1	H.174
2	Introduced by Representatives Greshin of Warren, Botzow of Pownal,
3	Conquest of Newbury, Grad of Moretown, Martin of
4	Springfield, Masland of Thetford, Ralston of Middlebury, Ram
5	of Burlington, Scheuermann of Stowe, Shaw of Pittsford,
6	Wilson of Manchester, and Young of Glover
7	Referred to Committee on
8	Date:
9	Subject: Alcoholic beverages; prohibited acts; malt and vinous beverage
10	shipping license
11	Statement of purpose of bill as introduced: This bill proposes to allow
12	breweries to ship malt beverages to in-state and out-of-state consumers.
13	An act relating to the shipment of malt beverages
14	It is hereby enacted by the General Assembly of the State of Vermont:
15	Sec. 1. 7 V.S.A. § 2 is amended to read:
16	§ 2. DEFINITIONS
17	The following words as used in this title, unless a contrary meaning is
18	required by the context, shall have the following meaning:
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(15) "Manufacturer's or rectifier's license": a license granted by the liquor control board Liquor Control Board that permits the holder to manufacture or rectify spirituous liquors for export and sale to the liquor eontrol board Board, or malt beverages and vinous beverages for export and sale to bottlers or wholesale dealers, and directly to an out-of-state consumer in accordance with the laws of the state in which the consumer resides. This license permits a manufacturer of vinous beverages to receive from another manufacturer licensed in or outside this state 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 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 Board

may grant to a licensed manufacturer or a rectifier of malt beverages a second
class license permitting the licensee to sell alcoholic beverages to the public
anywhere on the manufacturer's or rectifier's premises. 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 Department written notice of the event, including details required
by the department Department, at least 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 Board.
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Sec. 2. 7 V.S.A. § 66 is amended to read:

§ 66. <u>MALT AND</u> VINOUS BEVERAGE SHIPPING LICENSE; IN STATE;

OUT OF STATE; PROHIBITIONS; PENALTIES

(a) A manufacturer or rectifier of <u>malt or</u> vinous beverages licensed in Vermont may be granted an in-state consumer shipping license by filing with the <u>department of liquor control</u> <u>Department of Liquor Control</u> an application in a form required by the <u>department Department</u> accompanied by a copy of the applicant's current Vermont manufacturer's license and the fee as required by subdivision 231(7)(A) of this title. This consumer shipping license may be

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

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- (d) Pursuant to a consumer shipping license granted under subsection (a) or (b) of this section, the licensee may ship <u>malt or</u> vinous beverages produced by the licensee:
  - (1) Only to private residents for personal use and not for resale.

1	(2) No more than 12 cases containing no more than 29 gallons of vinous
2	beverages, or no more than 24 cases of malt beverages, to any one Vermont
3	resident in any calendar year.
4	(3) Only by common carrier certified by the department Department.
5	The common carrier shall comply with all the following:
6	(A) Deliver deliver malt or vinous beverages pursuant to an invoice
7	that includes the name of the licensee and the name and address of the
8	purchaser- <u>;</u>
9	(B) On on delivery, require a valid form of photographic
10	identification from a recipient who appears to be under the age of 30-:
11	(C) Require require the recipient to sign an electronic or paper form
12	or other acknowledgement of receipt.
13	(e) A holder of any shipping license granted pursuant to this section shall:
14	* * *
15	(4) Report at least twice a year to the department of liquor control
16	Department of Liquor Control if the holder of a direct consumer shipping
17	license and once a year if the holder of a retail shipping license in a manner
18	and form required by the department Department all the following information:
19	(A) The the total amount of malt or vinous beverages shipped into or
20	within the state for the preceding six months if a holder of a direct consumer
21	shipping license or every 12 months if a holder of a retail shipping license.:

- (B) The the names and addresses of the purchasers to whom the malt or vinous beverages were shipped-;
- (C) The the date purchased, if appropriate, the name of the common carrier used to make each delivery, and the quantity and value of each shipment.
- (5) Pay directly to the commissioner of taxes Commissioner of Taxes the amount of tax on the malt or vinous beverages shipped under this section pursuant to subsection 421(a) of this title, and comply with the provisions of 32 V.S.A. chapter 233, 24 V.S.A. § 138, and any other legally authorized local sales taxes. Delivery in this state shall be deemed to constitute a sale in this state State at the place of delivery and shall be subject to all appropriate taxes levied by the state of Vermont.

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(f) A common carrier shall not deliver <u>malt or</u> vinous beverages until it has complied with the training provisions in subsections 239(a) and (b) of this title and been certified by the <u>department of liquor control Department of Liquor Control</u>. No employee of a certified common carrier may deliver vinous beverages until that employee completes the training provisions in subsection 239(c) of this title. A common carrier shall deliver only vinous beverages that have been shipped by the holder of a license issued under this section or a vinous beverage storage license issued under section 68 of this title.

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1	(g) The department of liquor control and the department of taxes
2	Departments of Liquor Control and of Taxes may adopt rules and forms
3	necessary to implement this section.
4	(h) Direct shipments of <u>malt or</u> vinous beverages are prohibited if the
5	shipment is not specifically authorized and in compliance with this section.
6	Any person who knowingly makes, participates in, imports, or receives a direct
7	shipment of vinous beverages from a person who is not licensed or certified as
8	required by this section may be fined not more than \$1,000.00 or imprisoned
9	not more than one year, or both.
10	(i) A licensee under this section or a common carrier that ships <u>malt or</u>
11	vinous beverages to an individual under 21 years of age shall be fined not less
12	than \$1,000.00 or more than \$3,000.00 or imprisoned not more than two years,
13	or both.
14	(j) For any violation of this section, the liquor control board Liquor Control
15	Board may suspend or revoke a license issued under this section, among all
16	other remedies available to the board.
17	Sec. 3. 7 V.S.A. § 231 is amended to read:
18	§ 231. FEES FOR LICENSES; DISPOSITION OF FEES
19	(a) The following fees shall be paid:
20	* * *
21	(7) For a shipping license for malt or vinous beverages:

## BILL AS INTRODUCED 2013

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1	(A) In-state consumer shipping license, initial and renewal, \$300.00.
2	(B) Out-of-state consumer shipping license, initial and renewal,
3	\$300.00.
4	(C) Retail shipping license, initial and renewal, \$200.00.
5	* * *
6	Sec. 4. EFFECTIVE DATE
7	This act shall take effect on July 1, 2013.