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. § 2 is amended to read:

4   § 2. DEFINITIONS

5   As used in this title:

6   * * *

7   (18) "Fortified wines" means vinous beverages, including those to

8   which spirits have been added during manufacture, containing at least

9   16 percent alcohol but not more than 23 percent alcohol by volume at

10   60 degrees Fahrenheit, and all vermouths containing at least 16 percent alcohol

11   but not more than 23 percent alcohol by volume at 60 degrees Fahrenheit.

12   * * *

13   (41) "Vinous beverages" means all fermented beverages of any name or

14   description manufactured or obtained for sale from the natural sugar content of

15   fruits or other agricultural product, containing sugar, the alcoholic content of

16   which is not less than one percent nor more than 16 percent by volume at 60

17   degrees Fahrenheit. "Vinous beverages" shall include low-alcohol spirits

18   beverages and vermouths containing not more than 16 percent alcohol by

19   volume at 60 degrees Fahrenheit.

20   * * *

21   Sec. 2. 7 V.S.A. § 114 is added to read:

1   § 114. EVENT SUPPORT; CONTRACT; FUND

2   (a) The Commissioner of Liquor and Lottery may contract to provide

3   support to festivals and events and may receive reimbursement for reasonable

4   costs that shall include costs associated with providing personnel, benefits,

5   equipment, training, vehicles, insurances, and related expenses. The

6   reimbursements shall be credited to the Event Services Special Fund.

7   (b) There is established the Event Services Special Fund that shall be

8   managed in accordance with 32 V.S.A. chapter 7, subchapter 5. Monies

9   collected pursuant to this section shall be deposited and credited to the Fund.

10   The Fund shall be available to the Department and Liquor and Lottery to offset

11   the cost of providing services pursuant to this section.

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

13   § 204. APPLICATION AND RENEWAL FEES FOR LICENSES AND

14   PERMITS; DISPOSITION OF FEES

15   (a) The following fees shall be paid when applying for a new license or

16   permit or to renew a license or permit:

17   * * *

18   (6) For a third-class license, $1,095.00 for an annual license and

19   $550.00 for a six-month license. For a standalone third-class license, the

20   issuing municipality may assess an additional $50.00 local processing fee.

21   * * *

1   (b) Except for fees collected for first-, second-, and third-class licenses, the

2   fees collected pursuant to subsection (a) of this section shall be deposited in the

3   Liquor Control Enterprise Fund. The other fees shall be distributed as follows:

4   (1) Third-class license fees: 55 percent shall go to the Liquor Control

5   Enterprise Fund, and 45 percent shall go to the General Fund and shall fund

6   alcohol abuse prevention and treatment programs. The local processing fee for

7   standalone third-class licenses shall be retained by the issuing municipality.

8   * * *

9   Sec. 4. 7 V.S.A. § 205 is amended to read:

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

11   (a) All permits, licenses, and certificates shall expire midnight, April 30, of

12   each one year after the date of issuance.

13   * * *

14   Sec. 5. TRANSITIONAL PROVISION; STAGGERED LICENSE

15   RENEWAL

16   The Department of Liquor and Lottery may stagger the issuance or renewal

17   of permits, licenses, and certificates that are set to expire midnight, April 30,

18   2021. Permits, licenses, and certificates that are renewed on April 30, 2020

19   shall remain valid for one year or until a later renewal date designated by the

20   Department.

21   Sec. 6. 7 V.S.A. § 221 is amended to read:

1   § 221. FIRST-CLASS LICENSES

2   (a)(1) With the approval of the Board of Liquor and Lottery, the control

3   commissioners may grant a first-class license to a retail dealer for the premises

4   where the dealer carries on business if the retail dealer submits an application

5   and pays the fee provided in section 204 of this title and satisfies the Board that

6   the premises:

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

8   (B) are devoted primarily to dispensing meals to the public and have

9   adequate and sanitary space and equipment for preparing and serving meals,

10   except in the case of clubs or holders of a manufacturer's or rectifier's license;

11   and

12   (C) have adequate and sanitary space and equipment for preparing

13   and serving meals.

14   * * *

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

16   § 223. THIRD-CLASS LICENSES

17   (a) The Board of Liquor and Lottery may grant to a person who operates a

18   hotel, restaurant, club, boat, or railroad dining car, or who holds a

19   manufacturer's or rectifier's license, a third-class license if:

20   * * *

21   (3) the applicant satisfies the Board that:

1   (A) the applicant is the bona fide owner or lessee of the premises,

2   boat, or railroad dining car;

3   (B) except in the case of clubs or holders of a manufacturer's or

4   rectifier's license, the premises, boat, or railroad dining car has adequate and

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

6   and

7   (C) the premises, boat, or railroad dining car is operated for the

8   purpose covered by the license.

9   * * *

10   Sec. 8. 7 V.S.A. § 253 is amended to read:

11   § 253. FESTIVAL PERMITS

12   * * *

13   (b)(1) A festival required to be permitted under this section is any event

14   that is open to the public for which the primary purpose is to serve one or more

15   of the following: malt beverages, vinous beverages, fortified wines, or spirits.

16   (c) A festival permit holder is permitted to conduct an event that is open to

17   the public at which one or more of the following are served: malt beverages,

18   vinous beverages, fortified wines, or spirits.

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

20   (1) Attendees at the festival shall be required to pay an entry fee of not

21   less than $5.00.

1   (2)(A) Malt beverages for sampling shall be offered in glasses that

2   contain not more than 12 ounces with not more than 60 ounces served to any

3   patron at one event.

4   (B) Vinous beverages for sampling shall be offered in glasses that

5   contain not more than five ounces with not more than 25 ounces served to any

6   patron at one event.

7   (C) Fortified wines for sampling shall be offered in glasses that

8   contain not more than three ounces with not more than 15 ounces served to any

9   patron at one event.

10   (D) Spirits for sampling shall be offered in glasses that contain not

11   more than one ounce with not more than five ounces served to any patron at

12   one event.

13   (E) Patrons attending a festival where combinations of malt, vinous,

14   fortified wines, or spirits are mutually sampled shall not be served more than a

15   combined total of 6 U.S. standard drinks containing 3.6 fluid ounces or

16   84 grams of pure ethyl alcohol.

17   (3) The event shall be conducted in compliance with all the

18   requirements of this title.

19   (e)(1) A festival permit holder may purchase invoiced volumes of malt or

20   vinous beverages directly from a manufacturer or packager licensed in

21   Vermont, or a manufacturer or packager that holds a federal Basic Permit or

1   Brewers Notice or evidence of licensure in a foreign country that is satisfactory

2   to the Board.

3   (2) The invoiced volumes of malt or vinous beverages may be

4   transported to the site and sold by the glass to the public by the permit holder

5   or its employees and volunteers only during the event.

6   (e)(f) A festival permit holder shall be subject to the provisions of this title,

7   including section 214 of this title, and the rules of the Board regarding the sale

8   of the alcoholic beverages and shall pay the tax on the malt or vinous

9   beverages pursuant to section 421 of this title.

10   (d)(g) A person shall be granted no not more than four festival permits per

11   year, and each permit shall be valid for no not more than four consecutive

12   days.

13   Sec. 9. 7 V.S.A. § 256 is amended to read:

14   § 256. PROMOTIONAL TASTINGS FOR LICENSEES

15   (a)(1) At the request of a first- or second-class licensee, a holder of a

16   manufacturer's, rectifier's, or wholesale dealer's license may distribute without

17   charge to the first- or second-class licensee's management and staff, provided

18   they are of legal age and are off duty for the rest of the day, two ounces per

19   person of vinous or malt beverages for the purpose of promoting the beverage.

20   * * *

1   (3) No permit is required for a tasting pursuant to this subsection, but

2   written notice of the event shall be provided to the Division of Liquor Control

3   at least two days prior to the date of the tasting.

4   * * *

5   Sec. 10. 2019 Acts and Resolves No. 73, Sec. 51 is amended to read:

6   Sec. 51. EFFECTIVE DATES

7   (a) Sec. 47 (special event permits) and Sec. 50 (repeal of manufacturer

8   grandfather provision) shall take effect on July 1, 2020 July 1, 2021.

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

10   Sec. 11. EFFECTIVE DATE

11   This act shall take effect on passage.