

Summary of Changes in S.250 as Passed House

Sec.1. Amends 7 V.S.A. § 2. Definitions

- House version adds an amendment to the definition of “person” so that, for licensing purposes, it includes U.S. citizens and lawful permanent residents, as well as partnerships, corporations, and LLCs that are under the ownership or direction of a majority composed of citizens or lawful permanent residents.
- Change to “retail delivery permit” definition specifies that delivery is to a person of legal age at a physical address in Vermont.
- Change to “destination resort master license” definition provides that a destination resort is not a university, college, or other postsecondary institution.

Sec. 2. Amends 7 V.S.A. § 67. Alcoholic Beverage Tastings; Permit; Penalties

- Unchanged.

Sec. 3. Amends 7 V.S.A. § 231. Fees for Licenses and Permits; Disposition of Fees

- Changes manufacturer’s or rectifier’s license fee to \$285 to match fee bill.

Sec. 4. Amends 7 V.S.A. § 222. First- and Second-Class Licenses; Granting of; Sale to Minors; Contracting for Food Service

- Changes to retail delivery permit provisions.
 - Permit may be granted to second-class licensee, provided the second class license has not been issued for a manufacturing or rectifying location.
 - Changes requirements for deliveries to permit licensee to deliver beer and wine sold from licensee’s premises to an individual that is at least 21 years of age provided:
 - Delivery is made by permittee or permittee’s employee;
 - Delivery occurs between 9 a.m. and 5 p.m.;
 - Delivery is made to a physical address in Vermont;
 - Employee making delivery has completed a training program approved by the Department; and
 - Beverages being delivered are for personal use.

Sec. 5. RETAIL DELIVERY PERMIT; RULEMAKING

- Requires Liquor Control Board to adopt rules to implement the new provision by January 1, 2017.
- Rules shall include:
 - Insurance requirements;
 - Limitations on quantity of beverages that may be delivered;
 - Training and age requirements for employees making deliveries; and

- Requirements related to age verification, recordkeeping, labeling of deliveries, and identification of employees and vehicles making deliveries.

Sec. 6. Amends 7 V.S.A. § 224. Third-Class Licenses; Open Containers

- Unchanged.

Sec. 7. Adds 7 V.S.A. § 242. Destination Resort Master Licenses

- Unchanged.

Sec. 8. Amends 7 V.S.A. § 421. Tax on Malt and Vinous Beverages

- Revises the frequency for payment of the per gallon tax on beer and wine:
 - If tax liability for the preceding calendar year was \$2,000 or less, taxes are due to the Department of Taxes on a quarterly basis; and
 - If tax liability for the preceding year was more than \$2,000, taxes continue to be due to the Department of Taxes on a monthly basis.

Sec. 9. Amends 7 V.S.A. § 423. Rules

- Revises the frequency for payment of the tax on spirits and fortified wines:
 - If tax liability for the preceding calendar year was \$1,000 or less, taxes are due to the Department of Liquor Control on an annual basis; and
 - If tax liability for the preceding year was over \$1,000, taxes continue to be due to the Department on a quarterly basis.

Sec. 10. Amends 7 V.S.A. § 424. Collection

- Unchanged.

Sec. 11. Amends 32 V.S.A. § 9202. Definitions

- Makes amendments to definitions for Meals and Rooms Tax:
 - Amends definition of “operator” to include a person charging for an alcoholic beverage.
 - Amends definition of “alcoholic beverage” to include any alcoholic beverage served for immediate consumption and to reflect that fortified wines are now defined separately from spirits.

Sec. 12. Amends 32 V.S.A. § 9741. Sales Not Covered

- Makes amendment to the exemptions from the sales and use tax to provide that alcoholic beverages that are subject to the meals and rooms tax or served for immediate consumption are not subject to the sales and use tax.

Sec. 13. Department of Taxes; Study of Transfer of Malt Beverages Between Licensed Manufacturing Locations; Report

- Directs the Department of Taxes, in consultation with the Department of Liquor Control and interested stakeholders, to study the bulk transfer of beer without the payment of taxes between licensed manufacturers of beer that are under the same ownership, including:
 - any legislative, regulatory, or administrative changes that would be necessary, and
 - whether enabling bulk transfers without payment of taxes would adversely impact tax revenues.
- Report with findings and recommendation for legislative action is due January 15, 2017.

Sec. 14. Amends 7 V.S.A. § 101. Composition of Department, Commissioner of Liquor Control; Liquor Control Board

- House version adds a term limit of two consecutive full terms.

Sec. 15. Amends 7 V.S.A. § 102.

- Unchanged.

Sec. 16. Amends 7 V.S.A. § 106. Commissioner of Liquor Control; Reports; Recommendations

- Unchanged.

Sec. 17. Amends 3 V.S.A. § 107. Duties of Commissioner of Liquor Control

- Unchanged.

Sec. 18. Rulemaking

- Unchanged.

Sec. 14. Legislative Council; Draft Legislation

- House bill replaces “The draft bill shall also identify all statutory sections of Title 7 **that the General Assembly shall amend substantively** in order to . . .” with “The draft bill shall also identify provisions of Title 7 **that may require amendment** in order to . . .”
- House bill also revises language related to the consultation with the Commissioner of Liquor Control, the Liquor Control Board, and the Office of the Attorney General.

Sec. 20. Commissioner of Liquor Control; Current Term; Appointment of Successor

- Unchanged.

Sec. 21. Current Liquor Control Board Members; Term

- Current Liquor Control Board members will be deemed to be serving their first consecutive term for purposes of the two-consecutive-term limit.

Sec. 22. Recapture of Lost Sales of Spirits and Fortified Wines; Department of Liquor Control; Proposal

- Commissioner of Liquor Control is directed to develop a proposal to improve, diversify, and increase the number of agency liquor stores, in order to recapture sales of spirits and fortified wines that are lost to neighboring states
- Proposal must include an optimal number of stores based on population, geography, and proximity to Vermont's borders.
- Proposal must also consider:
 - Whether to add stores with a more limited selection to serve rural and underserved areas;
 - Whether to create a type of agency store that owns the spirits and fortified wines that it sells; and
 - Whether to permit agency stores to elect to carry a modified selection of products subject to minimum requirements set by the Board.
- Proposal will be submitted to the committees of jurisdiction by January 15, 2017.

Sec. 23. Effective Dates

- House version delays effective date for retail delivery permit until January 1, 2017 to coincide with rulemaking process.