

1 H.956

2 Introduced by Committee on General, Housing, and Military Affairs

3 Date:

4 Subject: Alcoholic Beverages

5 Statement of purpose of bill as introduced: This bill proposes to:

6 (1) authorize municipalities to assess a \$50.00 local fee for standalone
7 third-class licenses;

8 (2) provide that permits, licenses, and certificates issued by the
9 Department of Liquor and Lottery shall expire one year after the date of
10 issuance;

11 (3) authorize the holder of a manufacturer's or rectifier's license to
12 apply for a first- or third-class license without meeting the requirement that the
13 first- or third-class establishment be primarily dedicated to dispensing meals to
14 the public;

15 (4) require a festival permit for any event that is open to the public for
16 the purpose of serving alcoholic beverages and enumerate the requirements for
17 issuance of a festival permit;

18 (5) repeal the notice requirement for promotional tasting events at first-
19 or second-class license locations; and

1 (6) extend the effective date of 2019 Acts and Resolves No. 73, Sec. 47
2 (special event permits) and Sec. 50 (repeal of manufacturer grandfather
3 provision) until July 1, 2021.

4 An act relating to miscellaneous amendments to alcoholic beverage laws

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

6 Sec. 1. 7 V.S.A. § 204 is amended to read:

7 § 204. APPLICATION AND RENEWAL FEES FOR LICENSES AND

8 PERMITS; DISPOSITION OF FEES

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

11 * * *

12 (6) For a third-class license, \$1,095.00 for an annual license and
13 \$550.00 for a six-month license. For a standalone third-class license, the
14 issuing municipality may assess an additional \$50.00 local processing fee.

15 * * *

16 (b) Except for fees collected for first-, second-, and third-class licenses, the
17 fees collected pursuant to subsection (a) of this section shall be deposited in
18 the Liquor Control Enterprise Fund. The other fees shall be distributed as
19 follows:

1 (1) Third-class license fees: 55 percent shall go to the Liquor Control
2 Enterprise Fund, and 45 percent shall go to the General Fund and shall fund
3 alcohol abuse prevention and treatment programs. The local processing fee for
4 standalone third-class licenses shall be retained by the issuing municipality.

5 * * *

6 Sec. 2. 7 V.S.A. § 205 is amended to read:

7 § 205. TERMS OF PERMITS, LICENSES, AND CERTIFICATES

8 (a) All permits, licenses, and certificates shall expire ~~midnight, April 30,~~ of
9 each one year after the date of issuance.

10 * * *

11 Sec. 3. TRANSITIONAL PROVISION; STAGGERED LICENSE

12 RENEWAL

13 The Department of Liquor and Lottery may extend the expiration date and
14 stagger the issuance or renewal of permits, licenses, and certificates that are set
15 to expire in the years 2020 and 2021. Permits, licenses, and certificates that
16 are renewed on April 30, 2020 shall remain valid for one year or until a later
17 renewal date designated by the Department.

18 Sec. 4. 7 V.S.A. § 221 is amended to read:

19 § 221. FIRST-CLASS LICENSES

20 (a)(1) With the approval of the Board of Liquor and Lottery, the control
21 commissioners may grant a first-class license to a retail dealer for the premises

1 where the dealer carries on business if the retail dealer submits an application
2 and pays the fee provided in section 204 of this title and satisfies the Board
3 that the premises:

4 (A) are leased, rented, or owned by the retail dealer; and

5 (B) are devoted primarily to dispensing meals to the public and have
6 adequate and sanitary space and equipment for preparing and serving meals,
7 except in the case of clubs or holders of a manufacturer's or rectifier's license;
8 and

9 ~~(C) have adequate and sanitary space and equipment for preparing~~
10 ~~and serving meals.~~

11 * * *

12 Sec. 5. 7 V.S.A. § 223 is amended to read:

13 § 223. THIRD-CLASS LICENSES

14 (a) The Board of Liquor and Lottery may grant to a person who operates a
15 hotel, restaurant, club, boat, or railroad dining car, or who holds a
16 manufacturer's or rectifier's license, a third-class license if:

17 * * *

18 (3) the applicant satisfies the Board that:

19 (A) the applicant is the bona fide owner or lessee of the premises,
20 boat, or railroad dining car;

21 (B) except in the case of clubs or holders of a manufacturer's or
22 rectifier's license, the premises, boat, or railroad dining car has adequate and

1 sanitary space and equipment for preparing and serving meals to the public;
2 and

3 (C) the premises, boat, or railroad dining car is operated for the
4 purpose covered by the license.

5 * * *

6 Sec. 6. 7 V.S.A. § 253 is amended to read:

7 § 253. FESTIVAL PERMITS

8 * * *

9 (b)(1) A festival required to be permitted under this section is any event
10 that is open to the public for which the primary purpose is to serve one or
11 more of the following: malt beverages, vinous beverages, fortified wines, or
12 spirits.

13 (c) A festival permit holder is permitted to conduct an event that is open to
14 the public at which one or more of the following are served: malt beverages,
15 vinous beverages, fortified wines, or spirits.

16 (d) The permit holder shall ensure the following:

17 (1) Attendees at the festival shall be required to pay an entry fee of not
18 less than \$5.00.

19 (2)(A) Malt beverages for sampling shall be offered in glasses that
20 contain not more than 12 ounces with not more than 60 ounces served to any
21 patron at one event.

1 (B) Vinous beverages for sampling shall be offered in glasses that
2 contain not more than five ounces with not more than 25 ounces served to any
3 patron at one event.

4 (C) Fortified wines for sampling shall be offered in glasses that
5 contain not more than three ounces with not more than 15 ounces served to
6 any patron at one event.

7 (D) Spirits for sampling shall be offered in glasses that contain not
8 more than one ounce with not more than five ounces served to any patron at
9 one event.

10 (E) Patrons attending a festival where combinations of malt, vinous,
11 fortified wines, or spirits are mutually sampled shall not be served more than a
12 combined total of 6 U.S. standard drinks containing 3.6 fluid ounces or
13 84 grams of pure ethyl alcohol.

14 (3) The event shall be conducted in compliance with all the
15 requirements of this title.

16 (e)(1) A festival permit holder may purchase invoiced volumes of malt or
17 vinous beverages directly from a manufacturer or packager licensed in
18 Vermont, or a manufacturer or packager that holds a federal Basic Permit or
19 Brewers Notice or evidence of licensure in a foreign country that is
20 satisfactory to the Board.

1 (2) The invoiced volumes of malt or vinous beverages may be
2 transported to the site and sold by the glass to the public by the permit holder
3 or its employees and volunteers only during the event.

4 ~~(e)~~(f) A festival permit holder shall be subject to the provisions of this title,
5 including section 214 of this title, and the rules of the Board regarding the sale
6 of the alcoholic beverages and shall pay the tax on the malt or vinous
7 beverages pursuant to section 421 of this title.

8 ~~(d)~~(g) A person shall be granted ~~no~~ not more than four festival permits per
9 year, and each permit shall be valid for ~~no~~ not more than four consecutive
10 days.

11 Sec. 7. 7 V.S.A. § 256 is amended to read:

12 § 256. PROMOTIONAL TASTINGS FOR LICENSEES

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

19 (2) At the request of a holder of a third-class license, a manufacturer or
20 rectifier of spirits or fortified wines may distribute without charge to the third-
21 class licensee's management and staff, provided they are of legal age ~~and are~~

1 ~~off duty for the rest of the day~~, one-quarter ounce of each beverage and no
2 more than a total of one ounce to each individual for the purpose of promoting
3 the beverage.

4 (3) No permit is required for a tasting pursuant to this subsection, ~~but~~
5 ~~written notice of the event shall be provided to the Division of Liquor Control~~
6 ~~at least two days prior to the date of the tasting.~~

7 * * *

8 Sec. 8. 2019 Acts and Resolves No. 73, Sec. 51 is amended to read:

9 Sec. 51. EFFECTIVE DATES

10 (a) Sec. 47 (special event permits) and Sec. 50 (repeal of manufacturer
11 grandfather provision) shall take effect on ~~July 1, 2020~~ July 1, 2021.

12 (b) All remaining sections shall take effect on July 1, 2019.

13 Sec. 9. EFFECTIVE DATE

14 This act shall take effect on passage.