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 same
14	manner as malt beverages and vinous beverages, except for direct to consumer
15	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 7	An act relating to alcoholic beverages and the Department of Liquor and 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 the
16	glass sample, with or without charge, beverages manufactured by the licensee.
17	* * *
18	(25) <u>"Ready-to-drink spirits beverage" means an alcoholic beverage</u>
19	containing more than one percent alcohol by volume and not more than
20	12 percent alcohol by volume at 60 degrees Fahrenheit obtained by distillation,
21	by chemical synthesis, or through concentration by freezing and mixed with

1	nonalcoholic beverages, flavoring, or coloring materials. Ready-to-drink
2	spirits beverages may also contain water, fruit juices, fruit adjuncts, sugar,
3	carbon dioxide, preservatives, and other ingredients. A ready-to-drink spirits
4	beverage shall be a spirit if the ready-to-drink spirits beverage:
5	(A) contains more than 12 percent alcohol by volume at 60 degrees
б	Fahrenheit; or
7	(B) is packaged in a container greater than 24 fluid ounces in volume.
8	(26) "Malt beverages" means all fermented beverages of any name or
9	description manufactured for sale from malt, wholly or in part, or from any
10	substitute therefor, known as, among other things, beer, ale, or lager,
11	containing not less than one percent nor more than 16 percent alcohol by
12	volume at 60 degrees Fahrenheit.
13	(26)(27) "Manufacturer's or rectifier's license" means a license granted
14	by the Board of Liquor and Lottery that permits the holder to manufacture or
15	rectify malt beverages, vinous beverages, and fortified wines, or spirits and
16	fortified wines ready-to-drink spirits beverages.
17	(27)(28) "Minor" means an individual who has not attained 21 years of
18	age.
19	(28)(29) "Outside consumption permit" means a permit granted by the
20	Division of Liquor Control allowing the holder of a first-class, first- and third-

1	class, or fourth-class license to allow for consumption of alcoholic beverages
2	in a delineated outside area.
3	(29)(30) "Packager's license" means a license granted by the Board of
4	Liquor and Lottery permitting a person to bottle or otherwise package
5	alcoholic beverages for sale and to distribute and sell alcoholic beverages at
6	wholesale in this State.
7	(30)(31) "Person," as applied to licensees, means an individual who is a
8	citizen, a lawful permanent resident of the United States, or a holder of an E-2
9	Visa; a partnership composed of individuals, a majority of whom are citizens,
10	lawful permanent residents of the United States, or holders of an E-2 Visa; a
11	corporation organized under the laws of this State or another state in which a
12	majority of the directors are citizens, lawful permanent residents of the United
13	States, or holders of an E-2 Visa; or a limited liability company organized
14	under the laws of this State or another state in which a majority of the members
15	or managers are citizens, lawful permanent residents of the United States, or
16	holders of an E-2 Visa.
17	(31)(32) "Request-to-cater permit" means a permit granted by the
18	Division of Liquor Control authorizing a licensed caterer or commercial
19	caterer to cater individual events.
20	(32)(33) "Retail dealer" means any person who sells or furnishes malt or
21	beverages, vinous beverages, or fortified wines to the public.

1	(33)(34) "Retail delivery permit" means a permit granted by the
2	Division of Liquor Control that permits a second-class licensee to deliver malt
3	beverages and vinous beverages sold from the licensed premises for
4	consumption off the premises to an individual who is 21 years of age or older
5	at a physical address in Vermont.
6	(34)(35) "Sampler flight" means a flight, ski, paddle, or any similar
7	device by design or name intended to hold alcoholic beverage samples for the
8	purpose of comparison.
9	(35)(36) "Second-class license" means a license permitting the licensee
10	to export and to sell malt beverages and, vinous beverages, and fortified wines
11	to the public for consumption off the premises for which the license is granted.
12	(36)(37) "Special event permit" means a permit granted by the Division
13	of Liquor Control permitting a licensed manufacturer or rectifier to sell, by the
14	glass or by the unopened bottle, alcoholic beverages manufactured or rectified
15	by the license holder at an event open to the public that has been approved by
16	the local control commissioners.
17	(37)(38) "Special venue serving permit" means a permit granted by the
18	Division of Liquor Control permitting an art gallery, bookstore, public library,
19	or museum to conduct an event at which malt or vinous beverages, or both, are
20	served by the glass to the public. As used in this section, "art gallery" means a
21	fixed establishment whose primary purpose is to exhibit or offer for sale works

1	of art; "bookstore" means a fixed establishment whose primary purpose is to
2	offer books for sale; "public library" has the same meaning as in 22 V.S.A.
3	§ 101; and "museum" has the same meaning as in 27 V.S.A. § 1151.
4	(38)(39) "Specialty beer" means a malt beverage that contains more
5	than eight percent alcohol and not more than 16 percent alcohol by volume at
6	60 degrees Fahrenheit.
7	(39)(40) "Spirits" means beverages that contain more than one percent
8	alcohol obtained by distillation, by chemical synthesis, or through
9	concentration by freezing; vinous beverages containing more than 23 percent
10	alcohol; and malt beverages containing more than 16 percent alcohol by
11	volume at 60 degrees Fahrenheit but does not mean fortified wines or vinous
12	beverages to which spirits have been added during manufacture that contain
13	not more than 16 percent alcohol by volume at 60 degrees Fahrenheit.
14	(40)(41) "Third-class license" means a license granted by the Board of
15	Liquor and Lottery permitting the licensee to sell spirits and fortified wines for
16	consumption only on the premises for which the license is granted.
17	(41)(42) "Vinous beverages" means all fermented beverages of any
18	name or description manufactured or obtained for sale from the natural sugar
19	content of fruits or other agricultural product, containing sugar, including
20	beverages to which spirits have been added during manufacture, the total

1	alcoholic content of which is not less than one percent nor more than
2	16 percent by volume at 60 degrees Fahrenheit.
3	(42)(43) "Wholesale dealer's license" means a license granted by the
4	Board of Liquor and Lottery permitting the holder to sell or distribute malt and
5	beverages, vinous beverages, fortified wines, and ready-to-drink spirits
6	beverages to first- and second-class licensees, to educational sampling event
7	permit holders, and to agencies of the United States.
8	Sec. 3. 7 V.S.A. § 5 is amended to read:
9	§ 5. DIVISION OF LIQUOR CONTROL; RAFFLES FOR RIGHT TO
10	PURCHASE RARE AND UNUSUAL PRODUCTS SPIRITS
11	(a) Notwithstanding any provision of 13 V.S.A. chapter 51 to the contrary,
12	the Division of Liquor Control may conduct raffles for the right to purchase
13	certain rare and unusual spirits and fortified wines that are acquired by the
14	Board of Liquor and Lottery. A raffle conducted pursuant to this section shall
15	meet the following requirements:
16	* * *
17	(3) All notices or advertisements relating to the raffle shall clearly state:
18	* * *
19	(C) the sales price of each rare and unusual spirit or fortified wine;
20	and

1	(D) that the winning prize will be the right to purchase the rare and
2	unusual spirit or fortified wine for the specified sales price.
3	* * *
4	(c) As used in this section, "rare and unusual spirits and fortified wines"
5	means spirits and fortified wines that are distributed or allocated to the Board
6	in an amount that is insufficient for general distribution to local agency stores
7	and for which the Commissioner determines that an extraordinary level of
8	public demand exists.
9	Sec. 4. 7 V.S.A. § 62 is amended to read:
10	§ 62. HOURS OF SALE
11	(a) First- or first- and third-class licensees, or festival, special event, or
12	educational sampling event permit holders may sell alcoholic beverages
13	between the hours of 8:00 a.m. and 2:00 a.m. the next morning.
14	(b)(1) Second-class licensees may sell malt and beverages, vinous
15	beverages, fortified wines, and ready-to-drink spirits beverages between the
16	hours of 6:00 a.m. and 12:00 midnight.
17	* * *

1	Sec. 5. 7 V.S.A. § 63 is amended to read:
2	§ 63. IMPORTATION OR TRANSPORTATION OF ALCOHOL;
3	PROHIBITIONS; PERSONAL IMPORT LIMIT; PENALTY
4	(a)(1) All spirits and fortified wines imported or transported into this State
5	shall be imported or transported by and through the Board of Liquor and
6	Lottery. A person importing or transporting or causing to be imported or
7	transported into this State any spirits or fortified wines, or both, in violation of
8	this section shall be imprisoned not more than one year or fined not more than
9	\$5,000.00, or both.
10	(2) Notwithstanding subdivision (1) of this subsection, a person may
11	import or transport not more than eight quarts of spirits or fortified wines, or
12	both, into this State in his or her the person's own private vehicle or in his or
13	her actual possession at the time of importation without a license or permit,
14	provided the beverages are not for resale.
15	(b)(1) Except as provided in sections 277, 278, and 283 of this title, all malt
16	or beverages, vinous beverages, fortified wines, or ready-to-drink spirits
17	beverages, or both a combination of malt beverages, vinous beverages,
18	fortified wines, and ready-to-drink spirits beverages, imported or transported
19	into this State shall be imported or transported by and through the holder of a
20	wholesale dealer's license issued by the Board of Liquor and Lottery. A
21	person importing or transporting or causing to be imported or transported into

1	this State any malt or <u>beverages</u> , vinous beverages, or both <u>fortified wines</u> , or
2	ready-to-drink spirits beverages, in violation of this section shall be imprisoned
3	not more than one year or fined not more than \$1,000.00, or both.
4	(2) Notwithstanding subdivision (1) of this subsection, a person may
5	import or transport not more than six gallons of malt or beverages, vinous
6	beverages, fortified wines, or ready-to-drink spirits beverages, or both a
7	combination of malt beverages, vinous beverages, fortified wines, and ready-
8	to-drink spirits beverages, into this State in his or her the person's own private
9	vehicle or in his or her the person's actual possession at the time of importation
10	without a license or permit, provided the beverages are not for resale.
11	Sec. 6. 7 V.S.A. § 104 is amended to read:
12	§ 104. DUTIES; AUTHORITY TO RESOLVE ALLEGED VIOLATIONS
13	The Board shall supervise and manage the sale of spirits and fortified wines
14	within the State in accordance with the provisions of this title, and through the
15	Commissioner of Liquor and Lottery shall:
16	* * *
17	(2) Supervise the opening and operation of local agencies for the sale
18	and distribution of spirits and fortified wines.
19	(3) Locate, establish, and supervise the operation of a central liquor
20	warehouse and office for the purpose of supplying spirits and fortified wines to
21	local agencies established in accordance with this title and for the purpose of

1	selling spirits and fortified wines to licensees of the third class and fortified
2	wine permit holders.
3	* * *
4	(11) Adopt rules regarding intrastate transportation of malt and
5	beverages, vinous beverages, fortified wines, and ready-to-drink spirits
6	beverages.
7	* * *
8	Sec. 7. 7 V.S.A. § 107 is amended to read:
9	§ 107. DUTIES OF COMMISSIONER OF LIQUOR AND LOTTERY
10	* * *
11	(b) With respect to the laws relating to alcohol, the Commissioner shall:
12	(1) In towns that vote to permit the sale of spirits and fortified wines,
13	establish local agencies as the Board of Liquor and Lottery shall determine.
14	However, the Board shall not be obligated to establish an agency in every town
15	that votes to permit the sale of spirits and fortified wines.
16	(2) Recommend rules subject to approval and adoption by the Board
17	governing the hours during which local agencies shall be open for the sale of
18	spirits and fortified wines, the qualifications of the agencies' employees, and
19	the business, operational, financial, and revenue standards that must be met for
20	the establishment of an agency and its continued operation.

1	(3) Recommend rules subject to approval and adoption by the Board
2	governing:
3	(A) the prices at which spirits shall be sold by local agencies, the
4	method for their delivery, and the quantities of spirits that may be sold to any
5	one person at any one time; and
6	(B) the minimum prices at which fortified wines shall be sold by
7	local agencies and second-class licensees that hold fortified wine permits, the
8	method for their delivery, and the quantities of fortified wines that may be sold
9	to any one person at any one time.
10	(4) Supervise the quantities and qualities of spirits and fortified wines to
11	be kept as stock in local agencies and recommend rules subject to approval and
12	adoption by the Board regarding the filling of requisitions for spirits and
13	fortified wines on the Commissioner of Liquor and Lottery.
14	(5) Purchase spirits and fortified wines for and in behalf of the Board of
15	Liquor and Lottery; supervise their storage and distribution to local agencies,
16	third-class licensees, and holders of fortified wine permits; and recommend
17	rules subject to approval and adoption by the Board regarding the sale and
18	delivery from the central liquor warehouse.
19	* * *

1	Sec. 8. 7 V.S.A. § 110 is amended to read:
2	§ 110. SPECIAL BRANDS; PURCHASE BY COMMISSIONER OF
3	LIQUOR AND LOTTERY
4	If a person desires to purchase any class, variety, or brand of spirits or
5	fortified wine that a local agency or fortified wine permit holder does not have
6	in stock, the Commissioner of Liquor and Lottery shall order the product upon
7	the payment of a reasonable deposit by the purchaser in a proportion of the
8	approximate cost of the order as prescribed by the rules of the Board of Liquor
9	and Lottery.
10	Sec. 9. 7 V.S.A. § 112 is amended to read:
11	§ 112. LIQUOR CONTROL ENTERPRISE FUND
12	The Liquor Control Enterprise Fund is established. It shall consist of all
13	receipts from the sale of spirits, fortified wines, and other items by the Board
14	of Liquor and Lottery and Division of Liquor Control;, fees paid to the
15	Division of Liquor Control for the benefit of the Division;, all other amounts
16	received by the Division of Liquor Control for its benefit; and all amounts that
17	are from time to time appropriated to the Division of Liquor Control.
18	Sec. 10. 7 V.S.A. § 161 is amended to read:
19	§ 161. LICENSES VOTED BY TOWN; TOWN MEETINGS; WARNING
20	(a) Upon petition of not less than five percent of the legal voters of any
21	town, filed with the town clerk in conformance with 17 V.S.A. § 2642, the

1	warning of the annual or special meeting shall contain an article providing for
2	a vote upon the following questions:
3	Shall licenses for the sale of malt and beverages, vinous beverages, fortified
4	wines, and ready-to-drink spirits beverages be granted in this town?
5	Shall spirits and fortified wines be sold in this town?
6	The vote under the article shall be by ballot in the following form:
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	Yes No
10	Shall spirits and fortified wines be sold in this town?
11	Yes No
12	(b) Licenses and permits for the sale of malt and beverages, vinous
13	beverages, fortified wines, ready-to-drink spirits beverages, and spirits and
14	fortified wines shall be issued according to the vote at the annual town meeting
15	held in March 1969 until a town votes otherwise.
16	Sec. 11. 7 V.S.A. § 201 is amended to read:
17	§ 201. LICENSES CONTINGENT ON TOWN VOTE
18	Licenses of the first or second class shall not be granted by the control
19	commissioners or the Board of Liquor and Lottery to be exercised in any city
20	or town, the voters of which vote "No" on the question of whether to permit
21	the sale of malt beverages and, vinous beverages, fortified wines, and ready-to-

1	drink spirits beverages pursuant to section 161 of this title. Licenses of the
2	third class shall not be granted by the Board of Liquor and Lottery to be
3	exercised in any city or town, the voters of which vote "No" on the question of
4	whether to sell fortified wines and spirits pursuant to section 161 of this title.
5	Sec. 12. 7 V.S.A. § 204 is amended to read:
6	§ 204. APPLICATION AND RENEWAL FEES FOR LICENSES AND
7	PERMITS; DISPOSITION OF FEES
8	(a) The following fees shall be paid when applying for a new license or
9	permit or to renew a license or permit:
10	(1) For a manufacturer's or rectifier's license to manufacture or rectify
11	malt beverages, or vinous beverages and fortified wines, or spirits and fortified
12	wines ready-to-drink spirits beverages, \$285.00 for each license.
13	* * *
14	(7) For a shipping license for malt beverages or, vinous beverages, or
15	ready-to-drink spirits beverages:
16	(A) in-state consumer shipping license, \$330.00.
17	(B) out-of-state consumer shipping license, \$330.00.
18	(C) vinous beverages retail shipping license, \$250.00.
19	* * *
20	(16) For a certificate of approval:
21	(A) for malt beverages, \$2,485.00;

1	(B) for vinous beverages <u>and fortified wines</u> , \$985.00.
2	(C) for ready-to-drink spirits beverages, \$985.00.
3	* * *
4	(21) For a fortified wine permit, \$100.00. [Repealed.]
5	* * *
6	Sec. 13. 7 V.S.A. § 221 is amended to read:
7	§ 221. FIRST-CLASS LICENSES
8	* * *
9	(b)(1) A first-class license permits the holder to sell malt and beverages,
10	vinous beverages, fortified wines, and ready-to-drink spirits beverages for
11	consumption only on those premises.
12	(2) Except as otherwise provided pursuant to sections 271 and 278 of
13	this title, a first-class license holder shall purchase all malt beverages and,
14	vinous beverages, fortified wines, and ready-to-drink spirits beverages sold
15	pursuant to the license from Vermont wholesale dealers or packagers.
16	(c) A retail dealer carrying on business in more than one place shall acquire
17	a first-class license for each place where the retail dealer sells malt or
18	beverages, vinous beverages, fortified wines, or ready-to-drink spirits
19	beverages for consumption on the premises.
20	* * *

1	Sec. 14. 7 V.S.A. § 222 is amended to read:
2	§ 222. SECOND-CLASS LICENSES
3	(a)(1) With the approval of the Board of Liquor and Lottery, the control
4	commissioners may grant a second-class license to a retail dealer for the
5	premises where the dealer carries on business if the retail dealer submits an
6	application and pays the fee provided in section 204 of this title and satisfies
7	the Board that the premises:
8	* * *
9	(B) are a safe, sanitary, and proper place from which to sell malt and
10	beverages, vinous beverages, and fortified wines.
11	* * *
12	(b)(1) A second-class license permits the holder to export malt $\frac{1}{2}$
13	beverages, vinous beverages, fortified wines, and ready-to-drink spirits
14	beverages and to sell malt and beverages, vinous beverages, fortified wines,
15	and ready-to-drink spirits beverages to the public from the licensed premises
16	for consumption off the premises.
17	(2) The Division of Liquor Control may grant a second-class licensee a
18	fortified wine permit pursuant to section 225 of this chapter or a retail delivery
19	permit pursuant to section 226 of this chapter.
20	(3) Except as otherwise provided pursuant to sections 225, 271, and 278
21	of this title, a second-class license holder shall purchase all malt beverages

1	and, vinous beverages, fortified wines, and ready-to-drink spirits beverages
2	sold pursuant to its license from Vermont wholesale dealers or packagers.
3	(c) A retail dealer carrying on business in more than one place shall be
4	required to acquire a second-class license for each place where the retail dealer
5	sells malt and beverages, vinous beverages, fortified wines, and ready-to-drink
6	spirits beverages.
7	Sec. 15. 7 V.S.A. § 223 is amended to read:
8	§ 223. THIRD-CLASS LICENSES
9	* * *
10	(b) A third-class license holder may sell spirits and fortified wines for
11	consumption only on the licensed premises, boat, or railroad dining car.
12	* * *
13	(d)(1) Except as otherwise provided in subdivisions (2) and (3) of this
14	subsection, a person who holds a third-class license shall purchase from the
15	Board of Liquor and Lottery all spirits and fortified wines dispensed in
16	accordance with the provisions of the third-class license and this title.
17	* * *
18	(3) For a third-class license that is issued to a licensed manufacturer or
19	rectifier of spirits or fortified wines, the licensee shall not be required to
20	purchase from the Board of Liquor and Lottery spirits and fortified wines that

1	it has manufactured or rectified before selling them pursuant to its third-class
2	license.
3	* * *
4	Sec. 16. 7 V.S.A. § 224 is amended to read:
5	§ 224. FOURTH-CLASS LICENSES
6	* * *
7	(b) At each licensed location, a fourth-class licensee may sell by the
8	unopened container or distribute by the glass, with or without charge, alcoholic
9	beverages manufactured by the licensee.
10	(1) A licensee may, for consumption at the licensed premises or
11	location, distribute the following amounts of alcoholic beverages to a retail
12	customer:
13	(A) no not more than two ounces of malt beverages or, vinous
14	beverages, or ready-to-drink spirits beverages with a total of eight ounces; and
15	* * *
16	Sec. 17. 7 V.S.A. § 226 is amended to read:
17	§ 226. RETAIL DELIVERY PERMITS
18	* * *
19	(b) A retail delivery permit holder may deliver malt beverages and, vinous
20	beverages, and ready-to-drink spirits beverages sold from the licensed

1	premises for consumption off the premises to an individual who is 21 years of
2	age or older subject to the following requirements:
3	* * *
4	(4) An employee of a retail delivery permit holder shall not be permitted
5	to make deliveries of malt beverages or, vinous beverages, or ready-to-drink
6	spirits beverages pursuant to the permit unless he or she the employee has
7	completed a training program approved by the Division pursuant to section 213
8	of this chapter.
9	(5) Malt beverages and, vinous beverages, and ready-to-drink spirits
10	beverages delivered pursuant to a retail delivery permit shall be for personal
11	use and not for resale.
12	Sec. 18. 7 V.S.A. § 228 is amended to read:
13	§ 228. SAMPLER FLIGHTS
14	* * *
15	(b) The holder of a first-class license may serve a sampler flight of up to
16	12 ounces in the aggregate of vinous beverages or ready-to-drink spirits
17	beverages to a single customer at one time.
18	* * *
19	(d) The holder of a first-class license may serve a sampler flight of up to
20	four ounces in the aggregate of fortified wines to a single customer at one time.

1	Sec. 19. 7 V.S.A. § 251 is amended to read:
2	§ 251. EDUCATIONAL SAMPLING EVENT PERMIT
3	* * *
4	(b) An educational sampling event permit holder is permitted to conduct an
5	event that is open to the public at which malt beverages, vinous beverages,
6	ready-to-drink spirits beverages, fortified wines, spirits, or all four are served
7	only for the purposes of marketing and educational sampling.
8	* * *
9	(d) The permit holder shall ensure all the following:
10	(1) Attendees at the educational sampling event shall be required to pay
11	an entry fee of no <u>not</u> less than \$5.00.
12	(2)(A) Malt beverages or, vinous beverages, or ready-to-drink spirits
13	beverages for sampling shall be offered in glasses that contain no not more
14	than two ounces of either beverage.
15	* * *
16	(f) Taxes for the alcoholic beverages served at the event shall be paid as
17	follows:
18	* * *
19	(2) vinous beverages and ready-to-drink spirits beverages: \$0.55 per
20	gallon served;
21	* * *

1	Sec. 20. 7 V.S.A. § 252 is amended to read:
2	§ 252. SPECIAL EVENT PERMITS
3	* * *
4	(b)(1) A special event permit holder may sell alcoholic beverages
5	manufactured or rectified by the permit holder by the glass or the unopened
6	bottle.
7	(2) For purposes of tasting, a special event permit holder may distribute
8	beverages manufactured or rectified by the permit holder with or without
9	charge, provided the beverages are distributed:
10	(A) by the glass; and
11	(B) in quantities of $\frac{1}{10000000000000000000000000000000000$
12	eight ounces total of malt beverages or, vinous beverages, or ready-to-drink
13	spirits beverages and no not more than one ounce in total of spirits or fortified
14	wines to each individual.
15	* * *
16	Sec. 21. 7 V.S.A. § 253 is amended to read:
17	§ 253. FESTIVAL PERMITS
18	* * *
19	(b) A festival required to be permitted under this section is any event that is
20	open to the public for which the primary purpose is to serve one or more of the

1	following: malt beverages, vinous beverages, ready-to-drink spirits beverages,
2	fortified wines, or spirits.
3	(c) A festival permit holder is permitted to conduct an event that is open to
4	the public at which one or more of the following are served: malt beverages,
5	vinous beverages, ready-to-drink spirits beverages, fortified wines, or spirits.
6	(d) The permit holder shall ensure the following:
7	* * *
8	(2)(A) Malt beverages for sampling shall be offered in glasses that
9	contain not more than 12 ounces, with not more than 60 ounces served to any
10	patron at one event.
11	(B) Vinous beverages or ready-to-drink spirits beverages for
12	sampling shall be offered in glasses that contain not more than five ounces
13	with not more than 25 ounces served to any patron at one event.
14	* * *
15	(E) Patrons attending a festival where combinations of malt
16	beverages, vinous beverages, ready-to-drink spirits beverages, fortified wines,
17	or spirits are mutually sampled shall not be served more than a combined total
18	of six U.S. standard drinks containing 3.6 fluid ounces or 84 grams of pure
19	ethyl alcohol.
20	* * *

1	(e)(1) A festival permit holder may purchase invoiced volumes of malt $\frac{1}{2}$
2	beverages, vinous beverages, or ready-to-drink spirits beverages directly from
3	a manufacturer or packager licensed in Vermont or a manufacturer or packager
4	that holds a federal Basic Permit or Brewers Notice or evidence of licensure in
5	a foreign country that is satisfactory to the Board.
6	(2) The invoiced volumes of malt or <u>beverages</u> , vinous beverages <u>, or</u>
7	ready-to-drink spirits beverages may be transported to the site and sold by the
8	glass to the public by the permit holder or its employees and volunteers only
9	during the event.
10	(f) A festival permit holder shall be subject to the provisions of this title,
11	including section 214 of this title, and the rules of the Board regarding the sale
12	of the alcoholic beverages and shall pay the tax on the malt or beverages,
13	vinous beverages, or ready-to-drink spirits beverages pursuant to section 421
14	of this title.
15	* * *
16	Sec. 22. 7 V.S.A. § 254 is amended to read:
17	§ 254. SPECIAL VENUE SERVING PERMITS
18	* * *
19	(b) A permit holder may purchase malt or <u>beverages</u> , vinous beverages <u>, or</u>
20	ready-to-drink spirits beverages directly from a licensed retailer.
21	* * *

1	(d) A public library or museum may only be granted a permit pursuant to
2	this section for an event held for a charitable or educational purpose at which
3	malt and beverages, vinous beverages, and ready-to-drink spirits beverages
4	will be served for a period of not more than six hours.
5	Sec. 23. 7 V.S.A. § 255 is amended to read:
6	§ 255. RETAIL ALCOHOLIC BEVERAGE TASTING PERMITS
7	* * *
8	(b) The Division may grant the following alcoholic beverage tasting
9	permits to the following types of licensees:
10	(1) A second-class licensee.
11	(A) The permit authorizes the employees of the second-class licensee
12	or of a designated manufacturer or rectifier to dispense to each customer of
13	legal age on the licensee's premises malt or <u>beverages</u> , vinous beverages, or
14	ready-to-drink spirits beverages by the glass not to exceed two ounces of each
15	beverage with a total of eight ounces of malt or beverages, vinous beverages,
16	or ready-to-drink spirits beverages.
17	(B) Malt or <u>beverages</u> , vinous beverages, or ready-to-drink spirits
18	beverages dispensed at the tasting event shall be from the inventory of the
19	licensee or purchased from a wholesale dealer.
20	* * *

1	(2) A licensed manufacturer or rectifier of malt or beverages, vinous
2	beverages, or ready-to-drink spirits beverages.
3	(A) The permit authorizes the licensed manufacturer or rectifier to
4	dispense to each customer of legal age for consumption on the premises of a
5	second-class licensee beverages produced by the manufacturer or rectifier by
6	the glass not to exceed two ounces of each beverage with a total of eight
7	ounces of malt or <u>beverages</u> , vinous beverages, or ready-to-drink spirits
8	beverages.
9	* * *
10	(3) A licensed wholesale dealer. The permit authorizes a licensed
11	wholesale dealer to dispense malt or beverages, vinous beverages, fortified
12	wines, or ready-to-drink spirits beverages for promotional purposes at the
13	wholesale dealer's premises without charge to invited employees of first-,
14	second-, and third-class licensees, provided the invited employees are of legal
15	age.
16	(c) A vinous beverage, ready-to-drink spirits beverage, or malt beverage
17	tasting event held pursuant to subsection (b) of this section, not including an
18	alcoholic beverage tasting conducted on the premises of the manufacturer or
19	rectifier, shall comply with the following:
20	(1) continue for $\frac{1}{10000000000000000000000000000000000$
21	beverages to be offered at a single event, and $\frac{1}{100}$ more than two ounces of

1	any single beverage and $\frac{1}{100}$ more than a total of eight ounces of malt $\frac{1}{100}$
2	beverages, vinous beverages, or ready-to-drink spirits beverages to be
3	dispensed to a customer;
4	* * *
5	Sec. 24. 7 V.S.A. § 256 is amended to read:
6	§ 256. PROMOTIONAL TASTINGS FOR LICENSEES
7	(a)(1) At the request of a first- or second-class licensee, a holder of a
8	manufacturer's, rectifier's, or wholesale dealer's license may distribute without
9	charge to the first- or second-class licensee's management and staff, provided
10	they are of legal age, two ounces per person of vinous beverages, ready-to-
11	drink spirits beverages, or one ounce per person of fortified wines, for the
12	purpose of promoting the beverage.
13	(2) At the request of a holder of a third-class license, a manufacturer or
14	rectifier of spirits or fortified wines may distribute without charge to the third-
15	class licensee's management and staff, provided they are of legal age, one-
16	quarter ounce of each beverage and not more than a total of one ounce to each
17	individual for the purpose of promoting the beverage.
18	(b)(1) At the request of a holder of a wholesale dealer's license, a first-class
19	licensee may dispense malt or beverages, vinous beverages, fortified wines, or
20	ready-to-drink spirits beverages for promotional purposes without charge to

1	invited management and staff of first-, second-, or third-class licensees,
2	provided they are of legal age.
3	* * *
4	(c)(1) Upon receipt of a first- or second-class application by the Division, a
5	holder of a wholesale dealer's license may dispense malt or beverages, vinous
6	beverages, fortified wines, or ready-to-drink spirits beverages for promotional
7	purposes without charge to invited management and staff of the business that
8	has applied for a first- or second-class license, provided they are of legal age.
9	* * *
10	(4) No malt or <u>beverages</u> , vinous beverages, <u>fortified wines</u> , or ready-to-
11	drink spirits beverages shall be left behind at the conclusion of the tasting.
12	* * *
13	Sec. 25. 7 V.S.A. § 257 is amended to read:
14	§ 257. TASTINGS FOR PRODUCT QUALITY ASSURANCE
15	* * *
16	(b) Each sample of malt beverages or, vinous beverages, or ready-to-drink
17	spirits beverages shall be no not larger than two ounces, and each sample of
18	spirits or fortified wines shall be no not larger than one-quarter ounce.
19	* * *

1	Sec. 26. 7 V.S.A. § 271 is amended to read:
2	§ 271. MANUFACTURER'S OR RECTIFIER'S LICENSE
3	(a)(1) The Board of Liquor and Lottery may grant a manufacturer's or
4	rectifier's license upon application and payment of the fee provided in section
5	204 of this title that permits the license holder to operate a facility that
6	manufactures or rectifies:
7	(A) malt beverages;
8	(B) vinous beverages and fortified wines; or
9	(C) spirits and fortified wines ready-to-drink spirits beverages.
10	* * *
11	(b) Except as otherwise provided in section 224 of this title and subsections
12	(d)–(f) of this section:
13	(1) spirits and fortified wine may be manufactured for sale to the Board
14	of Liquor and Lottery or for export, or both; and
15	(2) malt beverages and, vinous beverages, fortified wines, and ready-to-
16	drink spirits beverages may be manufactured or rectified for sale to packagers
17	or wholesale dealers, or for export, or both.
18	(c) A licensed manufacturer of vinous beverages or fortified wines, or both,
19	may receive from another manufacturer licensed in or outside this State bulk
19	may receive from another manufacturer neensed in or outside tins state buik
20	shipments of vinous beverages to rectify with the licensee's own product,

1	manufacturer may contain no not more than 25 percent imported vinous
2	beverages.
3	* * *
4	Sec. 27. 7 V.S.A. § 273 is amended to read:
5	§ 273. WHOLESALE DEALER'S LICENSE
6	* * *
7	(b) A wholesale dealer's license holder may distribute or sell malt
8	beverages or, vinous beverages, fortified wines, or ready-to-drink spirits
9	beverages to first- and second-class licensees and holders of educational
10	sampling event permits.
11	* * *
12	Sec. 28. 7 V.S.A. § 274 is amended to read:
13	§ 274. CERTIFICATE OF APPROVAL FOR DISTRIBUTION OF MALT
14	OR <u>BEVERAGES,</u> VINOUS BEVERAGES <u>, FORTIFIED WINES,</u>
15	OR READY-TO DRINK SPIRITS BEVERAGES
16	(a) The Board of Liquor and Lottery may grant to a manufacturer or
17	distributor of malt or beverages, vinous beverages, fortified wines, or ready-to-
18	drink spirits beverages that is not licensed under the provisions of this title a
19	certificate of approval if the manufacturer or distributor does all of the
20	following:
21	* * *

21

1	(b) A certificate of approval shall permit the holder to export malt or
2	beverages, vinous beverages, fortified wines, or ready-to-drink spirits
3	beverages or sell malt or beverages, vinous beverages, fortified wines, or
4	ready-to-drink spirits beverages to holders of packagers' or wholesale dealers'
5	licenses issued under section 272 or 273 of this title, or both.
6	(c) A holder of a packager's or a wholesale dealer's license issued under
7	this title shall not purchase within or outside the State, or import or cause to be
8	imported into the State, any malt or beverages, vinous beverages, fortified
9	wines, or ready-to-drink spirits beverages unless the person, manufacturer, or
10	distributor from which the beverages are obtained holds a valid certificate of
11	approval or packager's license.
12	* * *
13	Sec. 29. 7 V.S.A. § 275 is amended to read:
14	§ 275. SOLICITOR'S LICENSE
15	* * *
16	(b) A solicitor's license holder may, by canvassing or interviewing holders
17	of licenses issued under the provisions of this title:
18	(1) solicit orders for and promote the sale of malt or <u>beverages</u> , vinous
19	beverages, fortified wines, or ready-to-drink spirits beverages; and
20	(2) promote the sale of spirits and fortified wines.
21	* * *

1	(d) A person who solicits, or attempts to solicit, orders for malt or
2	beverages, vinous beverages, fortified wines, or ready-to-drink spirits
3	beverages; or promotes, or attempts to promote, the sale of malt or vinous
4	beverages, ready-to-drink spirits beverages, spirits, or fortified wines by
5	canvassing or interviewing a holder of a license issued under the provisions of
6	this title, without having first obtained a solicitor's license as provided in this
7	section, or who makes a false or fraudulent statement or representation in an
8	application for the license or in connection with an application shall be
9	imprisoned not more than six months or fined not more than \$500.00, or both.
10	Sec. 30. 7 V.S.A. § 277 is amended to read:
11	§ 277. MALT AND, VINOUS, AND READY-TO-DRINK SPIRITS
12	BEVERAGE CONSUMER SHIPPING LICENSE
13	(a)(1) A manufacturer or rectifier of malt $\frac{1}{2}$ beverages, vinous beverages,
14	or ready-to-drink spirits beverages licensed in Vermont may be granted an in-
15	state consumer shipping license by filing with the Division of Liquor Control
16	an application in a form required by the Commissioner accompanied by a copy
17	of the applicant's current Vermont manufacturer's license and the fee provided
18	in section 204 of this title.
19	* * *
20	(b)(1) A manufacturer or rectifier of malt or <u>beverages</u> , vinous beverages,
21	or ready-to-drink spirits beverages licensed in another state that operates a

1	brewery or, winery, or distillery in the United States and holds valid state and
2	federal permits and licenses may be granted an out-of-state consumer shipping
3	license by filing with the Division of Liquor Control an application in a form
4	required by the Commissioner accompanied by copies of the applicant's
5	current out-of-state manufacturer's license and the fee provided in section 204
6	of this title.
7	* * *
8	(c)(1) A consumer shipping license granted pursuant to this section shall
9	permit the licensee to ship malt or beverages, vinous beverages, or ready-to-
10	drink spirits beverages produced by the licensee to private residents for
11	personal use and not for resale.
12	(2) A licensee shall not ship more than 12 cases of malt beverages
13	containing no not more than 36 gallons of malt beverages or no not more than
14	12 cases of vinous beverages or ready-to-drink spirits beverages containing no
15	not more than 29 gallons of vinous beverages or ready-to-drink spirits
16	beverages to any one Vermont resident in any calendar year.
17	* * *

1	Sec. 31. 7 V.S.A. § 279 is amended to read:
2	§ 279. CONSUMER AND RETAIL SHIPPING LICENSES; GENERAL
3	REQUIREMENTS
4	A holder of a shipping license granted pursuant to section 277 or 278 of this
5	subchapter shall comply with all of the following:
6	* * *
7	(4) Report at least twice per year to the Division if a holder of a
8	consumer shipping license and once per year if a holder of a retail shipping
9	license in a manner and form required by the Commissioner all the following
10	information:
11	(A) the total amount of malt or <u>beverages</u> , vinous beverages, <u>or</u>
12	ready-to-drink spirits beverages shipped into or within the State during the
13	preceding six months if a holder of a consumer shipping license or during the
14	preceding 12 months if a holder of a retail shipping license;
15	* * *
16	(5) Pay to the Commissioner of Taxes the tax required pursuant to
17	section 421 of this title on the malt or beverages, vinous beverages, or ready-
18	to-drink spirits beverages shipped pursuant to this subchapter and comply with
19	the provisions of 32 V.S.A. chapter 233, 24 V.S.A. § 138, and any other
20	legally 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 title 13 or a common carrier that ships malt or beverages, vinous beverages, or ready-14 to-drink spirits beverages to an individual under 21 years of age shall be fined 15 not less than \$1,000.00 or more than \$3,000.00 or imprisoned not more than 16 two years, or both. * * * 17

1	Sec. 34. 7 V.S.A. § 421 is amended to read:
2	§ 421. TAX ON MALT AND <u>BEVERAGES</u> , 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 the
18	sales are of the manufacturer's or rectifier's own products, and not products
19	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, <u>ready-to-drink spirits</u>
18	beverages, spirits, or fortified wines for the purpose of consumption by himself
19	or herself the person or other minors, except in the regular performance of
20	duties as an employee of a licensee licensed to sell alcoholic liquor.

1	(C) Consume malt or vinous beverages, <u>ready-to-drink spirits</u>
2	beverages, spirits, or fortified wines. A violation of this subdivision may be
3	prosecuted in a jurisdiction where the minor has consumed malt or vinous
4	beverages, fortified wines, ready-to-drink spirits beverages, spirits, or fortified
5	wines or in a jurisdiction where the indicators of consumption are observed.
6	* * *
7	Sec. 39. 7 V.S.A. § 701 is amended to read:
8	§ 701. DEFINITIONS
9	Except as otherwise provided pursuant to section 752 of this chapter, as
10	used in this chapter:
11	(1) "Certificate of approval" means an authorization by the Board of
12	Liquor and Lottery pursuant to section 274 of this title to a manufacturer or
13	distributor of malt beverages or, vinous beverages, fortified wines, or both,
14	ready-to-drink spirits beverages not licensed under the provisions of this title,
15	to sell those beverages to holders of a packager's or wholesale dealer's license
16	issued by the Board pursuant to section 272 or 273 of this title.
17	(2) "Franchise" or "agreement" shall mean means one or more of the
18	following:
19	* * *
20	(B) a relationship that has been in existence for at least one year in
21	which the wholesale dealer is granted the right to offer and sell the brands of

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, inous 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.

1	* * *
2	Sec. 40. 7 V.S.A. § 702 is amended to read:
3	§ 702. PROHIBITED ACTS BY MANUFACTURER OR CERTIFICATE OF
4	APPROVAL HOLDER
5	A manufacturer or certificate of approval holder shall not do any of the
6	following:
7	* * *
8	(2) Induce or coerce, or attempt to induce or coerce, any wholesale
9	dealer to do any illegal act or thing by threatening to cancel or terminate the
10	wholesale dealer's malt beverages or, vinous beverages, fortified wines, or
11	ready-to-drink spirits beverages franchise agreement.
12	(3) Fail or refuse to deliver promptly to a wholesale dealer after the
13	receipt of its order any malt beverages or, vinous beverages, fortified wines, or
14	ready-to-drink spirits beverages when the product is available for immediate
15	sale. If a manufacturer or certificate of approval holder believes in good faith
16	that it does not have a sufficient amount of a product available for immediate
17	sale to satisfy the demand of a wholesale dealer and its other customers, it shall
18	allocate the available product between the wholesale dealer and its other
19	customers in a fair and equitable manner.
20	* * *

20

- 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 <u>As used in</u> 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.
8	* * * DLL Criminal Background Checks * * *
9	Sec. 45. 7 V.S.A. § 215 is added to read:
10	§ 215. AUTHORITY FOR CRIMINAL BACKGROUND CHECKS
11	Subject to the approval of the Board, the Commissioner shall establish a
12	user agreement with the Vermont Crime Information Center in accordance
13	with 20 V.S.A. chapter 117 for the purpose of obtaining Vermont criminal
14	history records, out-of-state criminal history records, and criminal history
15	records from the Federal Bureau of Investigation to review applications for any
16	liquor or tobacco license issued under this title.
17	Sec. 46. 31 V.S.A. § 655 is amended to read:
18	§ 655. DUTIES OF THE COMMISSIONER
19	* * *
20	(b) The Commissioner shall:
21	* * *

1	(7) Subject to the approval of the Board, establish a user agreement with
2	the Vermont Crime Information Center in accordance with 20 V.S.A. chapter
3	117 for the purpose of obtaining Vermont criminal history records, out-of-state
4	criminal history records, and criminal history records from the Federal Bureau
5	of Investigation to review applications for any Lottery sales agent license
6	issued under this title.
7	* * * Appointment of One Deputy Commissioner * * *
8	Sec. 47. 7 V.S.A. § 101 is amended to read:
9	§ 101. COMPOSITION OF DEPARTMENT; COMMISSIONER OF
10	LIQUOR AND LOTTERY; BOARD OF LIQUOR AND LOTTERY
11	(a)(1) The Department of Liquor and Lottery, created by 3 V.S.A. § 212,
12	shall administer the laws relating to alcoholic beverages, tobacco, and the State
13	Lottery. It shall include the Commissioner of Liquor and Lottery and the
14	Board of Liquor and Lottery.
15	* * *
16	(3)(A) The Department of Liquor and Lottery shall be under the
17	immediate supervision and direction of the Commissioner of Liquor and
18	Lottery.
19	* * *
20	(D) The Commissioner, with the approval of the Governor, may
21	appoint a Deputy Commissioner of Liquor Control and Lottery to supervise

1	and direct the Division of Liquor Control and a Deputy Commissioner of the
2	State Lottery to supervise and direct the Division of Lottery. Both The Deputy
3	Commissioners Commissioner shall be exempt from the classified service and
4	shall serve at the pleasure of the Commissioner.
5	* * *
6	* * * Expansion of Rare Spirits Raffle * * *
7	Sec. 48. 7 V.S.A. § 5 is amended to read:
8	§ 5. DIVISION OF LIQUOR CONTROL; RAFFLES FOR RIGHT TO
9	PURCHASE RARE AND UNUSUAL PRODUCTS SPIRITS
10	(a) Notwithstanding any provision of 13 V.S.A. chapter 51 to the contrary,
11	the Division of Liquor Control may conduct raffles for the right to purchase
12	certain rare and unusual spirits and fortified wines that are acquired by the
13	Board of Liquor and Lottery. A raffle conducted pursuant to this section shall
14	meet the following requirements:
15	(1) Tickets to enter the raffle shall only be available for purchase to a
16	member of the general public, or to a third-class licensee by and through an
17	authorized agent, who is 21 years of age or older.
18	* * *

1	* * * Staggered Licenses * * *
2	Sec. 49. TRANSITIONAL PROVISION; STAGGERED LICENSE
3	RENEWAL
4	The Department of Liquor and Lottery may extend the expiration date and
5	stagger the issuance or renewal of permits, licenses, and certificates that are set
6	to expire in the years 2022 and 2023. Permits, licenses, and certificates that
7	are renewed on April 30, 2022 shall remain valid for one year or until a later
8	renewal date designated by the Department.
9	* * * Effective Dates * * *
10	Sec. 50. EFFECTIVE DATES
11	(a) This section and Sec. 49 (transitional provision; staggered license
12	renewal) shall take effect on passage.
13	(b) All other sections shall take effect on July 1, 2022.