

1 H.313

2 Introduced by Representatives Birong of Vergennes, Beck of St. Johnsbury,
3 Dolan of Waitsfield, Durfee of Shaftsbury, Hango of Berkshire,
4 Harrison of Chittenden, Jerome of Brandon, Killacky of South
5 Burlington, Nicoll of Ludlow, Noyes of Wolcott, Ode of
6 Burlington, Scheuermann of Stowe, Troiano of Stannard, and
7 Wood of Waterbury

8 Referred to Committee on

9 Date:

10 Subject: Alcoholic beverages

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

12 (1) authorize municipalities to assess a \$50.00 local fee for stand-alone
13 third-class licenses;

14 (2) authorize first- and third-class licensees to purchase wholesale spirits
15 using a credit card;

16 (3) authorize wholesale pricing of spirits sold by the Department of
17 Liquor and Lottery;

18 (4) temporarily authorize first- and third-class licensees to sell certain
19 alcoholic beverages for delivery and curbside pickup;

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

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

6 (7) prohibit the use or reproduction of a restaurant's menu by third-
7 party businesses unless the restaurant has provided express authority for the
8 use or reproduction; and

9 (8) prohibit third-party delivery services from offering delivery of goods
10 from a Vermont food service establishment unless an agreement has been
11 formed with the food service establishment.

12 An act relating to miscellaneous amendments to alcoholic beverage laws

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

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

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

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

19

1 ~~(c) For a third-class license, \$1,095.00 for an annual license and~~
2 ~~\$550.00 for a six-month license. For a stand-alone 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
7 the Liquor Control Enterprise Fund. The other fees shall be distributed as
8 follows:

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

13 * * *

14 Sec. 2. 7 V.S.A. § 221 is amended to read:

15 § 221. FIRST-CLASS LICENSES

16 * * *

17 (b)(1) A first-class license permits the holder to sell malt and vinous
18 beverages for consumption only on those premises.

19 (2) Except as otherwise provided pursuant to sections 271 and 278 of
20 this title, a first-class license holder shall purchase all malt beverages and

21 ~~vinous beverages sold pursuant to the license from Vermont wholesale dealers~~

1 ~~or packages. A first-class license holder may use a credit card to purchase~~
2 malt beverages and vinous beverages from Vermont wholesale dealers or
3 packages.

4 * * *

5 Sec. 3. 7 V.S.A. § 223 is amended to read:

6 § 223. THIRD-CLASS LICENSES

7 * * *

8 (f) The holder of a third-class license may purchase spirits and fortified
9 wines from the Board of Liquor and Lottery at a discounted licensee price
10 determined by the Department. The discounted licensee price shall be a
11 minimum of 10 percent below the Department's listed retail price. The holder
12 of a third-class license may use a credit card to purchase spirits and fortified
13 wine from the Board.

14 Sec. 4. 7 V.S.A. § 230 is added to read:

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

16 CONSUMPTION

17 (a) The Board of Liquor and Lottery and the local control commissioners
18 may approve the following:

19 (1) Authorize first- and third-class licensees to sell malt beverages,
20 vinous beverages, and spirits-based prepared drinks for off-premises

1 ~~consumption. All sales of alcoholic beverages for off-premises consumption~~
2 must be accompanied by a food order.

3 (2) Authorize second- and fourth-class licensees to provide curbside
4 pickup of unopened containers of sprints, spirits-based products, malt beverages,
5 and vinous beverages.

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

8 Sec. 5. 7 V.S.A. § 253 is amended to read:

9 § 253. FESTIVAL PERMITS

10 * * *

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

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

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

19 (1) Attendees at the festival shall be required to pay an entry fee of not
20 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
9 any 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 six 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 ~~Prove~~ Notice or evidence of licensure in a foreign country that is

2 satisfactory 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 42 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. 6. 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
17 without charge to the first- or second-class licensee's management and staff,
18 provided they are of legal age ~~and are off duty for the rest of the day,~~ to
19 ounces per person of vinous or malt beverages for the purpose of promoting
20 ~~the beverage.~~

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

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

10 * * *

11 Sec. 7. 9 V.S.A. chapter 83, subchapter 4 is added to read:

12 Subchapter 4. Use, Reproduction, and Advertisement of Restaurant Menus

13 and Services

14 § 3149. USE AND REPRODUCTION OF MENUS BY THIRD-PARTY

15 SERVICES

16 (a) The use or reproduction of any restaurant or food service establishment
17 menu by any third-party service shall be prohibited unless the restaurant or
18 food service establishment has provided express authority for the third-party
19 service's use or reproduction of the menu.

1 ~~(b) A person who violates the provisions of this section shall be fined not~~
2 ~~more than \$500.00 and shall be liable to pay all damages sustained in~~
3 ~~consequence of the violation in a civil action based on this section.~~

4 § 3150. THIRD-PARTY DELIVERY PLATFORMS; PROHIBITION

5 (a) No third-party delivery platform or other delivery service shall
6 advertise or arrange for the delivery of goods from a restaurant or food service
7 establishment without first obtaining an agreement with the restaurant or food
8 service establishment that expressly authorizes the third-party delivery
9 platform or service to accept orders and deliver meals on behalf of the
10 restaurant or food service establishment.

11 (b) As used in this section, "third-party delivery platform" means any
12 business that:

13 (1) offers intermediary services between consumers and multiple
14 restaurant or food service establishments that allow a consumer to submit
15 orders for goods from a restaurant or food service establishment; and

16 (2) offers or arranges for the delivery of the order from the restaurant or
17 food service establishment to the consumer.

18 § 3151. THIRD-PARTY DELIVERY PLATFORMS; LIMITATION ON

19 FEES

20 Third-party delivery platforms may not pay reduced menu prices, charge
21 fees, or collect commissions from food service establishments. Third-party

1 ~~delivery platforms may charge fees to consumers. Third party delivery~~
2 ~~platforms shall list any fees to be charged to consumers separately from a food~~
3 ~~service establishment's menu prices.~~

4 Sec. 8. REPEAL

5 7 V.S.A. § 220 is repealed on July 1, 2023.

6 Sec. 9. EFFECTIVE DATE

7 ~~This act shall take effect on July 1, 2021.~~

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.

** * **

(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)(1) 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.~~

~~(a)(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.~~

~~* * *~~

~~Sec. 5. REPEAL~~

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

~~Sec. 6. EFFECTIVE DATE~~

~~This act shall take effect on July 1, 2021.~~

~~Sec. 6. 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. 7. EFFECTIVE DATES~~

~~*This act shall take effect on July 1, 2021, except that Sec. 6 (Fee reduction for first- and third-class licenses) shall take effect on passage.*~~

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.~~

* * *

*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 ~~Committee~~ 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.