

1 S.9

2 Introduced by Senators Miller and Ashe

3 Referred to Committee on

4 Date:

5 Subject: Alcoholic beverages; licensing; interstate wine shipments

6 Statement of purpose: This bill proposes to allow retail wine merchants to ship
7 wine in and out of state.

8 An act relating to sales of vinous beverages

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

10 Sec. 1. 7 V.S.A. § 66 is amended to read:

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

13 (a)(1) A manufacturer or rectifier of vinous beverages licensed in Vermont
14 may be granted an in-state consumer shipping license by filing with the
15 department of liquor control an application in a form required by the
16 department accompanied by a copy of the applicant's current Vermont
17 manufacturer's license and the fee as required by subdivision 231(7)(A) of this
18 title. This consumer shipping license may be renewed annually by filing the
19 renewal fee as required by subdivision 231(7)(A) of this title accompanied by a
20 copy of the licensee's current Vermont manufacturer's license.

1 ~~(b)(2)~~ A manufacturer or rectifier of vinous beverages licensed in another
2 state that operates a winery in the United States and holds valid state and
3 federal permits and licenses may be granted an out-of-state consumer shipping
4 license by filing with the department of liquor control an application in a form
5 required by the department accompanied by copies of the applicant's current
6 out-of-state manufacturer's license and the fee as required by subdivision
7 231(7)(B) of this title. This consumer shipping license may be renewed
8 annually by filing the renewal fee as required by subdivision 231(7)(B) of this
9 title accompanied by the licensee's current out-of-state manufacturer's license.
10 For the purposes of this subsection and subsection (c) of this section,
11 "out-of-state" means any state other than Vermont, any territory or possession
12 of the United States, and does not include a foreign country.

13 (b) A retail dealer of vinous beverages licensed in Vermont may be granted
14 an interstate consumer shipping license allowing the dealer to sell vinous
15 beverages by the bottle or case to consumers in and out of state by filing with
16 department of liquor control an application in a form required by the
17 department accompanied by a copy of the applicant's current second class
18 license and the fee as required by subdivision 231(7)(D) of this title. This
19 consumer shipping license may be renewed annually by filing the renewal fee
20 as required by subdivision 231(7)(D) accompanied by the licensee's current
21 second class license.

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~~ out-of-state
6 license and the fee as required by subdivision 231(7)(C) of this title. The retail
7 shipping license may be renewed annually by filing the renewal fee as required
8 by subdivision 231(7)(C) of this title accompanied by the licensee's current
9 in-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 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, provided that the beverages are sold on invoice, and
14 no more than 40 gallons per month are sold to any single first or second class
15 licensee. The retail shipping license holder shall provide to the department
16 documentation of the annual and monthly number of gallons sold.

17 (d) Pursuant to a consumer shipping license granted under subsection (a)
18 or (b) of this section, the licensee may ship vinous beverages produced by the
19 licensee:

20 (1) Only to private residents for personal use and not for resale.

1 (2) No more than ~~12~~ 20 cases containing no more than ~~29~~ 48 gallons of
2 vinous beverages to any one Vermont resident in any calendar year.

3 (3) Only by common carrier certified by the department. The common
4 carrier shall comply with all the following:

5 (A) Deliver vinous beverages pursuant to an invoice that includes the
6 name of the licensee and the name and address of the purchaser.

7 (B) On delivery, require a valid form of photographic identification
8 from a recipient who appears to be under the age of 30.

9 (C) Require the recipient to sign an electronic or paper form or other
10 acknowledgement of receipt.

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

12 (1) Ensure that all containers of alcoholic beverages shipped under this
13 section are clearly labeled: “contains alcohol; signature of individual age 21 or
14 older required for delivery.”

15 (2) Not ship to any address in a municipality that the department
16 identified as having voted to be “dry.”

17 (3) Retain a copy of each record of sale for a minimum of five years
18 from the date of shipping.

19 (4) Report at least twice a year to the department of liquor control in a
20 manner and form required by the department all the following information:

1 (A) The total amount of vinous beverages shipped into ~~or~~ within, or
2 outside the state for the preceding six months.

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

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

8 (5) Pay directly to the commissioner of taxes the amount of tax on the
9 vinous beverages shipped under this section pursuant to subsection 421(a) of
10 this title, and comply with the provisions of chapter 233 of Title 32, 24 V.S.A.
11 § 138, and any other legally authorized local sales taxes. Delivery in this state
12 shall be deemed to constitute a sale in this state at the place of delivery and
13 shall be subject to all appropriate taxes levied by the state of Vermont.

14 (6) Permit the state treasurer, the department of liquor control, and the
15 department of taxes, separately or jointly, upon request, to perform an audit of
16 its records.

17 (7) If an out-of-state license holder, be deemed to have consented to the
18 jurisdiction of the department of liquor control or any other state agency and
19 the Vermont state courts concerning enforcement of this or other applicable
20 laws and regulations.

1 (8) ~~Not~~ If a manufacturer or rectifier of vinous beverages, not have any
2 direct or indirect financial interest in a Vermont wholesale dealer or retail
3 dealer, including a first, second, or third class license.

4 (9) Comply with all liquor control board laws and regulations.

5 (f) A common carrier shall not deliver vinous beverages until it has
6 complied with the training provisions in subsections 239(a) and (b) of this title
7 and been certified by the department of liquor control. No employee of a
8 certified common carrier may deliver vinous beverages until that employee
9 completes the training provisions in subsection 239(c) of this title. A common
10 carrier shall deliver only vinous beverages that have been shipped by the
11 holder of a license issued under this section or a vinous beverage storage
12 license issued under section 68 of this title.

13 (g) The department of liquor control and the department of taxes may adopt
14 rules and forms necessary to implement this section.

15 (h) Direct shipments of vinous beverages are prohibited if the shipment is
16 not specifically authorized and in compliance with this section. Any person
17 who knowingly makes, participates in, imports, or receives a direct shipment
18 of vinous beverages from a person who is not licensed or certified as required
19 by this section may be fined not more than \$1,000.00 or imprisoned not more
20 than one year, or both.

1 (i) A licensee under this section or a common carrier that ships vinous
2 beverages to an individual under 21 years of age shall be fined not less than
3 \$1,000.00 or more than \$3,000.00 or imprisoned not more than two years, or
4 both.

5 (j) For any violation of this section, the liquor control board may suspend
6 or revoke a license issued under this section, among all other remedies
7 available to the board.

8 Sec. 2. 7 V.S.A. § 231 is amended to read:

9 § 231. FEES FOR LICENSES; DISPOSITION OF FEES

10 (a) The following fees shall be paid:

11 * * *

12 (7) For a shipping license for vinous beverages:

13 (A) In-state consumer shipping license, initial and renewal, \$300.00.

14 (B) Out-of-state consumer shipping license, initial and renewal,
15 \$300.00.

16 (C) Retail shipping license, initial and renewal, \$200.00.

17 (D) Retail dealer interstate consumer shipping license, initial and
18 renewal, \$300.00.

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