

1 H.730

2 Introduced by Committee on General, Housing, and Military Affairs

3 Date:

4 Subject: Alcoholic beverages; Department of Liquor and Lottery;

5 miscellaneous amendments

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

7 (1) amend the definition of “fortified wines” for purposes of Title 7,  
8 include all fortified wines containing less than 16 percent alcohol by volume  
9 within the definition of “vinous beverages,” and to permit fortified wines to be  
10 distributed and sold in the same manner as malt beverages and vinous  
11 beverages;

12 (2) define “ready-to-drink spirits beverages” for purposes of Title 7 and  
13 to permit ready-to-drink spirits beverages to be distributed and sold in the  
14 same manner as malt beverages and vinous beverages, except for direct to  
15 consumer and retail shipping;

16 (3) clarify authority for criminal background checks by the Department  
17 of Liquor and Lottery;

18 (4) eliminate a deputy commissioner position within the Department of  
19 Liquor and Lottery and consolidate those roles into a single position of Deputy  
20 Commissioner of Liquor and Lottery;

1 (5) authorize third-class licensees to purchase tickets for the  
2 Department's rare and unusual products raffle; and

3 (6) authorize the Department of Liquor and Lottery to extend the  
4 expiration dates and stagger the issuance or renewal of permits, licenses, and  
5 certificates that are set to expire in the years 2022 and 2023.

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

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

9 Sec. 1. [Deleted.]

10 \* \* \* Ready-to-Drink Spirits Beverages; Fortified Wines \* \* \*

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

12 § 2. DEFINITIONS

13 As used in this title:

14 \* \* \*

15 (6) "Certificate of approval" means a license granted by the Board of  
16 Liquor and Lottery to a manufacturer or distributor of malt beverages or  
17 vinous beverages, or ~~both~~, fortified wines that is not licensed under the  
18 provisions of this title, that permits the licensee to sell those beverages to  
19 holders of a packager's or wholesale dealer's license.

20 \* \* \*

1 (16) “First-class license” means a license permitting the licensee to sell  
2 malt ~~and beverages,~~ vinous beverages, fortified wines, and ready-to-drink  
3 spirits beverages to the public for consumption only on the premises for which  
4 the license is granted.

5 (17) ~~“Fortified wine permit” means a permit granted to a second-class~~  
6 ~~licensee that permits the licensee to export and sell fortified wines to the public~~  
7 ~~for consumption off the licensed premises: [Repealed.]~~

8 (18) “Fortified wines” means vinous beverages, including those to  
9 which spirits have been added during manufacture, containing ~~at least~~ more  
10 than 16 percent alcohol but not more than 23 percent alcohol by volume at  
11 60 degrees Fahrenheit, and all vermouths containing more than 16 percent  
12 alcohol but not more than 23 percent alcohol by volume at 60 degrees  
13 Fahrenheit.

14 (19) “Fourth-class license” means a license permitting a licensed  
15 manufacturer or rectifier to sell by the unopened container and distribute by  
16 ~~the glass sample,~~ with or without charge, beverages manufactured by the  
17 licensee.

18 \* \* \*

19 (25) “Ready-to-drink spirits beverage” means an alcoholic beverage  
20 containing more than one percent alcohol by volume and not more than  
21 12 percent alcohol by volume at 60 degrees Fahrenheit obtained by distillation,

1 by chemical synthesis, or through concentration by freezing and mixed with  
2 nonalcoholic beverages, flavoring, or coloring materials. Ready-to-drink  
3 spirits beverages may also contain water, fruit juices, fruit adjuncts, sugar,  
4 carbon dioxide, preservatives, and other ingredients. ~~A ready-to-drink spirits~~

5 ~~beverage shall be a spirit if the ready-to-drink spirits beverage~~

6 ~~(A) contains more than 12 percent alcohol by volume at 60 degrees~~

7 Fahrenheit; or

8 ~~(B) is packaged in a container greater than 24 fluid ounces in~~

9 ~~volume.~~

10 (26) “Malt beverages” means all fermented beverages of any name or  
11 description manufactured for sale from malt, wholly or in part, or from any  
12 substitute therefor, known as, among other things, beer, ale, or lager,  
13 containing not less than one percent nor more than 16 percent alcohol by  
14 volume at 60 degrees Fahrenheit.

15 (26)(27) “Manufacturer’s or rectifier’s license” means a license granted  
16 by the Board of Liquor and Lottery that permits the holder to manufacture or  
17 rectify malt beverages, vinous beverages, and fortified wines, or spirits and  
18 ~~fortified wines~~ ready-to-drink spirits beverages.

19 (27)(28) “Minor” means an individual who has not attained 21 years of  
20 age.

1           ~~(28)~~(29) “Outside consumption permit” means a permit granted by the  
2           Division of Liquor Control allowing the holder of a first-class, first- and third-  
3           class, or fourth-class license to allow for consumption of alcoholic beverages  
4           in a delineated outside area.

5           ~~(29)~~(30) “Packager’s license” means a license granted by the Board of  
6           Liquor and Lottery permitting a person to bottle or otherwise package  
7           alcoholic beverages for sale and to distribute and sell alcoholic beverages at  
8           wholesale in this State.

9           ~~(30)~~(31) “Person,” as applied to licensees, means an individual who is a  
10          citizen, a lawful permanent resident of the United States, or a holder of an E-2  
11          Visa; a partnership composed of individuals, a majority of whom are citizens,  
12          lawful permanent residents of the United States, or holders of an E-2 Visa; a  
13          corporation organized under the laws of this State or another state in which a  
14          majority of the directors are citizens, lawful permanent residents of the United  
15          States, or holders of an E-2 Visa; or a limited liability company organized  
16          under the laws of this State or another state in which a majority of the  
17          members or managers are citizens, lawful permanent residents of the United  
18          States, or holders of an E-2 Visa.

19          ~~(31)~~(32) “Request-to-cater permit” means a permit granted by the  
20          Division of Liquor Control authorizing a licensed caterer or commercial  
21          caterer to cater individual events.

1           ~~(32)~~(33) “Retail dealer” means any person who sells or furnishes malt  
2           or beverages, vinous beverages, or fortified wines to the public.

3           ~~(33)~~(34) “Retail delivery permit” means a permit granted by the  
4           Division of Liquor Control that permits a second-class licensee to deliver malt  
5           beverages and vinous beverages sold from the licensed premises for  
6           consumption off the premises to an individual who is 21 years of age or older  
7           at a physical address in Vermont.

8           ~~(34)~~(35) “Sampler flight” means a flight, ski, paddle, or any similar  
9           device by design or name intended to hold alcoholic beverage samples for the  
10          purpose of comparison.

~~(35)~~(36) “Second-class license” means a license permitting the licensee  
to export and to sell malt beverages ~~and~~, vinous beverages, *ready-to-drink*  
*spirits beverages*, and fortified wines to the public for consumption off the  
premises for which the license is granted.

11          ~~(36)~~(37) “Special event permit” means a permit granted by the Division  
12          of Liquor Control permitting a licensed manufacturer or rectifier to sell, by the  
13          glass or by the unopened bottle, alcoholic beverages manufactured or rectified  
14          by the license holder at an event open to the public that has been approved by  
15          the local control commissioners.

16          ~~(37)~~(38) “Special venue serving permit” means a permit granted by the  
17          Division of Liquor Control permitting an art gallery, bookstore, public library,

1 or museum to conduct an event at which malt or vinous beverages, or both, are  
2 served by the glass to the public. As used in this section, “art gallery” means a  
3 fixed establishment whose primary purpose is to exhibit or offer for sale works  
4 of art; “bookstore” means a fixed establishment whose primary purpose is to  
5 offer books for sale; “public library” has the same meaning as in 22 V.S.A.  
6 § 101; and “museum” has the same meaning as in 27 V.S.A. § 1151.

7 ~~(38)~~(39) “Specialty beer” means a malt beverage that contains more  
8 than eight percent alcohol and not more than 16 percent alcohol by volume at  
9 60 degrees Fahrenheit.

~~(39)~~(40) “Spirits” means beverages that contain more than one percent  
alcohol obtained by distillation, by chemical synthesis, or through  
concentration by freezing; vinous beverages containing more than 23 percent  
alcohol; and malt beverages containing more than 16 percent alcohol by  
volume at 60 degrees Fahrenheit but does not mean fortified wines or vinous  
beverages to which spirits have been added during manufacture that contain  
not more than 16 percent alcohol by volume at 60 degrees Fahrenheit.

*“Spirits” also means a ready-to-drink spirits beverage that contains more than  
12 percent alcohol by volume at 60 degrees Fahrenheit or is packaged in  
containers greater than 24 fluid ounces in volume.*

1           (40)(41) “Third-class license” means a license granted by the Board of  
2           Liquor and Lottery permitting the licensee to sell spirits ~~and fortified wines~~ for  
3           consumption only on the premises for which the license is granted.

4           (41)(42) “Vinous beverages” means all fermented beverages of any  
5           name or description manufactured or obtained for sale from the natural sugar  
6           content of fruits or other agricultural product, containing sugar, including  
7           beverages to which spirits have been added during manufacture, the total  
8           alcoholic content of which is not less than one percent nor more than  
9           16 percent by volume at 60 degrees Fahrenheit.

10           (42)(43) “Wholesale dealer’s license” means a license granted by the  
11           Board of Liquor and Lottery permitting the holder to sell or distribute malt ~~and~~  
12           beverages, vinous beverages, fortified wines, and ready-to-drink spirits  
13           beverages to first- and second-class licensees, to educational sampling event  
14           permit holders, and to agencies of the United States.

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

16           § 5. DIVISION OF LIQUOR CONTROL; RAFFLES FOR RIGHT TO  
17           PURCHASE RARE AND UNUSUAL ~~PRODUCTS~~ SPIRITS

18           (a) Notwithstanding any provision of 13 V.S.A. chapter 51 to the contrary,  
19           the Division of Liquor Control may conduct raffles for the right to purchase  
20           certain rare and unusual spirits ~~and fortified wines~~ that are acquired by the



1 Board of Liquor and Lottery. A raffle conducted pursuant to this section shall  
2 meet the following requirements:

3 \* \* \*

4 (3) All notices or advertisements relating to the raffle shall clearly state:

5 \* \* \*

6 (C) the sales price of each rare and unusual spirit ~~or fortified wine~~;

7 and

8 (D) that the winning prize will be the right to purchase the rare and  
9 unusual spirit ~~or fortified wine~~ for the specified sales price.

10 \* \* \*

11 (c) As used in this section, “rare and unusual spirits ~~and fortified wines~~”  
12 means spirits ~~and fortified wines~~ that are distributed or allocated to the Board  
13 in an amount that is insufficient for general distribution to local agency stores  
14 and for which the Commissioner determines that an extraordinary level of  
15 public demand exists.

16 Sec. 4. 7 V.S.A. § 62 is amended to read:

17 § 62. HOURS OF SALE

18 (a) First- or first- and third-class licensees, or festival, special event, or  
19 educational sampling event permit holders may sell alcoholic beverages  
20 between the hours of 8:00 a.m. and 2:00 a.m. the next morning.

1 (b)(1) Second-class licensees may sell malt ~~and beverages,~~ vinous  
2 ~~beverages, fortified wines, and ready-to-drink spirits beverages~~ between the  
3 hours of 6:00 a.m. and 12:00 midnight.

4 \* \* \*

5 Sec. 5. 7 V.S.A. § 63 is amended to read:

6 § 63. IMPORTATION OR TRANSPORTATION OF ALCOHOL;

7 PROHIBITIONS; PERSONAL IMPORT LIMIT; PENALTY

8 (a)(1) All spirits ~~and fortified wines~~ imported or transported into this State  
9 shall be imported or transported by and through the Board of Liquor and  
10 Lottery. A person importing or transporting or causing to be imported or  
11 transported into this State any spirits ~~or fortified wines, or both,~~ in violation of  
12 this section shall be imprisoned not more than one year or fined not more than  
13 \$5,000.00, or both.

14 (2) Notwithstanding subdivision (1) of this subsection, a person may  
15 import or transport not more than eight quarts of spirits ~~or fortified wines, or~~  
16 ~~both,~~ into this State in ~~his or her~~ the person's own private vehicle or in his or  
17 her actual possession at the time of importation without a license or permit,  
18 provided the beverages are not for resale.

19 (b)(1) Except as provided in sections 277, 278, and 283 of this title, all  
20 malt ~~or beverages,~~ vinous beverages, fortified wines, or ready-to-drink spirits  
21 beverages, or both a combination of malt beverages, vinous beverages,

1 fortified wines, and ready-to-drink spirits beverages, imported or transported  
2 into this State shall be imported or transported by and through the holder of a  
3 wholesale dealer's license issued by the Board of Liquor and Lottery. A  
4 person importing or transporting or causing to be imported or transported into  
5 this State any malt ~~or~~ beverages, vinous beverages, ~~or both~~ fortified wines, or  
6 ready-to-drink spirits beverages, in violation of this section shall be imprisoned  
7 not more than one year or fined not more than \$1,000.00, or both.

8 (2) Notwithstanding subdivision (1) of this subsection, a person may  
9 import or transport not more than six gallons of malt ~~or~~ beverages, vinous  
10 beverages, fortified wines, or ready-to-drink spirits beverages, or ~~both~~ a  
11 combination of malt beverages, vinous beverages, fortified wines, and ready-  
12 to-drink spirits beverages, into this State in ~~his or her~~ the person's own private  
13 vehicle or in ~~his or her~~ the person's actual possession at the time of  
14 importation without a license or permit, provided the beverages are not for  
15 resale.

16 Sec. 6. 7 V.S.A. § 104 is amended to read:

17 § 104. DUTIES; AUTHORITY TO RESOLVE ALLEGED VIOLATIONS

18 The Board shall supervise and manage the sale of spirits ~~and fortified wines~~  
19 within the State in accordance with the provisions of this title, and through the  
20 Commissioner of Liquor and Lottery shall:

21 \* \* \*



1           (2) Recommend rules subject to approval and adoption by the Board  
2 governing the hours during which local agencies shall be open for the sale of  
3 spirits and fortified wines, the qualifications of the agencies' employees, and  
4 the business, operational, financial, and revenue standards that must be met for  
5 the establishment of an agency and its continued operation.

6           (3) Recommend rules subject to approval and adoption by the Board  
7 governing:

8                 (A) the prices at which spirits shall be sold by local agencies, the  
9 method for their delivery, and the quantities of spirits that may be sold to any  
10 one person at any one time; and

11                 (B) ~~the minimum prices at which fortified wines shall be sold by~~  
12 ~~local agencies and second-class licensees that hold fortified wine permits, the~~  
13 ~~method for their delivery, and the quantities of fortified wines that may be sold~~  
14 ~~to any one person at any one time.~~

15           (4) Supervise the quantities and qualities of spirits and fortified wines to  
16 be kept as stock in local agencies and recommend rules subject to approval and  
17 adoption by the Board regarding the filling of requisitions for spirits and  
18 fortified wines on the Commissioner of Liquor and Lottery.

19           (5) Purchase spirits and fortified wines for and in behalf of the Board of  
20 Liquor and Lottery; supervise their storage and distribution to local agencies,  
21 third-class licensees, and holders of fortified wine permits; and recommend

1 rules subject to approval and adoption by the Board regarding the sale and  
2 delivery from the central liquor warehouse.

3 \* \* \*

4 Sec. 8. 7 V.S.A. § 110 is amended to read:

5 § 110. SPECIAL BRANDS; PURCHASE BY COMMISSIONER OF  
6 LIQUOR AND LOTTERY

7 If a person desires to purchase any class, variety, or brand of spirits or  
8 ~~fortified wine~~ that a local agency or fortified wine permit holder does not have  
9 in stock, the Commissioner of Liquor and Lottery shall order the product upon  
10 the payment of a reasonable deposit by the purchaser in a proportion of the  
11 approximate cost of the order as prescribed by the rules of the Board of Liquor  
12 and Lottery.

13 Sec. 9. 7 V.S.A. § 112 is amended to read:

14 § 112. LIQUOR CONTROL ENTERPRISE FUND

15 The Liquor Control Enterprise Fund is established. It shall consist of all  
16 receipts from the sale of spirits, ~~fortified wines~~, and other items by the Board  
17 of Liquor and Lottery and Division of Liquor Control; fees paid to the  
18 Division of Liquor Control for the benefit of the Division; all other amounts  
19 received by the Division of Liquor Control for its benefit; and all amounts that  
20 are from time to time appropriated to the Division of Liquor Control.

1 Sec. 10. 7 V.S.A. § 161 is amended to read:

2 § 161. LICENSES VOTED BY TOWN; TOWN MEETINGS; WARNING

3 (a) Upon petition of not less than five percent of the legal voters of any  
4 town, filed with the town clerk in conformance with 17 V.S.A. § 2642, the  
5 warning of the annual or special meeting shall contain an article providing for  
6 a vote upon the following questions:

7 Shall licenses for the sale of malt ~~and~~ beverages, vinous beverages, fortified  
8 wines, and ready-to-drink spirits beverages be granted in this town?

9 Shall spirits ~~and fortified wines~~ be sold in this town?

10 The vote under the article shall be by ballot in the following form:

11 Shall licenses for the sale of malt ~~and~~ beverages, vinous beverages, fortified  
12 wines, and ready-to-drink spirits beverages be granted in this town?

13 Yes \_\_\_ No \_\_\_

14 Shall spirits ~~and fortified wines~~ be sold in this town?

15 Yes \_\_\_ No \_\_\_

16 (b) Licenses and permits for the sale of malt ~~and~~ beverages, vinous  
17 beverages, fortified wines, ready-to-drink spirits beverages, and spirits ~~and~~  
18 ~~fortified wines~~ shall be issued according to the vote at the annual town meeting  
19 held in March 1969 until a town votes otherwise.

1 Sec. 11. 7 V.S.A. § 201 is amended to read:

2 § 201. LICENSES CONTINGENT ON TOWN VOTE

3 Licenses of the first or second class shall not be granted by the control  
4 commissioners or the Board of Liquor and Lottery to be exercised in any city  
5 or town, the voters of which vote “No” on the question of whether to permit  
6 the sale of malt beverages ~~and~~, vinous beverages, fortified wines, and ready-to-  
7 drink spirits beverages pursuant to section 161 of this title. Licenses of the  
8 third class shall not be granted by the Board of Liquor and Lottery to be  
9 exercised in any city or town, the voters of which vote “No” on the question of  
10 whether to sell ~~fortified wines and~~ spirits pursuant to section 161 of this title.

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

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

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

16 (1) For a manufacturer’s or rectifier’s license to manufacture or rectify  
17 malt beverages, or vinous beverages and fortified wines, or spirits and ~~fortified~~  
18 ~~wines~~ ready-to-drink spirits beverages, \$285.00 for each license.

19 \* \* \*

20 (7) For a shipping license for malt beverages ~~or~~, vinous beverages, or  
21 ready-to-drink spirits beverages:



1 (A) in-state consumer shipping license, \$330.00.

2 (B) out-of-state consumer shipping license, \$330.00.

3 (C) vinous beverages retail shipping license, \$250.00.

4 \* \* \*

5 (16) For a certificate of approval:

6 (A) for malt beverages, \$2,485.00;

7 (B) for vinous beverages and fortified wines, \$985.00.

8 (C) for ready-to-drink spirits beverages, \$985.00.

9 \* \* \*

10 (21) ~~For a fortified wine permit, \$100.00. [Repealed.]~~

11 \* \* \*

12 Sec. 13. 7 V.S.A. § 221 is amended to read:

13 § 221. FIRST-CLASS LICENSES

14 \* \* \*

15 (b)(1) A first-class license permits the holder to sell malt ~~and~~ beverages,  
16 vinous beverages, fortified wines, and ready-to-drink spirits beverages for  
17 consumption only on those premises.

18 (2) Except as otherwise provided pursuant to sections 271 and 278 of  
19 this title, a first-class license holder shall purchase all malt beverages ~~and~~,  
20 vinous beverages, fortified wines, and ready-to-drink spirits beverages sold  
21 pursuant to the license from Vermont wholesale dealers or packagers.

1 (c) A retail dealer carrying on business in more than one place shall acquire  
2 a first-class license for each place where the retail dealer sells malt ~~or~~  
3 beverages, vinous beverages, fortified wines, or ready-to-drink spirits  
4 beverages for consumption on the premises.

5 \* \* \*

6 Sec. 14. 7 V.S.A. § 222 is amended to read:

7 § 222. SECOND-CLASS LICENSES

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

13 \* \* \*

14 (B) are a safe, sanitary, and proper place from which to sell malt ~~and~~  
15 beverages, vinous beverages, and fortified wines.

16 \* \* \*

17 (b)(1) A second-class license permits the holder to export malt ~~and~~  
18 beverages, vinous beverages, fortified wines, and ready-to-drink spirits  
19 beverages and to sell malt ~~and~~ beverages, vinous beverages, fortified wines,  
20 and ready-to-drink spirits beverages to the public from the licensed premises  
21 for consumption off the premises.

1 (2) The Division of Liquor Control may grant a second-class licensee a  
2 ~~fortified wine permit pursuant to section 225 of this chapter or a retail delivery~~  
3 permit pursuant to section 226 of this chapter.

4 (3) Except as otherwise provided pursuant to sections 225, 271, and 278  
5 of this title, a second-class license holder shall purchase all malt beverages  
6 and, vinous beverages, fortified wines, and ready-to-drink spirits beverages  
7 sold pursuant to its license from Vermont wholesale dealers or packagers.

8 (c) A retail dealer carrying on business in more than one place shall be  
9 required to acquire a second-class license for each place where the retail dealer  
10 sells malt and beverages, vinous beverages, fortified wines, and ready-to-drink  
11 spirits beverages.

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

13 § 223. THIRD-CLASS LICENSES

14 \* \* \*

15 (b) A third-class license holder may sell spirits ~~and fortified wines~~ for  
16 consumption only on the licensed premises, boat, or railroad dining car.

17 \* \* \*

18 (d)(1) Except as otherwise provided in subdivisions (2) and (3) of this  
19 subsection, a person who holds a third-class license shall purchase from the  
20 Board of Liquor and Lottery all spirits ~~and fortified wines~~ dispensed in  
21 accordance with the provisions of the third-class license and this title.

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\* \* \*

(3) For a third-class license that is issued to a licensed manufacturer or rectifier of spirits or fortified wines, the licensee shall not be required to purchase from the Board of Liquor and Lottery spirits ~~and fortified wines~~ that it has manufactured or rectified before selling them pursuant to its third-class license.

\* \* \*

Sec. 16. 7 V.S.A. § 224 is amended to read:

§ 224. FOURTH-CLASS LICENSES

\* \* \*

(b) At each licensed location, a fourth-class licensee may sell by the unopened container or distribute by the glass, with or without charge, alcoholic beverages manufactured by the licensee.

(1) A licensee may, for consumption at the licensed premises or location, distribute the following amounts of alcoholic beverages to a retail customer:

(A) ~~no~~ not more than two ounces of malt beverages ~~or~~, vinous beverages, or ready-to-drink spirits beverages with a total of eight ounces; and

\* \* \*

1 Sec. 17. 7 V.S.A. § 226 is amended to read:

2 § 226. RETAIL DELIVERY PERMITS

3 \* \* \*

4 (b) A retail delivery permit holder may deliver malt beverages ~~and~~, vinous  
5 beverages, and ready-to-drink spirits beverages sold from the licensed  
6 premises for consumption off the premises to an individual who is 21 years of  
7 age or older subject to the following requirements:

8 \* \* \*

9 (4) An employee of a retail delivery permit holder shall not be permitted  
10 to make deliveries of malt beverages ~~or~~, vinous beverages, or ready-to-drink  
11 spirits beverages pursuant to the permit unless ~~he or she~~ the employee has  
12 completed a training program approved by the Division pursuant to section  
13 213 of this chapter.

14 (5) Malt beverages ~~and~~, vinous beverages, and ready-to-drink spirits  
15 beverages delivered pursuant to a retail delivery permit shall be for personal  
16 use and not for resale.

17 Sec. 18. 7 V.S.A. § 228 is amended to read:

18 § 228. SAMPLER FLIGHTS

19 \* \* \*

1 (b) The holder of a first-class license may serve a sampler flight of up to  
2 12 ounces in the aggregate of vinous beverages or ready-to-drink spirits  
3 beverages to a single customer at one time.

4 \* \* \*

5 (d) The holder of a first-class license may serve a sampler flight of up to  
6 four ounces in the aggregate of fortified wines to a single customer at one  
7 time.

8 Sec. 19. 7 V.S.A. § 251 is amended to read:

9 § 251. EDUCATIONAL SAMPLING EVENT PERMIT

10 \* \* \*

11 (b) An educational sampling event permit holder is permitted to conduct an  
12 event that is open to the public at which malt beverages, vinous beverages,  
13 ready-to-drink spirits beverages, fortified wines, spirits, or all four are served  
14 only for the purposes of marketing and educational sampling.

15 \* \* \*

16 (d) The permit holder shall ensure all the following:

17 (1) Attendees at the educational sampling event shall be required to pay  
18 an entry fee of ~~no~~ not less than \$5.00.

19 (2)(A) Malt beverages ~~or~~, vinous beverages, or ready-to-drink spirits  
20 beverages for sampling shall be offered in glasses that contain ~~no~~ not more  
21 than two ounces of either beverage.

1 \* \* \*

2 (f) Taxes for the alcoholic beverages served at the event shall be paid as  
3 follows:

4 \* \* \*

5 (2) vinous beverages and ready-to-drink spirits beverages: \$0.55 per  
6 gallon served;

7 \* \* \*

8 Sec. 20. 7 V.S.A. § 252 is amended to read:

9 § 252. SPECIAL EVENT PERMITS

10 \* \* \*

11 (b)(1) A special event permit holder may sell alcoholic beverages  
12 manufactured or rectified by the permit holder by the glass or the unopened  
13 bottle.

14 (2) For purposes of tasting, a special event permit holder may distribute  
15 beverages manufactured or rectified by the permit holder with or without  
16 charge, provided the beverages are distributed:

17 (A) by the glass; and

18 (B) in quantities of ~~no~~ not more than two ounces per product and  
19 eight ounces total of malt beverages ~~or~~, vinous beverages, or ready-to-drink  
20 spirits beverages and ~~no~~ not more than one ounce in total of spirits or fortified  
21 wines to each individual.

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Sec. 21. 7 V.S.A. § 253 is amended to read:

§ 253. FESTIVAL PERMITS

\* \* \*

(b) 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, ready-to-drink spirits 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, ready-to-drink spirits beverages, fortified wines, or spirits.

(d) The permit holder shall ensure the following:

\* \* \*

(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 or ready-to-drink spirits 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.

\* \* \*





1 Sec. 22. 7 V.S.A. § 254 is amended to read:

2 § 254. SPECIAL VENUE SERVING PERMITS

3 \* \* \*

4 (b) A permit holder may purchase malt ~~or~~ beverages, vinous beverages, or  
5 ready-to-drink spirits beverages directly from a licensed retailer.

6 \* \* \*

7 (d) A public library or museum may only be granted a permit pursuant to  
8 this section for an event held for a charitable or educational purpose at which  
9 malt ~~and~~ beverages, vinous beverages, and ready-to-drink spirits beverages  
10 will be served for a period of not more than six hours.

11 Sec. 23. 7 V.S.A. § 255 is amended to read:

12 § 255. RETAIL ALCOHOLIC BEVERAGE TASTING PERMITS

13 \* \* \*

14 (b) The Division may grant the following alcoholic beverage tasting  
15 permits to the following types of licensees:

16 (1) A second-class licensee.

17 (A) The permit authorizes the employees of the second-class licensee  
18 or of a designated manufacturer or rectifier to dispense to each customer of  
19 legal age on the licensee's premises malt ~~or~~ beverages, vinous beverages, or  
20 ready-to-drink spirits beverages by the glass not to exceed two ounces of each

1 beverage with a total of eight ounces of malt ~~or~~ beverages, vinous beverages,  
2 or ready-to-drink spirits beverages.

3 (B) Malt ~~or~~ beverages, vinous beverages, or ready-to-drink spirits  
4 beverages dispensed at the tasting event shall be from the inventory of the  
5 licensee or purchased from a wholesale dealer.

6 \* \* \*

7 (2) A licensed manufacturer or rectifier of malt ~~or~~ beverages, vinous  
8 beverages, or ready-to-drink spirits beverages.

9 (A) The permit authorizes the licensed manufacturer or rectifier to  
10 dispense to each customer of legal age for consumption on the premises of a  
11 second-class licensee beverages produced by the manufacturer or rectifier by  
12 the glass not to exceed two ounces of each beverage with a total of eight  
13 ounces of malt ~~or~~ beverages, vinous beverages, or ready-to-drink spirits  
14 beverages.

15 \* \* \*

16 (3) A licensed wholesale dealer. The permit authorizes a licensed  
17 wholesale dealer to dispense malt ~~or~~ beverages, vinous beverages, fortified  
18 wines, or ready-to-drink spirits beverages for promotional purposes at the  
19 wholesale dealer's premises without charge to invited employees of first-,  
20 second-, and third-class licensees, provided the invited employees are of legal  
21 age.

1 (c) A vinous beverage, ~~ready-to-drink spirits beverage~~, or malt beverage  
2 tasting event held pursuant to subsection (b) of this section, not including an  
3 alcoholic beverage tasting conducted on the premises of the manufacturer or  
4 rectifier, shall comply with the following:

5 (1) continue for ~~no~~ not more than six hours, with ~~no~~ not more than six  
6 beverages to be offered at a single event, and ~~no~~ not more than two ounces of  
7 any single beverage and ~~no~~ not more than a total of eight ounces of malt ~~or~~  
8 beverages, vinous beverages, or ready-to-drink spirits beverages to be  
9 dispensed to a customer;

10 \* \* \*

11 Sec. 24. 7 V.S.A. § 256 is amended to read:

12 § 256. PROMOTIONAL TASTINGS FOR LICENSEES

13 (a)(1) At the request of a first- or second-class licensee, a holder of a  
14 manufacturer's, rectifier's, or wholesale dealer's license may distribute  
15 without charge to the first- or second-class licensee's management and staff,  
16 provided they are of legal age, two ounces per person of vinous beverages,  
17 ready-to-drink spirits beverages, or one ounce per person of fortified wines, for  
18 the purpose of promoting the beverage.

19 (2) At the request of a holder of a third-class license, a manufacturer or  
20 rectifier of spirits ~~or fortified wines~~ may distribute without charge to the third-  
21 class licensee's management and staff, provided they are of legal age, one-

1 quarter ounce of each beverage and not more than a total of one ounce to each  
2 individual for the purpose of promoting the beverage.

3 (b)(1) At the request of a holder of a wholesale dealer's license, a first-  
4 class licensee may dispense malt ~~or~~ beverages, vinous beverages, fortified  
5 wines, or ready-to-drink spirits beverages for promotional purposes without  
6 charge to invited management and staff of first-, second-, or third-class  
7 licensees, provided they are of legal age.

8 \* \* \*

9 (c)(1) Upon receipt of a first- or second-class application by the Division, a  
10 holder of a wholesale dealer's license may dispense malt ~~or~~ beverages, vinous  
11 beverages, fortified wines, or ready-to-drink spirits beverages for promotional  
12 purposes without charge to invited management and staff of the business that  
13 has applied for a first- or second-class license, provided they are of legal age.

14 \* \* \*

15 (4) No malt ~~or~~ beverages, vinous beverages, fortified wines, or ready-to-  
16 drink spirits beverages shall be left behind at the conclusion of the tasting.

17 \* \* \*

18 Sec. 25. 7 V.S.A. § 257 is amended to read:

19 § 257. TASTINGS FOR PRODUCT QUALITY ASSURANCE

20 \* \* \*

1 (b) Each sample of malt beverages ~~or~~, vinous beverages, or ready-to-drink  
2 spirits beverages shall be ~~no~~ not larger than two ounces, and each sample of  
3 spirits or fortified wines shall be ~~no~~ not larger than one-quarter ounce.

4 \* \* \*

5 Sec. 26. 7 V.S.A. § 271 is amended to read:

6 § 271. MANUFACTURER'S OR RECTIFIER'S LICENSE

7 (a)(1) The Board of Liquor and Lottery may grant a manufacturer's or  
8 rectifier's license upon application and payment of the fee provided in section  
9 204 of this title that permits the license holder to operate a facility that  
10 manufactures or rectifies:

11 (A) malt beverages;

12 (B) vinous beverages and fortified wines; or

13 (C) spirits and ~~fortified wines~~ ready-to-drink spirits beverages.

14 \* \* \*

15 (b) Except as otherwise provided in section 224 of this title and subsections  
16 (d)–(f) of this section:

17 (1) spirits and ~~fortified wine~~ may be manufactured for sale to the Board  
18 of Liquor and Lottery or for export, or both; and

19 (2) malt beverages ~~and~~, vinous beverages, fortified wines, and ready-to-  
20 drink spirits beverages may be manufactured or rectified for sale to packagers  
21 or wholesale dealers, or for export, or both.

1 (c) A licensed manufacturer of vinous beverages or fortified wines, or  
2 both, may receive from another manufacturer licensed in or outside this State  
3 bulk shipments of vinous beverages to rectify with the licensee's own product,  
4 provided that the vinous beverages or fortified wines produced by the licensed  
5 manufacturer may contain ~~no~~ not more than 25 percent imported vinous  
6 beverages.

7 \* \* \*

8 Sec. 27. 7 V.S.A. § 273 is amended to read:

9 § 273. WHOLESAL DEALER'S LICENSE

10 \* \* \*

11 (b) A wholesale dealer's license holder may distribute or sell malt  
12 beverages ~~or~~, vinous beverages, fortified wines, or ready-to-drink spirits  
13 beverages to first- and second-class licensees and holders of educational  
14 sampling event permits.

15 \* \* \*

16 Sec. 28. 7 V.S.A. § 274 is amended to read:

17 § 274. CERTIFICATE OF APPROVAL FOR DISTRIBUTION OF MALT

18 ~~OR BEVERAGES, VINOUS BEVERAGES, FORTIFIED WINES,~~

19 OR READY-TO DRINK SPIRITS BEVERAGES

20 (a) The Board of Liquor and Lottery may grant to a manufacturer or  
21 distributor of malt ~~or~~ beverages, vinous beverages, fortified wines, or ready-to-

1 drink spirits beverages that is not licensed under the provisions of this title a  
2 certificate of approval if the manufacturer or distributor does all of the  
3 following:

4 \* \* \*

5 (b) A certificate of approval shall permit the holder to export malt ~~or~~  
6 beverages, vinous beverages, fortified wines, or ready-to-drink spirits  
7 beverages or sell malt ~~or~~ beverages, vinous beverages, fortified wines, or  
8 ready-to-drink spirits beverages to holders of packagers' or wholesale dealers'  
9 licenses issued under section 272 or 273 of this title, or both.

10 (c) A holder of a packager's or a wholesale dealer's license issued under  
11 this title shall not purchase within or outside the State, or import or cause to be  
12 imported into the State, any malt ~~or~~ beverages, vinous beverages, fortified  
13 wines, or ready-to-drink spirits beverages unless the person, manufacturer, or  
14 distributor from which the beverages are obtained holds a valid certificate of  
15 approval or packager's license.

16 \* \* \*

17 Sec. 29. 7 V.S.A. § 275 is amended to read:

18 § 275. SOLICITOR'S LICENSE

19 \* \* \*

20 (b) A solicitor's license holder may, by canvassing or interviewing holders  
21 of licenses issued under the provisions of this title:





1 of the applicant's current Vermont manufacturer's license and the fee provided  
2 in section 204 of this title.

3 \* \* \*

4 (b)(1) A manufacturer or rectifier of malt ~~or~~ beverages, vinous beverages,  
5 or ready-to-drink spirits beverages licensed in another state that operates a  
6 brewery ~~or~~, winery, or distillery in the United States and holds valid state and  
7 federal permits and licenses may be granted an out-of-state consumer shipping  
8 license by filing with the Division of Liquor Control an application in a form  
9 required by the Commissioner accompanied by copies of the applicant's  
10 current out-of-state manufacturer's license and the fee provided in section 204  
11 of this title.

12 \* \* \*

13 (c)(1) A consumer shipping license granted pursuant to this section shall  
14 permit the licensee to ship malt ~~or~~ beverages, vinous beverages, or ready-to-  
15 drink spirits beverages produced by the licensee to private residents for  
16 personal use and not for resale.

17 (2) A licensee shall not ship more than 12 cases of malt beverages  
18 containing ~~no~~ not more than 36 gallons of malt beverages or ~~no~~ not more than  
19 12 cases of vinous beverages or ready-to-drink spirits beverages containing ~~no~~  
20 not more than 29 gallons of vinous beverages or ready-to-drink spirits  
21 beverages to any one Vermont resident in any calendar year.

1 \* \* \*

2 Sec. 31. 7 V.S.A. § 279 is amended to read:

3 § 279. CONSUMER AND RETAIL SHIPPING LICENSES; GENERAL  
4 REQUIREMENTS

5 A holder of a shipping license granted pursuant to section 277 or 278 of this  
6 subchapter shall comply with all of the following:

7 \* \* \*

8 (4) Report at least twice per year to the Division if a holder of a  
9 consumer shipping license and once per year if a holder of a retail shipping  
10 license in a manner and form required by the Commissioner all the following  
11 information:

12 (A) the total amount of malt ~~or~~ beverages, vinous beverages, or  
13 ready-to-drink spirits beverages shipped into or within the State during the  
14 preceding six months if a holder of a consumer shipping license or during the  
15 preceding 12 months if a holder of a retail shipping license;

16 \* \* \*

17 (5) Pay to the Commissioner of Taxes the tax required pursuant to  
18 section 421 of this title on the malt ~~or~~ beverages, vinous beverages, or ready-  
19 to-drink spirits beverages shipped pursuant to this subchapter and comply with  
20 the provisions of 32 V.S.A. chapter 233, 24 V.S.A. § 138, and any other legally  
21 authorized local sales taxes. Delivery in this State shall be deemed to

1 constitute a sale in this State at the place of delivery and shall be subject to all  
2 appropriate taxes levied by the State of Vermont.

3 \* \* \*

4 Sec. 32. 7 V.S.A. § 280 is amended to read:

5 § 280. COMMON CARRIERS; REQUIREMENTS

6 (a) A common carrier shall not deliver malt ~~or beverages,~~ vinous  
7 beverages, or ready-to-drink spirits beverages pursuant to this chapter until it  
8 has complied with the training provisions in section 213 of this title and been  
9 certified by the Division of Liquor Control.

10 (b) No employee of a certified common carrier may deliver malt ~~or~~  
11 beverages, vinous beverages, or ready-to-drink spirits beverages until that  
12 employee completes the training required pursuant to subsection 213(c) of this  
13 title.

14 (c) A certified common carrier shall deliver only malt ~~or beverages,~~ vinous  
15 beverages, or ready-to-drink spirits beverages that have been shipped by the  
16 holder of a license issued under section 277 or 278 of this subchapter or vinous  
17 beverages that have been shipped by the holder of a vinous beverage storage  
18 license issued under section 283 of this subchapter.

1 Sec. 33. 7 V.S.A. § 281 is amended to read:

2 § 281. PROHIBITIONS

3 (a)(1) Except as otherwise provided in section 226 of this title, direct  
4 shipments of malt ~~or~~ beverages, vinous beverages, or ready-to-drink spirits  
5 beverages are prohibited if the shipment is not specifically authorized and in  
6 compliance with sections 277–280 of this subchapter.

7 (2) Any person who knowingly makes, participates in, imports, or  
8 receives a direct shipment of malt ~~or~~ beverages, vinous beverages, or ready-to-  
9 drink spirits beverages from a person who does not hold a license, permit, or  
10 certificate pursuant to sections 226 or 277–280 of this title may be fined not  
11 more than \$2,500.00 or imprisoned not more than one year, or both.

12 (b) The holder of a license issued pursuant to section 277 or 278 of this  
13 title or a common carrier that ships malt ~~or~~ beverages, vinous beverages, or  
14 ready-to-drink spirits beverages to an individual under 21 years of age shall be  
15 fined not less than \$1,000.00 or more than \$3,000.00 or imprisoned not more  
16 than two years, or both.

17 \* \* \*

1 Sec. 34. 7 V.S.A. § 421 is amended to read:

2 § 421. TAX ON MALT ~~AND BEVERAGES,~~ VINOUS BEVERAGES,  
3 FORTIFIED WINES, AND READY-TO-DRINK SPIRITS  
4 BEVERAGES

5 (a)(1) Every packager and wholesale dealer shall pay to the Commissioner  
6 of Taxes the sum of 26 and one-half cents per gallon for every gallon or its  
7 equivalent of malt beverages containing not more than six percent of alcohol  
8 by volume at 60 degrees Fahrenheit sold by them to retailers in the State and  
9 the sum of 55 cents per gallon for each gallon of the following beverages sold  
10 by them to retailers of the State:

11 (A) malt beverages containing more than six percent of alcohol by  
12 volume at 60 degrees Fahrenheit ~~and each gallon of;~~

13 (B) vinous beverages sold by them to retailers in the State and  
14 fortified wines; and

15 (C) ready-to-drink spirits beverages.

16 (2) A manufacturer or rectifier of malt ~~or beverages,~~ vinous beverages,  
17 fortified wines, or ready-to-drink spirits beverages shall pay the taxes required  
18 by this subsection to the Commissioner of Taxes for all malt ~~and beverages,~~  
19 vinous beverages, fortified wines, and ready-to-drink spirits beverages  
20 manufactured or rectified by them and sold at retail.

1 (b) A packager or wholesale dealer may sell malt or beverages, vinous  
2 beverages, fortified wines, or ready-to-drink spirits beverages to any duly  
3 authorized agency of the U.S. Armed Forces on any U.S. Armed Forces'  
4 installation presently existing in the State or ~~which~~ that may in the future be  
5 established as though to a retail dealer but without the payment of the  
6 gallonage tax, subject to the filing of the returns as provided in subsection (c)  
7 of this section.

8 (c)(1) For the purpose of ascertaining the amount of tax, on the filing dates  
9 set out in subdivision (2) of this subsection according to tax liability, each  
10 packager, wholesale dealer, manufacturer, or rectifier shall transmit to the  
11 Commissioner of Taxes, upon a form prepared and furnished by the  
12 Commissioner, a statement or return under oath or affirmation showing the  
13 quantity of malt ~~and~~ beverages, vinous beverages, fortified wines, and ready-  
14 to-drink spirits beverages sold by the packager, wholesale dealer,  
15 manufacturer, or rectifier during the preceding filing period, and report any  
16 other information requested by the Commissioner accompanied by payment of  
17 the tax required by this section. The amount of tax computed under subsection  
18 (a) of this section shall be rounded to the nearest whole cent. At the same time  
19 this form is due, each packager, wholesale dealer, manufacturer, or rectifier  
20 also shall transmit to the Commissioner in electronic format a separate report  
21 showing the description, quantity, and price of malt ~~and~~ beverages, vinous

1 beverages, fortified wines, and ready-to-drink spirits beverages sold by the  
2 packager, wholesale dealer, manufacturer, or rectifier to each retail dealer as  
3 defined in section 2 of this title; provided, however, for direct sales to retail  
4 dealers by manufacturers or rectifiers of vinous beverages or ready-to-drink  
5 spirits beverages, the report required by this subsection may be submitted in a  
6 nonelectronic format.

7 \* \* \*

8 Sec. 35. 7 V.S.A. § 422 is amended to read:

9 § 422. TAX ON SPIRITS AND FORTIFIED WINES

10 (a) A tax of five percent is assessed on the gross revenue from the sale of  
11 spirits ~~and fortified wines~~ in the State of Vermont by the Board of Liquor and  
12 Lottery or the retail sale of spirits ~~and fortified wines~~ in Vermont by a  
13 manufacturer or rectifier of spirits ~~or fortified wines~~, in accordance with the  
14 provisions of this title.

15 (b) The retail sales of spirits ~~and fortified wines~~ made by a manufacturer or  
16 rectifier at a fourth-class or farmers' market license location shall be included  
17 in the gross revenue of a seller under this section, but only to the extent that  
18 the sales are of the manufacturer's or rectifier's own products, and not  
19 products purchased from other manufacturers and rectifiers.



1 Sec. 36. 7 V.S.A. § 423 is amended to read:

2 § 423. RULES

3 \* \* \*

4 (b) Notwithstanding subsection (a) of this section, where the spirits and  
5 ~~fortified wines~~ tax liability of a manufacturer or rectifier under section 422 of  
6 this title for the immediately preceding full calendar year has been (or would  
7 have been in cases when the business was not operating for the entire year)  
8 \$1,000.00 or less, the tax imposed on the manufacturer or rectifier by  
9 section 422 of this title shall be due and payable in one annual payment on or  
10 before the 25th day of January. Where the spirits and ~~fortified wines~~ tax  
11 liability of a manufacturer or rectifier under section 422 of this title for the  
12 immediately preceding full calendar year has been (or would have been in  
13 cases when the business was not operating for the entire year) more than  
14 \$1,000.00, the tax imposed on the manufacturer or rectifier by section 422 of  
15 this title shall be due and payable in quarterly installments on or before the  
16 25th day of the calendar month succeeding the quarter ending the last day of  
17 March, June, September, and December of each year.

18 Sec. 37. 7 V.S.A. § 651 is amended to read:

19 § 651. SOLICITING ORDERS

20 A person who, for himself or herself or as agent, takes or solicits orders for  
21 the sale of malt or beverages, vinous beverages, fortified wines, or ready-to-

1 drink spirits beverages, except for licensees or from agencies of the  
2 U.S. Armed Forces as specified in section 421 of this title, or of spirits or  
3 fortified wines shall be imprisoned not more than six months or fined not more  
4 than \$500.00 nor less than \$100.00, or both.

5 Sec. 38. 7 V.S.A. § 656 is amended to read:

6 § 656. PERSON 16 YEARS OF AGE OR OLDER AND UNDER 21 YEARS  
7 OF AGE MISREPRESENTING AGE, PROCURING, POSSESSING,  
8 OR CONSUMING ALCOHOLIC BEVERAGES; CIVIL  
9 VIOLATION

10 (a) Prohibited conduct; offense.

11 (1) Prohibited conduct. A person 16 years of age or older and under 21  
12 years of age shall not:

13 (A) Falsely represent ~~his or her~~ the person's age for the purpose of  
14 procuring or attempting to procure malt or vinous beverages, ready-to-drink  
15 spirits beverages, spirits, or fortified wines from any licensee, State liquor  
16 agency, or other person or persons.

17 (B) Possess malt or vinous beverages, ready-to-drink spirits  
18 beverages, spirits, or fortified wines for the purpose of consumption by  
19 ~~himself or herself~~ the person or other minors, except in the regular  
20 performance of duties as an employee of a licensee licensed to sell alcoholic  
21 liquor.



1 malt beverages or, vinous beverages, fortified wines, or ready-to-drink spirits  
2 beverages offered by the certificate of approval holder or manufacturer;

3 \* \* \*

4 (E) a relationship that has been in existence for at least one year in  
5 which the wholesale dealer's business is substantially reliant on the certificate  
6 of approval holder or manufacturer for the continued supply of malt beverages  
7 or, vinous beverages, fortified wines, or ready-to-drink spirits beverages; or

8 \* \* \*

9 (3) "Franchisee" means any malt beverages or, vinous beverages,  
10 fortified wines, or ready-to-drink spirits beverages wholesale dealer to whom a  
11 franchise or agreement as defined in this section is granted or offered, or any  
12 malt beverages or, vinous beverages, fortified wines, or ready-to-drink spirits  
13 beverages certificate of approval holder or manufacturer who is a party to a  
14 franchise or agreement as defined in this section.

15 (4) "Franchisor" means any malt beverages or, vinous beverages,  
16 fortified wines, or ready-to-drink spirits beverages certificate of approval  
17 holder or manufacturer who enters into any franchise or agreement with a malt  
18 beverages or, vinous beverages, or fortified wines wholesale dealer, or any  
19 malt beverages or, vinous beverages, or fortified wines certificate of approval  
20 holder or manufacturer who is a party to a franchise or agreement as defined in  
21 this section.

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\* \* \*

Sec. 40. 7 V.S.A. § 702 is amended to read:

§ 702. PROHIBITED ACTS BY MANUFACTURER OR CERTIFICATE OF  
APPROVAL HOLDER

A manufacturer or certificate of approval holder shall not do any of the  
following:

\* \* \*

(2) Induce or coerce, or attempt to induce or coerce, any wholesale  
dealer to do any illegal act or thing by threatening to cancel or terminate the  
wholesale dealer's malt beverages or, vinous beverages, fortified wines, or  
ready-to-drink spirits beverages franchise agreement.

(3) Fail or refuse to deliver promptly to a wholesale dealer after the  
receipt of its order any malt beverages or, vinous beverages, fortified wines, or  
ready-to-drink spirits beverages when the product is available for immediate  
sale. If a manufacturer or certificate of approval holder believes in good faith  
that it does not have a sufficient amount of a product available for immediate  
sale to satisfy the demand of a wholesale dealer and its other customers, it  
shall allocate the available product between the wholesale dealer and its other  
customers in a fair and equitable manner.

\* \* \*

1 Sec. 41. 7 V.S.A. § 705 is amended to read:

2 § 705. EXCLUSIVE TERRITORIES

3 No certificate of approval holder or manufacturer, who designates a sales  
4 territory for which a wholesale dealer shall be primarily responsible or in  
5 which a wholesale dealer is required to concentrate its efforts, shall enter into  
6 any franchise or agreement with any other wholesale dealer for the purpose of  
7 establishing an additional franchisee for its brand or brands of malt beverages  
8 ~~or~~, vinous beverages, fortified wines, or ready-to-drink spirits beverages in the  
9 territory being primarily served or concentrated upon by the first licensed  
10 wholesale dealer.

11 Sec. 42. 7 V.S.A. § 706 is amended to read:

12 § 706. SALE TO RETAILERS BY FRANCHISEES

13 No franchisee that is granted a sales territory for which the franchisee shall  
14 be primarily responsible or in which the franchisee is required to concentrate  
15 its efforts shall make any sale or delivery of malt beverages ~~or~~, vinous  
16 beverages, fortified wines, or ready-to-drink spirits beverages to any retail  
17 licensee whose place of business is not within the sales territory granted to the  
18 franchisee.

19 Sec. 43. 10 V.S.A. § 1521 is amended to read:

20 § 1521. DEFINITIONS

21 ~~For the purpose of~~ As used in this chapter:

1 (1) “Beverage” means beer or other malt beverages and mineral waters,  
2 mixed wine drink, soda water and carbonated soft drinks in liquid form and  
3 intended for human consumption. ~~As of January 1, 1990 “beverage” also shall~~  
4 ~~mean~~ “Beverage” also means liquor and ready-to-drink spirits beverage.

5 \* \* \*

6 Sec. 44. REPEAL

7 7 V.S.A. § 225 (fortified wine permits) is repealed.

*Sec. 44a. TRANSFER TO GENERAL FUND*

*(a) In fiscal year 2023, a minimum of \$20,400,000.00 shall be transferred  
from the Liquor Control Enterprise Fund to the General Fund. The amount  
transferred pursuant to this subsection shall include any amounts transferred  
pursuant to the fiscal year 2023 annual budget bill.*

*(b) In fiscal year 2024, a minimum of \$21,200,000.00 shall be transferred  
from the Liquor Control Enterprise Fund to the General Fund.*

*(c) It is the intent of the General Assembly that for each year after fiscal  
year 2024 the amounts transferred from the Liquor Control Enterprise Fund to  
the General Fund shall annually increase according to the growth rate of  
liquor tax revenues in the most recent January Consensus Revenue Forecast.*

8 \* \* \* DLL Criminal Background Checks \* \* \*

9 Sec. 45. 7 V.S.A. § 215 is added to read:

10 § 215. AUTHORITY FOR CRIMINAL BACKGROUND CHECKS





1 (a)(1) The Department of Liquor and Lottery, created by 3 V.S.A. § 212,  
2 shall administer the laws relating to alcoholic beverages, tobacco, and the State  
3 Lottery. It shall include the Commissioner of Liquor and Lottery and the  
4 Board of Liquor and Lottery.

5 \* \* \*

6 (3)(A) The Department of Liquor and Lottery shall be under the  
7 immediate supervision and direction of the Commissioner of Liquor and  
8 Lottery.

9 \* \* \*

10 (D) The Commissioner, with the approval of the Governor, may  
11 appoint a Deputy Commissioner of Liquor ~~Control~~ and Lottery to supervise  
12 and direct the Division of Liquor Control and a ~~Deputy Commissioner of the~~  
13 ~~State Lottery to supervise and direct~~ the Division of Lottery. ~~Both~~ The Deputy  
14 ~~Commissioners~~ Commissioner shall be exempt from the classified service and  
15 shall serve at the pleasure of the Commissioner.

16 \* \* \*

17 \* \* \* Expansion of Rare Spirits Raffle \* \* \*

18 Sec. 48. 7 V.S.A. § 5 is amended to read:

19 § 5. DIVISION OF LIQUOR CONTROL; RAFFLES FOR RIGHT TO  
20 PURCHASE RARE AND UNUSUAL PRODUCTS SPIRITS

1 (a) Notwithstanding any provision of 13 V.S.A. chapter 51 to the contrary,  
2 the Division of Liquor Control may conduct raffles for the right to purchase  
3 certain rare and unusual spirits ~~and fortified wines~~ that are acquired by the  
4 Board of Liquor and Lottery. A raffle conducted pursuant to this section shall  
5 meet the following requirements:

6 (1) Tickets to enter the raffle shall only be available for purchase to a  
7 member of the general public, or to a third-class licensee by and through an  
8 authorized agent, who is 21 years of age or older.

9 \* \* \*

10 \* \* \* Staggered Licenses \* \* \*

11 Sec. 49. TRANSITIONAL PROVISION; STAGGERED LICENSE

12 RENEWAL

13 The Department of Liquor and Lottery may extend the expiration date and  
14 stagger the issuance or renewal of permits, licenses, and certificates that are set  
15 to expire in the years 2022 and 2023. Permits, licenses, and certificates that  
16 are renewed on April 30, 2022 shall remain valid for one year or until a later  
17 renewal date designated by the Department.

18 \* \* \* Effective Dates \* \* \*

19 Sec. 50. EFFECTIVE DATES

20 (a) This section and Sec. 49 (transitional provision; staggered license  
21 renewal) shall take effect on passage.

1           (b) All other sections shall take effect on July 1, 2022.