Introduced by Representatives Birong of Vergennes, Durfee of Shaftsbury, Fegard of Berkshire, and Lanpher of Vergennes

Referred to Committee on

Date:

Subject: Alcoholic beverages; farm-crafted alcoholic beverages

Statement of purpose of bill as introduced: This bill proposes to create a farm-based manufacturer’s license for alcoholic beverage manufacturers that are located on a farm and produce alcoholic beverages that are made a majority by weight from ingredients produced by that farm.

An act relating to farm-based manufacturers of alcoholic beverages

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

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

§ 2. DEFINITIONS

As used in this title:

* * *

(43) “Farm” shall have the same meaning as in 10 V.S.A. § 6001(31).

(44) “Farm-based manufacturer’s license” means a license granted by the Board of Liquor and Lottery that permits the holder to manufacture and sell
farm-crafted beverages on a manufacturing premises that is located on a parcel
that is contiguous with a farm.

(45) “Farm-crafted beverages” means farm-crafted malt beverages,
farm-crafted vinous beverages, and farm-crafted spirits.

(46) “Farm-crafted malt beverages” means a malt beverage that is made
with not less than 51 percent by weight of all ingredients, excluding water,
produced by a farm that is contiguous with the farm-based manufacturer’s
licensed premises.

(47) “Farm-crafted vinous beverages” means a vinous beverage that is
fermented a minimum of 51 percent by weight of all ingredients, excluding
water, produced by a farm that is contiguous with the farm-based
manufacturer’s licensed premises.

(48) “Farm-crafted spirits” means a spirit manufactured a minimum of
51 percent by weight of all ingredients, excluding water, produced by a farm
that is contiguous with the farm-based manufacturer’s licensed premises.

Sec. 2. 7 V.S.A. § 204 is amended to read:

§ 204. APPLICATION AND RENEWAL FEES FOR LICENSES AND
PERMITS; DISPOSITION OF FEES

(a) The following fees shall be paid when applying for a new license or
permit or to renew a license or permit:

* * *
For a farm-based manufacturer’s license, $140.00.

* * *

Sec. 3. 7 V.S.A. § 227 is amended to read:

§ 227. OUTSIDE CONSUMPTION PERMITS; FIRST-, THIRD-, AND FOURTH-CLASS LICENSES

Pursuant to the rules of the Board of Liquor and Lottery, the Division of Liquor Control may grant an outside consumption permit to the holder of a first-class, first- and third-class, or fourth-class, or farm-based manufacturer’s license for all or part of the outside premises of the license holder if the permit is approved by the local control commissioners and the Board.

Sec. 4. 7 V.S.A. § 271a is added to read:

§ 271a. FARM-BASED MANUFACTURER’S LICENSE

(a) The Board of Liquor and Lottery may grant a farm-based manufacturer’s license upon application and the fee provided in section 204 of this title that permits the license holder to operate a facility that manufactures:

(1) farm-crafted malt beverages;

(2) farm-crafted vinous beverages; or

(3) farm-crafted spirits.

(b) Except as otherwise provided in this section:
(1) farm-crafted spirits and fortified wine may be manufactured for sale
to the Board of Liquor and Lottery or first-class licensees, or for export, or
both; and

(2) farm-crafted malt beverages and farm-crafted vinous beverages may
be manufactured or rectified for sale to packagers, wholesale dealers, or first-
class licensees, or for export, or both.

(c) A licensed farm-based manufacturer of farm-crafted vinous beverages
or fortified wines may receive from another manufacturer licensed in or
outside this State bulk shipments of vinous beverages to rectify with the
licensee’s own product, provided that the farm-crafted vinous beverages or
fortified wines produced by the licensed farm-based manufacturer may contain
not more than 25 percent imported vinous beverages.

(d) A farm-based manufacturer’s license permits the holder to sell farm-
crafted beverages:

(1) by the glass for consumption on the licensed premises; and

(2) in sealed containers for consumption off the premises.

(e) Rules applicable to second-class licenses and pertaining to financial
responsibility, age of employees, the selling and furnishing to apparently
intoxicated persons, and leases of businesses shall all apply to farm-based
manufacturers.
(f) A licensed farm-based manufacturer of farm-crafted malt beverages or farm-crafted vinous beverages may be granted an in-state consumer shipping license pursuant to section 277 of this title.

Sec. 6. EFFECTIVE DATE

This act shall take effect on January 1, 2021.