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H.201

Introduced by Representatives Botzow of Pownal, Baser of Bristol,
Bissonnette of Winooski, Carr of Brandon, Hooper of
Montpelier, Johnson of South Hero, Kitzmiller of Montpelier,
Krowinski of Burlington, Lenos of Shelburne, Marcotte of
Coventry, Martin of Wolcott, O’Sullivan of Burlington, Parent
of St. Albans City, Sibilia of Dover, Stuart of Brattleboro,
Sullivan of Burlington, Troiano of Stannard, and Walz of
Barre City

Referred to Committee on

Date:

Subject: Alcohol; general provisions; farm brewer’s license

Statement of purpose of bill as introduced: This bill proposes to create a farm
brewer’s license to permit the manufacture and sale of Vermont beer and cider.

An act relating to farm brewers’ licenses

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

Sec. 1. 7 V.S.A. § 2 is amended as follows:

§ 2. DEFINITIONS

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

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* * *

(27) “Special events permit”: a permit granted by the Liquor Control Board permitting a ~~person holding a manufacturer’s or rectifier’s license~~ licensed manufacturer or rectifier, farm brewer, or farm vintner, to sell by the glass or by unopened bottle spirits, malt beverages, or vinous beverages manufactured or rectified by the license holder at an event open to the public that has been approved by the local licensing authority. For the purposes of tasting only, the permit holder may distribute, with or without charge, beverages manufactured by the permit holder by the glass no more than two ounces per product and eight ounces total of malt or vinous beverages and no more than one ounce in total of spirits to each individual. No more than 36 special events permits may be issued to a holder of a manufacturer’s or rectifier’s, farm brewer’s, or farm vintner’s license during a year. A special event permit shall be valid for the duration of each public event or four days, whichever is shorter. Requests for a special events permit, accompanied by the fee as required by subdivision 231(13) of this title, shall be submitted to the Department of Liquor Control at least five days prior to the date of the event. Each manufacturer or rectifier, farm brewer, or farm vintner planning to attend a single special event under this permit may be listed on a single permit. However, each attendance at a special event shall count toward the

1 manufacturer's or rectifier's, farm brewer's, or farm vintner's 36 special-event-
2 permit limitation.

3 (28) "Fourth-class license" or "farmers' market license": the license
4 granted by the Liquor Control Board permitting a manufacturer or rectifier of
5 malt or vinous beverages or spirits, a farm brewer, or a farm vintner to sell by
6 the unopened container and distribute, by the glass with or without charge,
7 beverages manufactured by the licensee. No more than a combined total of ten
8 fourth-class and farmers' market licenses may be granted to a licensed
9 manufacturer or rectifier, farm brewer, or farm vintner. At only one
10 fourth-class license location, a manufacturer or rectifier of vinous beverages,
11 malt beverages, or spirits may sell by the unopened container and distribute by
12 the glass, with or without charge, vinous beverages, malt beverages, or spirits
13 produced by no more than five additional manufacturers or rectifiers, farm
14 brewers, or farm vintners, provided these beverages are purchased on invoice
15 from the manufacturer or rectifier, farm brewer, or farm vintner. A
16 manufacturer or rectifier ~~of vinous beverages, malt beverages, or spirits,~~ farm
17 brewer, or farm vintner may sell its product to no more than five additional
18 manufacturers or rectifiers. A fourth-class licensee may distribute by the glass
19 no more than two ounces of malt or vinous beverage with a total of eight
20 ounces to each retail customer and no more than one-quarter ounce of spirits
21 with a total of one ounce to each retail customer for consumption on the

1 manufacturer's premises or at a farmers' market. A farmers' market license is
2 valid for all dates of operation for a specific farmers' market location.

3 * * *

4 (36) "Outside consumption permit": a permit granted by the Liquor
5 Control Board allowing the holder of a first-class or first- and third-class
6 license ~~holder and~~, fourth-class license holder, a farm brewer's license, or a
7 farm vintner's license to allow for consumption of alcohol in a delineated
8 outside area.

9 * * *

10 (38) "Farm brewer's license": a license granted by the Liquor Control
11 Board that permits the holder to brew Vermont beer and Vermont cider,
12 containing at least one ingredient, excluding water, that is grown and produced
13 on the licensed premises, for export and sale to bottlers or wholesale dealers.
14 Pursuant to section 242 of this title, the Liquor Control Board may grant a
15 licensed farm brewer a farm restaurant permit to sell Vermont beer and
16 Vermont cider manufactured by the licensee to the public at a restaurant or
17 hotel owned or directly controlled by the licensee that is located on the
18 licensed premises, and a farm retail permit, to sell Vermont beer and Vermont
19 cider manufactured by the licensee in growlers or unopened bottles to the
20 public anywhere on the licensed premises. A licensed farm brewer may serve,
21 with or without charge, at an event held on premises of the farm brewery

1 spirits and vinous and malt beverages, provided the licensee gives the
2 Department written notice of the event, including details required by the
3 Department, at least five days before the event. Any beverages not
4 manufactured by the licensee and served at the event shall be purchased on
5 invoice from a licensed manufacturer or wholesale dealer or the Liquor Control
6 Board.

7 (39) “Farm vintner’s license”: a license granted by the Liquor Control
8 Board that permits the holder to manufacture Vermont wine or Vermont cider,
9 containing at least one ingredient, excluding water, that is grown and produced
10 on the licensed premises, for export and sale to bottlers or wholesale dealers.
11 Pursuant to section 242 of this title, the Liquor Control Board may grant a
12 licensed farm vintner a farm restaurant permit to sell Vermont wine and
13 Vermont cider manufactured by the licensee to the public at a restaurant or
14 hotel owned or directly controlled by the licensee and located on the licensed
15 premises, and a farm retail permit to sell Vermont wine and Vermont cider
16 manufactured by the licensee in unopened bottles to the public anywhere on
17 the licensed premises. A licensed farm vintner may serve, with or without
18 charge, at an event held on the licensed premises spirits and vinous and malt
19 beverages, provided the licensee gives the Department written notice of the
20 event, including details required by the Department, at least five days before
21 the event. Any beverages not manufactured by the licensee and served at the

1 event shall be purchased on invoice from a licensed manufacturer or wholesale
2 dealer or the Liquor Control Board.

3 (40) “Vermont beer”: a malt beverage manufactured with:

4 (A) from July 1, 2015, until June 30, 2020, no less than 20 percent,
5 by weight, of its hops and no less than 30 percent of its other ingredients, by
6 weight and exclusive of water, being locally grown ingredients;

7 (B) from July 1, 2020, until June 30, 2025, no less than 50 percent,
8 by weight, of its hops and no less than 65 percent of its other ingredients, by
9 weight and exclusive of water, being locally grown ingredients; and

10 (C) after June 30, 2025, no less than 80 percent, by weight, of its
11 hops and no less than 80 percent of its other ingredients, by weight and
12 exclusive of water, being locally grown ingredients.

13 (41) “Vermont wine”: a vinous beverage that is:

14 (A) from July 1, 2015, until June 30, 2020, manufactured with no less
15 than 30 percent locally grown ingredients, by weight and exclusive of water;

16 (B) from July 1, 2020, until June 30, 2025, manufactured with no
17 less than 65 percent locally grown ingredients, by weight and exclusive
18 of water; and

19 (C) after June 30, 2025, manufactured with no less than 80 percent
20 locally grown ingredients, by weight and exclusive of water.

21 (42) “Vermont cider”: a vinous beverage made from apples that is:

1 (A) from July 1, 2015, until June 30, 2020, manufactured with no less
2 than 30 percent locally grown ingredients, by weight and exclusive of water;

3 (B) from July 1, 2020, until June 30, 2025, manufactured with no
4 less than 65 percent locally grown ingredients, by weight and exclusive
5 of water; and

6 (C) after June 30, 2025, manufactured with no less than 80 percent of
7 locally grown ingredients, by weight and exclusive of water.

8 (43) “Locally grown ingredient”: an ingredient that was grown in
9 Vermont or within 30 miles of the place where the beverage using the
10 ingredient is manufactured, measured directly, point to point.

11 Sec. 2. 7 V.S.A. § 66 is amended as follows:

12 § 66. MALT AND VINOUS BEVERAGE SHIPPING LICENSE; ~~IN-STATE~~
13 IN-STATE; OUT-OF-STATE, PROHIBITIONS; PENALTIES

14 (a) ~~A manufacturer or rectifier of vinous beverages or malt beverages~~
15 ~~licensed in Vermont~~ The holder of a manufacturer’s or rectifier’s license, a
16 farm brewer’s license, or a farm vintner’s license may be granted an in-state
17 consumer shipping license by filing with the Department of Liquor Control an
18 application in a form required by the Department accompanied by a copy of
19 the applicant’s current license and the fee as required by subdivision
20 231(a)(7)(A) of this title. This consumer shipping license may be renewed
21 annually by filing the renewal fee as required by subdivision 231(a)(7)(A) of

1 this title accompanied by a copy of the licensee's current Vermont
2 manufacturer's license.

3 * * *

4 Sec. 3. 7 V.S.A. § 67 is amended as follows:

5 § 67. ALCOHOLIC BEVERAGE TASTINGS; PERMIT; PENALTIES

6 (a) Upon submission to the Department of a written application in a form
7 required by the Department accompanied by the permit fee as required by
8 subdivision 231(15) of this title at least five days prior to the date of the
9 alcoholic beverage tasting event, and the applicant is determined to be in good
10 standing, the Department of Liquor Control may grant a permit to conduct a
11 beverage tasting event to:

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

1 licensee on the licensee's premises and provided the licensee has acquired a
2 permit for each tasting.

3 (2) A licensed manufacturer or rectifier of vinous or malt beverages, or a
4 licensed farm brewer or farm vintner. The permit authorizes the permit holder
5 to dispense to retail customers of legal age for consumption on the premises of
6 a second-class licensee beverages produced by the manufacturer or rectifier by
7 the glass not to exceed two ounces of each beverage with a total of eight
8 ounces of vinous or malt beverages. A manufacturer or rectifier may conduct
9 no more than 48 tastings per year.

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

13 * * *

14 (d) Promotional alcoholic beverage tasting:

15 (1) At the request of a holder of a first- or second-class license, a holder
16 of a manufacturer's, or rectifier's, farm brewer's, farm vintner's, or wholesale
17 dealer's license may distribute without charge to the first- or second-class
18 licensee's management and staff, provided they are of legal drinking age and
19 are off duty for the rest of the day, two ounces per person of vinous or malt
20 beverages for the purpose of promoting the beverage. At the request of a
21 holder of a third-class license, a manufacturer or rectifier of spirits may

1 distribute without charge to the third-class licensee's management and staff,
2 provided they are of legal drinking age and are off duty for the rest of the day,
3 one-quarter ounce of each beverage and no more than a total of one ounce to
4 each individual for the purpose of promoting the beverage. No permit is
5 required under this subdivision, but written notice of the event shall be
6 provided to the Department of Liquor Control at least five days prior to the
7 date of the tasting.

8 * * *

9 Sec. 4. 7 V.S.A. § 111 is amended as follows:

10 § 111. VINOUS BEVERAGES MANUFACTURED IN VERMONT

11 Vinous beverages manufactured in Vermont and bearing the Vermont seal
12 of quality, and Vermont wine and Vermont cider:

13 (1) shall be sold in ~~state-operated~~ State-operated stores; and

14 (2) may be sold in contract agency stores and may be displayed with the
15 ~~spirituous liquors or with the~~ spirits or vinous beverages, or both.

16 Sec. 5. 7 V.S.A. § 111a is added to read:

17 § 111a. VERMONT BEER; SALES IN AGENCY STORES

18 Vermont beer:

19 (1) shall be sold in State-operated stores; and

20 (2) may be sold in contract agency stores and may be displayed with the
21 spirits or malt beverages, or both.

1 Sec. 6. 7 V.S.A. § 230 is amended as follows:

2 § 230. RESTRICTIONS; FINANCIAL INTERESTS; DISPLAY OF
3 LICENSE; EMPLOYEES

4 (a) Except as provided in ~~subdivision~~ subdivisions 2(15), (38), and (39) of
5 this title, a bottler, manufacturer, or rectifier licensed in Vermont or in another
6 state, a certificate of approval holder, or wholesale dealer shall not have any
7 financial interest in the business of a first-, second-, or third-class license, and
8 a first-, second-, or third-class licensee may not have any financial interest in
9 the business of a bottler, manufacturer, or rectifier licensed in Vermont or in
10 another state, a certificate of approval holder, or wholesale dealer. However, a
11 manufacturer of malt beverages may have a financial interest in the business of
12 a first- or second-class license, and a first- or second-class licensee may have a
13 financial interest in the business of a manufacturer of malt beverages, provided
14 a first- or second-class licensee does not purchase, possess, or sell the malt
15 beverages produced by a manufacturer with which there is any financial
16 interest. All licenses or permits granted under this title shall be conspicuously
17 displayed on the premises for which the license or permit is granted. Any
18 manufacturer of malt beverages that has a financial interest in a first- or
19 second-class licensee and any first- or second-class licensee that has a financial
20 interest in a manufacturer of malt beverages, as permitted under this section,
21 shall provide to the Department of Liquor Control and the applicable wholesale

1 dealer written notification of that financial interest and the licensees involved.
2 A wholesale dealer shall not be in violation of this section for delivering malt
3 beverages to a first- or second-class licensee that is prohibited from
4 purchasing, possessing, or selling those malt beverages under this section.

5 * * *

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

7 § 231. FEES FOR LICENSES AND PERMITS; DISPOSITION OF FEES

8 (a) The following fees shall be paid:

9 * * *

10 (15) For a ~~wine~~ tasting permit, \$25.00.

11 * * *

12 (23) For a farm brewer's license:

13 (A) Farm brewer's license, \$60.00.

14 (B) Farm restaurant permit, \$20.00.

15 (C) Farm retail permit, \$20.00.

16 (24) For a farm vintner's license:

17 (A) Farm vintner's license, \$60.00.

18 (B) Farm restaurant permit, \$20.00.

19 (C) Farm retail permit, \$20.00.

20 * * *

1 Sec. 8. 7 V.S.A. § 239 is amended to read:

2 § 239. LICENSEE EDUCATION

3 (a) A new first-class, second-class, third-class, fourth-class, ~~or farmer's~~
4 farmers' market, farm brewer's, or farm vintner's license shall not be granted
5 until the applicant has met with a liquor control investigator or training
6 specialist for the purpose of being informed of the Vermont liquor laws, rules,
7 and regulations pertaining to the purchase, storage, and sale of ~~alcohol~~
8 alcoholic beverages. A corporation, partnership, or association shall designate
9 a director, partner, or manager who shall comply with the terms of this
10 subsection.

11 (b) Every first-class, second-class, third-class, fourth-class, ~~or farmer's~~
12 farmers' market, farm brewer's, or farm vintner's licensee and every holder of
13 a manufacturer's or rectifier's license shall complete the Department of Liquor
14 Control licensee training seminar at least once every two years. A corporation,
15 partnership, or association shall designate a director, partner, or manager who
16 shall comply with the terms of this subsection. A first-class, second-class,
17 third-class, fourth-class, ~~or farmer's license~~ farmers' market, farm brewer's,
18 farm vintner's, or manufacturer's or rectifier's license shall not be renewed
19 unless the records of the Department of Liquor Control show that the licensee
20 has complied with the terms of this subsection.

21 * * *

1 Sec. 9. 7 V.S.A. § 242 is added to read:

2 § 242. FARM BREWERS' AND FARM VINTNERS' LICENSES;

3 PERMITS FOR ON PREMISES SALES

4 (a) The Liquor Control Board may grant a farm brewer or farm vintner's
5 license and any related permits to an applicant pursuant to its rules if the
6 control commissioners have approved the completed application and the
7 applicant has paid all fees required pursuant to section 231 of this title.

8 (b) Farm restaurant permits.

9 (1) Before granting a farm restaurant permit, the Liquor Control Board
10 shall determine that the proposed restaurant premises have adequate and
11 sanitary space and equipment for preparing and serving meals.

12 (2) Rules and regulations applicable to first-class licenses in relation to
13 financial responsibility, education of employees, age of employees, hours of
14 sale, age of purchasers, and the selling or furnishing of alcohol to apparently
15 intoxicated persons shall apply to licensees that hold a farm restaurant permit
16 with respect to the permitted restaurant.

17 (3) The holder of a farm restaurant permit may serve a sampler flight of:

18 (A) up to 32 ounces in the aggregate of malt beverages to a single
19 customer at one time; or

20 (B) up to 12 ounces in the aggregate of vinous beverages to a single
21 customer at one time.

1 (c) Farm retail permits.

2 (1) Before granting a farm restaurant permit, the Liquor Control Board
3 shall determine that the proposed retail store premises are safe, sanitary, and a
4 proper place from which to sell malt and vinous beverages.

5 (2) Permitted farm retail stores shall not sell alcoholic beverages
6 produced by the licensee on more than four days out of every week.

7 (3) Except as set forth in subdivision (2) of this subsection, rules and
8 regulations applicable to second-class licenses in relation to financial
9 responsibility; education of employees; age of employees; hours of sale; age of
10 purchasers; and the selling or furnishing of alcohol to apparently intoxicated
11 persons shall apply to licensees holding a retail permit with respect to the
12 permitted retail store.

13 (4) The holder of a farm retail permit may package food and craft items
14 produced by the licensee together with the alcoholic beverages produced by the
15 licensee for retail sale, and sell such packages at the licensed premises, or, if
16 the licensee also holds a farmers' market license, at a licensed farmers' market
17 location.

18 (d) A licensee may obtain a first-class, second-class, or third-class license,
19 as appropriate, to serve or sell alcoholic beverages that were not produced by
20 the licensee.

1 Sec. 10. EFFECTIVE DATE

2 This act shall take effect on July 1, 2015.