

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

2 Date:

3 Subject: Alcoholic Beverages

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

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

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

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

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

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

19 (6) extend the effective date of 2019 Act No. 73, Sec. 47 (special event
20 permits) and Sec. 50 (repeal of manufacturer grandfather provision) until July
21 1, 2021.

1 An act relating to miscellaneous amendments to alcoholic beverage laws

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

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

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

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

8 * * *

9 (6) For a third-class license, \$1,095.00 for an annual license and
10 \$550.00 for a six-month license. For a standalone third-class license, the
11 issuing municipality may assess an additional \$50.00 local processing fee.

12 * * *

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

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

20 * * *

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

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

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

4 * * *

5 Sec. 3. TRANSITIONAL PROVISION; STAGGERED LICENSE

6 RENEWAL

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

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

13 § 221. FIRST-CLASS LICENSES

14 (a)(1) With the approval of the Board of Liquor and Lottery, the control
15 commissioners may grant a first-class license to a retail dealer for the premises
16 where the dealer carries on business if the retail dealer submits an application
17 and pays the fee provided in section 204 of this title and satisfies the Board that
18 the premises:

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

20 (B) are devoted primarily to dispensing meals to the public and have
21 adequate and sanitary space and equipment for preparing and serving meals,

1 except in the case of clubs or holders of a manufacturer’s or rectifier’s license;

2 ~~and~~

3 ~~(C) have adequate and sanitary space and equipment for preparing~~
4 ~~and serving meals.~~

5 * * *

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

7 § 223. THIRD-CLASS LICENSES

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

11 * * *

12 (3) the applicant satisfies the Board that:

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

15 (B) except in the case of clubs or holders of a manufacturer’s or
16 rectifier’s license, the premises, boat, or railroad dining car has adequate and
17 sanitary space and equipment for preparing and serving meals to the public;
18 and

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

21 * * *

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

2 § 253. FESTIVAL PERMITS

3 * * *

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

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

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

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

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

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

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

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

4 (E) Patrons attending a festival where combinations of malt, vinous,
5 fortified wines, or spirits are mutually sampled shall not be served more than a
6 combined total of 6 U.S. standard drinks containing 3.6 fluid ounces or
7 84 grams of pure ethyl alcohol.

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

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

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

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

1 Sec. 51. EFFECTIVE DATES

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

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

5 Sec. 9. EFFECTIVE DATE

6 This act shall take effect on passage.