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House Committee on General, Housing and Military Affairs
Wendy Knight, Commissioner Tourism and Marketing
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Testimony on H13

I appreciate the work of the Committee in advancing H.13 that includes licensing and permitting modifications and amends the tax on spirits. These important changes serve to support the growth of the craft beverage industry in Vermont, and enhance visitor experiences.

With respect to Section 271, the Administration supports the Alternative option proposed in (d)(1):

[ALTERNATIVE] 7 V.S.A. § 271 is amended to read:

(d)(1) The Board of Liquor and Lottery may grant to a licensed manufacturer or rectifier a first-class license or a ~~first~~ and a third-class license, or both, permitting the licensee to sell alcoholic beverages to the public at an one establishment located at the manufacturer's premises or rectifier's licensed 15 facility and at one establishment located at another location, provided the manufacturer or rectifier owns or has direct control over ~~that~~ each establishment.

Permitting distilled spirits companies to sell alcohol beverages at a secondary location that is not contiguous with the licensed facility is imperative for tourism and economic development in Vermont. Offering two distinct locations-- perhaps one at a rural manufacturing facility and another in a downtown center:

- 1) enhances the customer experience by providing more than one type of tasting room experience for both tourists and Vermonters;
- 2) improves access to tasting rooms for visitors by permitting a second location that might be in a more population region or closer to an urban center, and
- 3) maximizes exposure to distilled spirits companies and their products, increasing their brand awareness and supporting their growth.

With respect to Section 45, 7 V.S.A. 422, we support the version passed by the Senate Economic Development Committee with a tax of five percent on the gross revenue of spirits and fortified wines.

Respectfully submitted,

Wendy Knight
Commissioner, Tourism & Marketing



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