

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 the Department of Liquor and Lottery to contract to
6 provide support for festivals and events;

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

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

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

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

19 (6) repeal the notice requirement for promotional tasting events at first-
20 or second-class license locations.

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. § 114 is added to read:

4 § 114. EVENT SUPPORT; CONTRACT; FUND

5 (a) The Commissioner of Liquor and Lottery may contract to provide
6 support to festivals and events and may receive reimbursement for reasonable
7 costs that shall include costs associated with providing personnel, benefits,
8 equipment, training, vehicles, insurances, and related expenses. The
9 reimbursements shall be credited to the Event Services Special Fund.

10 (b) There is established the Event Services Special Fund that shall be
11 managed in accordance with 32 V.S.A. chapter 7, subchapter 5. Monies
12 collected pursuant to this section shall be deposited and credited to the Fund.
13 The Fund shall be available to the Department and Liquor and Lottery to offset
14 the cost of providing services pursuant to this section.

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

16 § 204. APPLICATION AND RENEWAL FEES FOR LICENSES AND

17 PERMITS; DISPOSITION OF FEES

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

20 * * *

1 (6) For a third-class license, \$1,095.00 for an annual license and
2 \$550.00 for a six-month license. For a standalone third-class license, the
3 issuing municipality may assess an additional \$50.00 local processing fee.

4 * * *

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

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

12 * * *

13 Sec. 3. 7 V.S.A. § 205 is amended to read:

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

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

17 * * *

18 Sec. 4. TRANSITIONAL PROVISION; STAGGERED LICENSE

19 RENEWAL

20 The Department of Liquor and Lottery may stagger the issuance or renewal
21 of permits, licenses, and certificates that are set to expire midnight, April 30,

1 2021. Permits, licenses, and certificates that are renewed on April 30, 2020
2 shall remain valid for one year or until a later renewal date designated by the
3 Department.

4 Sec. 5. 7 V.S.A. § 221 is amended to read:

5 § 221. FIRST-CLASS LICENSES

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

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

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

16 ~~(C) have adequate and sanitary space and equipment for preparing~~
17 ~~and serving meals.~~

18 * * *

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

2 § 223. THIRD-CLASS LICENSES

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

6 * * *

7 (3) the applicant satisfies the Board that:

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

10 (B) except in the case of clubs or holders of a manufacturer's or
11 rectifier's license, the premises, boat, or railroad dining car has adequate and
12 sanitary space and equipment for preparing and serving meals to the public;
13 and

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

16 * * *

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

18 § 253. FESTIVAL PERMITS

19 * * *

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 Sec. 8. 7 V.S.A. § 256 is amended to read:

2 § 256. PROMOTIONAL TASTINGS FOR LICENSEES

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

8 * * *

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

12 * * *

13 Sec. 9. EFFECTIVE DATE

14 This act shall take effect on July 1, 2020.