1	H.781
2	Introduced by Representatives Birong of Vergennes, Durfee of Shaftsbury,
3	Fegard of Berkshire, and Lanpher of Vergennes
4	Referred to Committee on
5	Date:
6	Subject: Alcoholic beverages; farm-crafted alcoholic beverages
7	Statement of purpose of bill as introduced: This bill proposes to create a farm-
8	based manufacturer's license for alcoholic beverage manufacturers that are
9	located on a farm and produce alcoholic beverages that are made a majority by
10	weight from ingredients produced by that farm.
11	An act relating to farm-based manufacturers of alcoholic beverages
12	It is hereby enacted by the General Assembly of the State of Vermont:
13	Sec. 1. 7 V.S.A. § 2 is amended to read:
14	§ 2. DEFINITIONS
15	As used in this title:
16	* * *
17	(43) "Farm" shall have the same meaning as in 10 V.S.A. § 6001(31).
18	(44) "Farm-based manufacturer's license" means a license granted by
19	the Board of Liquor and Lottery that permits the holder to manufacture and sell

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1	farm-crafted beverages on a manufacturing premises that is located on a parcel
2	that is contiguous with a farm.
3	(45) "Farm-crafted beverages" means farm-crafted malt beverages,
4	farm-crafted vinous beverages, and farm-crafted spirits.
5	(46) "Farm-crafted malt beverages" means a malt beverage that is made
6	with not less than 51 percent by weight of all ingredients, excluding water,
7	produced by a farm that is contiguous with the farm-based manufacturer's
8	licensed premises.
9	(47) "Farm-crafted vinous beverages" means a vinous beverage that is
10	fermented a minimum of 51 percent by weight of all ingredients, excluding
11	water, produced by a farm that is contiguous with the farm-based
12	manufacturer's licensed premises.
13	(48) "Farm-crafted spirits" means a spirit manufactured a minimum of
14	51 percent by weight of all ingredients, excluding water, produced by a farm
15	that is contiguous with the farm-based manufacturer's licensed premises.
16	Sec. 2. 7 V.S.A. § 204 is amended to read:
17	§ 204. APPLICATION AND RENEWAL FEES FOR LICENSES AND
18	PERMITS; DISPOSITION OF FEES
19	(a) The following fees shall be paid when applying for a new license or
20	permit or to renew a license or permit:

\* \* \*

1	(24) For a farm-based manufacturer's license, \$140.00.
2	* * *
3	Sec. 3. 7 V.S.A. § 227 is amended to read:
4	§ 227. OUTSIDE CONSUMPTION PERMITS; FIRST-, THIRD-, AND
5	FOURTH-CLASS LICENSES
6	Pursuant to the rules of the Board of Liquor and Lottery, the Division of
7	Liquor Control may grant an outside consumption permit to the holder of a
8	first-class, first- and third-class, or farm-based manufacturer's
9	license for all or part of the outside premises of the license holder if the permit
10	is approved by the local control commissioners and the Board.
11	Sec. 4. 7 V.S.A. § 271a is added to read:
12	§ 271a. FARM-BASED MANUFACTURER'S LICENSE
13	(a) The Board of Liquor and Lottery may grant a farm-based
14	manufacturer's license upon application and the fee provided in section 204 of
15	this title that permits the license holder to operate a facility that manufactures:
16	(1) farm-crafted malt beverages;
17	(2) farm-crafted vinous beverages; or
18	(3) farm-crafted spirits.
19	(b) Except as otherwise provided in this section:

1	(1) farm-crafted spirits and fortified wine may be manufactured for sale
2	to the Board of Liquor and Lottery or first-class licensees, or for export, or
3	both; and
4	(2) farm-crafted malt beverages and farm-crafted vinous beverages may
5	be manufactured or rectified for sale to packagers, wholesale dealers, or first-
6	class licensees, or for export, or both.
7	(c) A licensed farm-based manufacturer of farm-crafted vinous beverages
8	or fortified wines may receive from another manufacturer licensed in or
9	outside this State bulk shipments of vinous beverages to rectify with the
10	licensee's own product, provided that the farm-crafted vinous beverages or
11	fortified wines produced by the licensed farm-based manufacturer may contain
12	not more than 25 percent imported vinous beverages.
13	(d) A farm-based manufacturer's license permits the holder to sell farm-
14	crafted beverages:
15	(1) by the glass for consumption on the licensed premises; and
16	(2) in sealed containers for consumption off the premises.
17	(e) Rules applicable to second-class licenses and pertaining to financial
18	responsibility, age of employees, the selling and furnishing to apparently
19	intoxicated persons, and leases of businesses shall all apply to farm-based
20	manufacturers.

1	(f) A licensed farm-based manufacturer of farm-crafted malt beverages or
2	farm-crafted vinous beverages may be granted an in-state consumer shipping

- 3 <u>license pursuant to section 277 of this title.</u>
- 4 Sec. 6. EFFECTIVE DATE
- 5 This act shall take effect on January 1, 2021.