



February 27, 2020

Gwynn Zakov, Municipal Policy Advocate

Dear Chair Stevens and members of the House General, Housing, and Military Affairs Committee,

Thank you for the opportunity to comment on the proposed liquor and alcoholic beverage committee bill today. VLCT supports the addition of fees for Third Class licenses at the municipal level. Last year the legislature passed H.13 (Act 73) that moved the responsibility for approval of a Third Class license to local control commissions, however municipalities were not given the ability to levy fees. VLCT supports the addition of fees for these licenses.

To give the committee an understanding of the administrative burden absorbed by towns and cities in license issuance, we've included an example of the processes a municipality may go through in issuing and processing licenses.

We appreciate the consideration of this proposal and would appreciate the support of the committee.

Thank you,

Gwynn Zakov, Municipal Policy Advocate

Example of processing local liquor licenses. Here is an example outlined from Barre City:

1. Processing license renewals:
 - a. In late December or early January DLC emails me a long PDF document (76 pages in January 2019). The document includes the 1st and 2nd class liquor license and outside consumption permit renewal applications. Also included in the email is an information sheet for the license holders.
 - b. In early February I print off the renewal applications (at city expense), and the information sheet (at city expense), and mail them to the license holders (at city expense). All licenses expire on April 30th, and there is usually a fair amount of chasing renewals down to the last second. Many phone calls and emails.
 - c. Renewal applications include two checks: one payable to DLC and one payable to the City. Each get \$115 for first class and \$70 for second class. Outside consumption permit renewals have a \$20 renewal fee, which is payable to DLC with no local portion.
 - d. In Barre City we require the Fire Department to conduct an inspection of the premises, and we require the Police Department to sign off on the renewal after reviewing any enforcement actions at the licensed property. We also review the books to make sure there aren't any outstanding taxes, water/sewer bills, or other charges due to the City.
 - e. Once the FD/PD sign off, and we know there aren't any outstanding bills, the City Council – acting in its capacity as the local liquor control board – approves the license renewals at one of their regular Tuesday evening meetings.

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89 Main Street, Montpelier, Vermont 05602

- f. Once approved, the renewal applications are signed by me and mailed – along with the checks - into DLC for processing (at city expense).
 - g. After DLC approves the renewals, they email the licenses to me in batches. I print them off (at city expense), fill them out and sign them, and then mail them to the license holders (at city expense).
2. Processing new licenses:
- a. New license applications are handled similarly to the renewals above. New license applicants drop off the license application and appropriate checks.
 - b. The FD/PD give their approval. We research to be sure there are no delinquencies.
 - c. Council approves at a regular weekly meeting.
 - d. I mail the application and checks to DLC (at city expense).
 - e. DLC emails me the license, which I print off (at city expense) and mail to the license holder (at city expense).
3. Processing other forms (request to cater applications, special event applications, etc):
- a. Applicant drops off application or emails application to me. Applicant fees are either included as a check, or are on deposit with DLC. There is no local fee, only payment to DLC.
 - b. If emailed, I print off application (at city expense).
 - c. Applications are run by the PD for any conditions they might place on the event, such as fencing, oversight, distances from crowds.
 - d. Council approves (with any conditions from PD) at a regular weekly meeting.
 - e. If the application includes a hard copy of a check, the application and check are mailed to DLC (at city expense).
 - f. If the applicant has money on account at DLC, the approved application is scanned and emailed to DLC.
 - g. DLC emails me a copy of the approved permit, and also emails a copy to the license holder. No local signature is required, so I don't have to print them off, sign them and mail them.

Additional information:

- Before 2010, hard copies of the license application renewals were mailed to each town to be divvied up and mailed to the license holders. Beginning with the 2010 licenses, DLC emailed us the applications for the towns/cities to print out.
- Renewal fees increased in 2014. First class rose from \$200/license to \$230/license (1/2 to DLC and 1/2 to city), and second class rose from \$100/license to \$140/license (1/2 to DLC and 1/2 to city).
- Towns also handled tobacco licenses through 2014, after which time DLC took over their processing. Before that change, the fee for a tobacco license was \$100, all payable to DLC. There was no fee if the tobacco license was held in conjunction with a liquor license.