

1 S.61

2 Introduced by Senators Mullin, Cummings, Flory, French, McAllister,

3 Rodgers, and Starr

4 Referred to Committee on

5 Date:

6 Subject: Alcoholic beverages; prohibited acts; malt and vinous beverage

7 shipping license

8 Statement of purpose of bill as introduced: This bill proposes to allow

9 breweries to ship malt beverages to in-state and out-of-state consumers.

10 An act relating to the shipment of malt beverages

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

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

13 § 2. DEFINITIONS

14 The following words as used in this title, unless a contrary meaning is

15 required by the context, shall have the following meaning:

16 * * *

17 (15) “Manufacturer’s or rectifier’s license”: a license granted by the

18 ~~liquor control board~~ Liquor Control Board that permits the holder to

19 manufacture or rectify spirituous liquors for export and sale to the ~~liquor~~

20 ~~control board~~ Board, or malt beverages and vinous beverages for export and

1 sale to bottlers or wholesale dealers, and directly to an out-of-state consumer in
2 accordance with the laws of the state in which the consumer resides. This
3 license permits a manufacturer of vinous beverages to receive from another
4 manufacturer licensed in or outside this ~~state~~ State bulk shipments of vinous
5 beverages to rectify with the licensee's own product, provided that the vinous
6 beverages produced by a Vermont manufacturer may contain no more than 25
7 percent imported vinous beverage. The ~~liquor control board~~ Board may grant
8 to a licensed manufacturer or rectifier a first class restaurant or cabaret license
9 or first and third class restaurant or cabaret license permitting the licensee to
10 sell alcoholic beverages to the public only at the manufacturer's premises,
11 which for the purposes of a manufacturer of malt beverages, includes up to two
12 licensed establishments that are located on the contiguous real estate of the
13 holder of the manufacturer's license, provided the manufacturer owns or has
14 direct control over those establishments. A manufacturer of malt beverages
15 who also holds a first class restaurant or cabaret license may serve to a
16 customer malt beverage by the glass, not to exceed eight glasses at one time
17 and not to exceed four ounces in each glass. The ~~liquor control board~~ Board
18 may grant to a licensed manufacturer or a rectifier of malt beverages a second
19 class license permitting the licensee to sell alcoholic beverages to the public
20 anywhere on the manufacturer's or rectifier's premises. A licensed
21 manufacturer or rectifier of vinous beverages may serve, with or without

1 charge, at an event held on premises of the licensee or the vineyard property,
2 spirits and vinous and malt beverages, provided the licensee gives the
3 ~~department~~ Department written notice of the event, including details required
4 by the ~~department~~ Department, at least five days before the event. Any
5 beverages not manufactured by the licensee and served at the event shall be
6 purchased on invoice from a licensed manufacturer or wholesale dealer or
7 ~~liquor control board~~ the Board.

8 * * *

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

10 § 66. MALT AND VINOUS BEVERAGE SHIPPING LICENSE; IN STATE;
11 OUT OF STATE; PROHIBITIONS; PENALTIES

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

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

14 * * *

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

- 18 (1) Only to private residents for personal use and not for resale.
- 19 (2) No more than 12 cases containing no more than 29 gallons of vinous
20 beverages, or no more than 24 cases of malt beverages, to any one Vermont
21 resident in any calendar year.

1 (3) Only by common carrier certified by the ~~department~~ Department.

2 The common carrier shall comply with all the following:

3 (A) ~~Deliver~~ deliver malt or vinous beverages pursuant to an invoice
4 that includes the name of the licensee and the name and address of the
5 purchaser;

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

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

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

11 * * *

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

16 (A) ~~The~~ the total amount of malt or vinous beverages shipped into or
17 within the ~~state~~ State for the preceding six months if a holder of a direct
18 consumer shipping license or every 12 months if a holder of a retail shipping
19 license;

20 (B) ~~The~~ the names and addresses of the purchasers to whom the malt
21 or vinous beverages were shipped;

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 malt or 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 malt or
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 * * *

1 (7) For a shipping license for malt or vinous beverages:

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

3 (B) Out-of-state consumer shipping license, initial and renewal,

4 \$300.00.

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

6 * * *

7 Sec. 4. EFFECTIVE DATE

8 This act shall take effect on July 1, 2013.