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Act No. 177 (H.730). Alcoholic beverages; Department of Liquor and Lottery; miscellaneous amendments

An act relating to alcoholic beverages and the Department of Liquor and Lottery

This act amends various sections within Titles 7, 10, and 31 to:

- Define “ready-to-drink spirits beverage” as an alcoholic beverage containing not more than 12 percent alcohol by volume, created by distillation, chemical synthesis, or concentration through freezing, and packaged in containers less than 24 fluid ounces in volume.
- Amend the provisions of Title 7 related to the distribution and sale of alcoholic beverages to allow ready-to-drink spirits beverages to be distributed and sold in the same manner as malt and vinous beverages.
- Establish a tax rate of \$1.10 per gallon of ready-to-drink spirits beverages sold by manufacturers to retailers within the State.
- Define “cider” as a vinous beverage made a majority from the fermented natural sugar content of apples or pears.
- Amend the volume limitations for ciders that are served in flights or at festivals.
- Establish a \$0.265-per-gallon tax for ciders that contain less than seven percent alcohol by volume. This tax shall be effective July 1, 2023.
- Expressly authorize the Department of Liquor and Lottery to obtain criminal background checks for applicants for liquor, tobacco, and lottery licenses.
- Establish a single Deputy Commissioner of Liquor and Lottery in lieu of two separate Deputy Commissioners that supervise the Division of Liquor Control and the Division of Lottery.
- Expressly authorize third-class licensees to purchase tickets for the Department’s rare spirits raffle.

This act also contains temporary provisions that:

- Establish transfers from the Liquor Control Enterprise Fund to the General Fund for fiscal years 2023 and 2024.
- Authorize the Department to stagger the issuance and renewal of permits, licenses, and certificates for the years 2023 and 2024.

- Require the Agency of Administration to submit a report on or before January 15, 2024, concerning the potential privatization of Vermont's alcoholic beverage market. The Agency is required to contract with an independent third-party consultant to conduct the study.

Multiple effective dates, beginning on June 7, 2022