tasting area.~~

8 * * *

Sec. 1. 7 V.S.A. § 2 is amended to read:

§ 2. DEFINITIONS

The following words as used in this title, unless a contrary meaning is required by the context, shall have the following meaning:

* * *

(6) "Caterer's ~~permit~~ license": a ~~permit~~ license issued by the liquor control board authorizing the holder of a first class license or first and third class licenses for a cabaret, restaurant, or hotel premises to serve malt or vinous beverages or spirituous liquors at a function located on premises other than those occupied by a first, first and third, or second class licensee to sell alcoholic beverages.

* * *

(7) "Club": an unincorporated association or a corporation authorized to do business in this state, that has been in existence for at least two

consecutive years prior to the date of application for license under this title and owns, hires, or leases a building or space in a building that is suitable and adequate for the reasonable and comfortable use and accommodation of its members and their guests and contains suitable and adequate kitchen and dining room space and equipment implements and facilities. A club may be used or leased by a nonmember as a location for a social event as if it were any other licensed commercial establishment. Such club shall file with the liquor control board, before May 1 of each year, a list of the names and residences of its members and a list of its officers. Its affairs and management shall be conducted by a board of directors, executive committee, or similar body chosen by the members at its annual meeting, and no member or any officer, agent, or employee of the club shall be paid, or directly or indirectly receive, in the form of salary or other compensation, any profits from the disposition or sale of alcoholic liquors to the members of the club or its guests introduced by members beyond the amount of such salary as may be fixed and voted at annual meetings by the members or by its directors or other governing body, and as reported by the club to the liquor control board. An auxiliary member of a club may invite one guest at any one time. An officer or director of a club may perform the duties of a bartender without receiving any payment for that service, provided the officer or director is in compliance with the requirements of this title that relate to service of alcoholic beverages. An

officer, member, or director of a club may volunteer to perform services at the club other than serving alcoholic beverages, including seating patrons and checking identification, without receiving payment for those services. An officer, member, or director of a club who volunteers his or her services shall not be considered to be an employee of the club. A bona fide unincorporated association or corporation whose officers and members consist solely of veterans of the armed forces of the United States, or a subordinate lodge or local chapter of any national fraternal order, and which fulfills all requirements of this subdivision, except that it has not been in existence for two years, shall come within the terms of this definition six months after the completion of its organization. A club located on and integrally associated with at least a regulation nine-hole golf course need only be in existence for six months prior to the date of application for license under this title.

* * *

(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 by the unopened container and distribute, by the glass with or without charge, beverages 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~~ five 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~~ five 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.

* * *

(33) "Commercial catering license": A license granted by the board permitting a business licensed by the department of health as a commercial caterer and having a commercial kitchen facility in the home or place of business to sell malt, vinous, or spirituous liquors at a function previously approved by the local licensing authority.

Sec. 2. 7 V.S.A. § 66 is amended to read:

§ 66. VINOUS BEVERAGE SHIPPING LICENSE; IN STATE; OUT OF STATE; PROHIBITIONS; PENALTIES

* * *

(c) A manufacturer or rectifier of vinous beverages that is licensed in-state or out-of-state and holds valid state and federal permits and operates a winery in the United States may apply for a retail shipping license by filing with the department of liquor control an application in a form required by the department accompanied by a copy of their in-state or out of state license and the fee as required by subdivision 231(7)(C) of this title. The retail shipping license may be renewed annually by filing the renewal fee as required by subdivision 231(7)(C) of this title accompanied by the licensee's current in-state or out-of-state manufacturer's license. This license permits the holder, which includes the holder's affiliates, franchises, and subsidiaries, to sell up to ~~2,000~~ 5,000 gallons of vinous beverages a year directly to first or second class licensees and deliver the beverages by common carrier or the manufacturer's or rectifier's own vehicles or the vehicle of an employee of a manufacturer or rectifier, provided that the beverages are sold on invoice, and no more than ~~40~~ 100 gallons per month are sold to any single first or second class licensee. The retail shipping license holder shall ~~provide~~ report to the department documentation of the annual and monthly number of gallons sold.

* * *

(e) A holder of any shipping license granted pursuant to this section shall:

* * *

(4) Report at least twice a year to the department of liquor control if the holder of a direct consumer shipping license and once a year if the holder of a retail shipping license in a manner and form required by the department all the following information:

(A) The total amount of vinous beverages shipped into or within the state for the preceding six months if a holder of a direct consumer shipping license or every twelve months if a holder of a retail shipping license.

(B) The names and addresses of the purchasers to whom the vinous beverages were shipped.

(C) The date purchased, if appropriate, the name of the common carrier used to make each delivery, and the quantity and value of each shipment.

* * *

Sec. 3. 7 V.S.A. § 67 is amended to read:

§ 67. ALCOHOLIC BEVERAGE TASTINGS; PERMIT; PENALTIES

* * *

(b) A wine or beer tasting event held pursuant to subdivisions (a)(1) and (2) of this section, not including an alcohol beverage tasting conducted on the premises of the manufacturer or rectifier, shall comply with the following:

(1) Continue for no more than six hours, with no more than six beverages to be offered at a single event, and no more than two ounces of any

single beverage and no more than a total of eight ounces of various vinous or malt beverages to be dispensed to a customer. No more than eight customers may be served at one time.

(2) Be conducted totally within ~~an area that is clearly cordoned off by barriers that extend~~ a designated area that extends no further than 10 feet from the point of service, and ~~a~~ that is marked by a clearly visible sign that ~~clearly~~ states that no one under the age of 21 may participate in the tasting ~~shall be placed in a visible location at the entrance to the tasting area.~~

* * *

Sec. 4. 7 V.S.A. § 238 is amended to read:

§ 238. CATERER'S ~~PERMIT~~ LICENSE, GRANTING OF; SALE TO MINORS

(a) The liquor control board may issue a caterer's ~~permit~~ license only to those persons who hold a current first ~~and third~~ class license or current first and third class licenses for a restaurant or hotel premises.

(b) The board may issue a commercial catering license only to those persons who hold a first class license or current first and third class licenses.

(c) The liquor control board shall promulgate rules or regulations as it deems necessary to effectuate the purposes of this section.

(~~e~~)(d) No malt or vinous beverages or spirituous liquors shall be sold or served to a minor by a holder of a caterer's ~~permit~~ license.

~~(d)~~(e) Notwithstanding the provisions of subsection (a) of this section, the liquor control board may issue a caterer's ~~permit~~ license to a licensed manufacturer or rectifier who holds a current first class license.

Sec. 5. 7 V.S.A. § 238a is amended to read:

§ 238a. *OUTSIDE CONSUMPTION PERMITS; GOLF COURSES;*

~~WINERIES~~

Pursuant to regulations of the liquor control board, an outside consumption permit may be granted to the holder of a first or first and third class ~~license~~ licenses for all or part of the outside premises of a golf course or to the holder of a fourth class license for all or part of the outside premises ~~of a winery for consumption of wine produced on the premises,~~ provided that such permit is first obtained from the local control commissioners and approved by the board.

Sec. 6. 7 V.S.A. § 231 is amended to read:

§ 231. *FEEES FOR LICENSES; DISPOSITION OF FEES*

(a) The following fees shall be paid:

* * *

(8)(A) For a caterer's ~~permit~~ license, \$200.00.

(B) For a commercial catering license, \$200.00.

* * *