

**No. 70. An act relating to miscellaneous amendments to alcoholic beverage laws.**

(H.313)

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

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

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

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

\* \* \*

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

\* \* \*

(24) For a third-class license granted to the holder of a manufacturer's or rectifier's license, \$230.00.

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

(1) Third-class license fees: 55 percent shall go to the Liquor Control Enterprise Fund; and 45 percent shall go to the General Fund and shall fund

alcohol abuse prevention and treatment programs. The local processing fee for stand-alone third-class licenses shall be retained by the issuing municipality.

\* \* \*

Sec. 2. 7 V.S.A. § 230 is added to read:

§ 230. SALE OF ALCOHOLIC BEVERAGES FOR OFF-PREMISES  
CONSUMPTION

(a) The Board of Liquor and Lottery and the local control commissioners may authorize:

(1) First- and third-class licensees to sell malt beverages, vinous beverages, and spirits-based prepared drinks for off-premises consumption. All sales of alcoholic beverages for off-premises consumption must be accompanied by a food order.

(2) Second-class licensees to provide curbside pickup of unopened containers of the alcoholic beverages that the licensee is permitted to sell from the licensed premises pursuant to section 222 of this subchapter.

(3) Fourth-class licensees to provide curbside pickup of unopened containers of the alcoholic beverages that the licensee is permitted to sell from the licensed location pursuant to section 224 of this subchapter.

(b) For any alcoholic beverage sold pursuant to subdivision (a)(1) of this section, the first- or third-class licensee shall provide the alcoholic beverage in a container:

(1) with a securely affixed tamper-evident seal; and

(2) bearing a label that:

(A) states that the beverage contains alcohol; and

(B) lists the ingredients and serving size.

(c) A licensee may sell alcoholic beverages pursuant to this section between 10:00 a.m. and 11:00 p.m.

(d) The Board of Liquor and Lottery may adopt rules and forms necessary to implement this section.

Sec. 3. 7 V.S.A. § 253 is amended to read:

§ 253. FESTIVAL PERMITS

\* \* \*

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

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

(d) The permit holder shall ensure the following:

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

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

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

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

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

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

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

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

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

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

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

Sec. 4. 7 V.S.A. § 256 is amended to read:

§ 256. PROMOTIONAL TASTINGS FOR LICENSEES

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

(2) At the request of a holder of a third-class license, a manufacturer or rectifier of spirits or fortified wines may distribute without charge to the third-class licensee's management and staff, provided they are of legal age ~~and are off duty for the rest of the day~~, one-quarter ounce of each beverage and ~~no~~ not

more than a total of one ounce to each individual for the purpose of promoting the beverage.

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

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Sec. 5. FEE REDUCTION FOR RENEWAL OF FIRST- AND THIRD-  
CLASS LICENSES BY CLUBS; TEMPORARY PROVISION

Notwithstanding 7 V.S.A. § 204(a)(4) and (6), in the year 2021, the first- and third-class license renewal fees shall be waived for any club as defined in 7 V.S.A. § 2.

Sec. 6. REPORTS; SPORTS BETTING STUDY; IMPACTS OF SALE OF  
ALCOHOLIC BEVERAGES FOR OFF-PREMISES  
CONSUMPTION

(a) On or before October 15, 2021, the Office of Legislative Counsel and the Joint Fiscal Office shall submit a written report to the House Committees on Ways and Means and on General, Housing, and Military Affairs and the Senate Committee on Economic Development, Housing and General Affairs concerning the current state of the regulated sports betting market in the United States. In particular, the report shall examine and analyze:

(1) the sports betting laws in each state that has an active or proposed sports betting market;

(2) studies carried out by other states concerning the legalization, taxation, and regulation of sports betting;

(3) the models for regulation of sports betting that are currently operating in other states, including a summary of the tax or revenue sharing structures used in each state;

(4) for each state with an active sports betting market, the state revenue resulting from sports betting; and

(5) any reports or information concerning impacts on problem gaming in the states with regulated sports betting markets.

(b) In the preparation of the report, the Office of Legislative Counsel and the Joint Fiscal Office shall solicit input from the Department of Liquor and Lottery, the Department of Taxes, the Office of the Attorney General, and other stakeholders.

(c) On or before January 15, 2023, the Department of Liquor and Lottery shall submit a report to the Senate Committee on Economic Development, Housing and General Affairs and the House Committee on General, Housing, and Military Affairs concerning the sale of alcoholic beverages for delivery and curbside pickup by first-, second-, third-, and fourth-class licensees. The report shall include an analysis of:

(1) the economic impact on the licensees that were approved to sell alcoholic beverages pursuant to 7 V.S.A. § 230; and

(2) the impact on public safety and compliance with the State's alcoholic beverage laws.

(d) The Department shall collect data from licensees that is sufficient to demonstrate the economic impact of the authority granted to the licensees pursuant to 7 V.S.A. § 230.

Sec. 7. REPEAL

7 V.S.A. § 230 is repealed on July 1, 2023.

Sec. 8. EFFECTIVE DATES

This act shall take effect on July 1, 2021, except that this section and Sec. 5 (fee reduction for first- and third-class licenses) shall take effect on passage.

Date Governor signed bill: June 8, 2021