

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on General, Housing, and Military Affairs to which was
3 referred House Bill No. 590 entitled “An act relating to low-alcohol spirits
4 beverages” respectfully reports that it has considered the same and
5 recommends that the bill be amended by striking out all after the enacting
6 clause and inserting in lieu thereof the following:

7 Sec. 1. 7 V.S.A. § 2 is amended to read:

8 § 2. DEFINITIONS

9 As used in this title:

10 * * *

11 (25) “Low-alcohol spirits beverage” means an alcoholic beverage
12 containing more than one percent alcohol by volume and not more than
13 16 percent alcohol by volume obtained by distillation, by chemical synthesis,
14 or through concentration by freezing and mixed with nonalcoholic beverages,
15 flavoring, or coloring materials. Low-alcohol spirits beverages may also
16 contain water, fruit juices, fruit adjuncts, sugar, carbon dioxide, preservatives,
17 and other ingredients. A low-alcohol spirits beverage shall be a spirit if the
18 low-alcohol spirits beverage:

19 (A) contains more than 16 percent alcohol by volume;

20 (B) is not packaged in metal cans; or

21 (C) is packaged in containers greater than 24 fluid ounces in volume.

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

6 ~~(26)~~~~(27)~~ “Manufacturer’s or rectifier’s license” means a license granted
7 by the Board of Liquor and Lottery that permits the holder to manufacture or
8 rectify malt beverages, vinous beverages and fortified wines, or spirits and
9 fortified wines.

10 ~~(27)~~~~(28)~~ “Minor” means an individual who has not attained 21 years of
11 age.

12 ~~(28)~~~~(29)~~ “Outside consumption permit” means a permit granted by the
13 Division of Liquor Control allowing the holder of a first-class, first- and third-
14 class, or fourth-class license to allow for consumption of alcoholic beverages
15 in a delineated outside area.

16 ~~(29)~~~~(30)~~ “Packager’s license” means a license granted by the Board of
17 Liquor and Lottery permitting a person to bottle or otherwise package
18 alcoholic beverages for sale and to distribute and sell alcoholic beverages at
19 wholesale in this State.

20 ~~(30)~~~~(31)~~ “Person,” as applied to licensees, means an individual who is a
21 citizen, a lawful permanent resident of the United States, or a holder of an E-2

1 Visa; a partnership composed of individuals, a majority of whom are citizens,
2 lawful permanent residents of the United States, or holders of an E-2 Visa; a
3 corporation organized under the laws of this State or another state in which a
4 majority of the directors are citizens, lawful permanent residents of the United
5 States, or holders of an E-2 Visa; or a limited liability company organized
6 under the laws of this State or another state in which a majority of the members
7 or managers are citizens, lawful permanent residents of the United States, or
8 holders of an E-2 Visa.

9 ~~(31)~~(32) “Request-to-cater permit” means a permit granted by the
10 Division of Liquor Control authorizing a licensed caterer or commercial
11 caterer to cater individual events.

12 ~~(32)~~(33) “Retail dealer” means any person who sells or furnishes malt or
13 vinous beverages to the public.

14 ~~(33)~~(34) “Retail delivery permit” means a permit granted by the
15 Division of Liquor Control that permits a second-class licensee to deliver malt
16 beverages and vinous beverages sold from the licensed premises for
17 consumption off the premises to an individual who is 21 years of age or older
18 at a physical address in Vermont.

19 ~~(34)~~(35) “Sampler flight” means a flight, ski, paddle, or any similar
20 device by design or name intended to hold alcoholic beverage samples for the
21 purpose of comparison.

1 ~~(35)~~(36) “Second-class license” means a license permitting the licensee
2 to export and to sell malt beverages and vinous beverages to the public for
3 consumption off the premises for which the license is granted.

4 ~~(36)~~(37) “Special event permit” means a permit granted by the Division
5 of Liquor Control permitting a licensed manufacturer or rectifier to sell, by the
6 glass or by the unopened bottle, alcoholic beverages manufactured or rectified
7 by the license holder at an event open to the public that has been approved by
8 the local control commissioners.

9 ~~(37)~~(38) “Special venue serving permit” means a permit granted by the
10 Division of Liquor Control permitting an art gallery, bookstore, public library,
11 or museum to conduct an event at which malt or vinous beverages, or both, are
12 served by the glass to the public. As used in this section, “art gallery” means a
13 fixed establishment whose primary purpose is to exhibit or offer for sale works
14 of art; “bookstore” means a fixed establishment whose primary purpose is to
15 offer books for sale; “public library” has the same meaning as in 22 V.S.A.
16 § 101; and “museum” has the same meaning as in 27 V.S.A. § 1151.

17 ~~(38)~~(39) “Specialty beer” means a malt beverage that contains more
18 than eight percent alcohol and not more than 16 percent alcohol by volume at
19 60 degrees Fahrenheit.

20 ~~(39)~~(40) “Spirits” means beverages that contain more than one percent
21 alcohol obtained by distillation, by chemical synthesis, or through

1 concentration by freezing; vinous beverages containing more than 23 percent
2 alcohol; and malt beverages containing more than 16 percent alcohol by
3 volume at 60 degrees Fahrenheit.

4 ~~(40)~~(41) “Third-class license” means a license granted by the Board of
5 Liquor and Lottery permitting the licensee to sell spirits and fortified wines for
6 consumption only on the premises for which the license is granted.

7 ~~(41)~~(42) “Vinous beverages” means all fermented beverages of any
8 name or description manufactured or obtained for sale from the natural sugar
9 content of fruits or other agricultural product, containing sugar, the alcoholic
10 content of which is not less than one percent nor more than 16 percent by
11 volume at 60 degrees Fahrenheit.

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

16 Sec. 2. 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, and low-alcohol spirits beverages between the hours of 6:00 a.m.
3 and 12:00 midnight.

4 * * *

5 Sec. 3. 7 V.S.A. § 63 is amended to read:

6 § 63. IMPORTATION OR TRANSPORTATION OF ALCOHOL;
7 PROHIBITIONS; PERSONAL IMPORT LIMIT; PENALTY

8 * * *

9 (b)(1) Except as provided in sections 277, 278, and 283 of this title, all malt
10 ~~or~~ beverages, vinous beverages, or low-alcohol spirits beverages, or ~~both~~ a
11 combination of malt beverages, vinous beverages, and low-alcohol spirits
12 beverages, imported or transported into this State shall be imported or
13 transported by and through the holder of a wholesale dealer's license issued by
14 the Board of Liquor and Lottery. A person importing or transporting or
15 causing to be imported or transported into this State any malt or vinous
16 beverages, or both, in violation of this section shall be imprisoned not more
17 than one year or fined not more than \$1,000.00, or both.

18 (2) Notwithstanding subdivision (1) of this subsection, a person may
19 import or transport not more than six gallons of malt ~~or~~ beverages, vinous
20 beverages, or low-alcohol spirits beverages, or ~~both~~ a combination of malt
21 beverages, vinous beverages, and low-alcohol spirits beverages, into this State

1 in ~~his or her~~ the person's own private vehicle or in his or her actual possession
2 at the time of importation without a license or permit, provided the beverages
3 are not for resale.

4 Sec. 4. 7 V.S.A. § 104 is amended to read:

5 § 104. DUTIES; AUTHORITY TO RESOLVE ALLEGED VIOLATIONS

6 The Board shall supervise and manage the sale of spirits and fortified wines
7 within the State in accordance with the provisions of this title, and through the
8 Commissioner of Liquor and Lottery shall:

9 * * *

10 (11) Adopt rules regarding intrastate transportation of malt ~~and~~
11 beverages, vinous beverages, and low-alcohol spirits beverages.

12 * * *

13 Sec. 5. 7 V.S.A. § 204 is amended to read:

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

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

18 (1) For a manufacturer's or rectifier's license to manufacture or rectify
19 malt beverages, or vinous beverages and fortified wines, or low-alcohol spirits
20 beverages, or spirits and fortified wines, \$285.00 for each license.

21 * * *

1 (7) For a shipping license for malt beverages ~~and~~, vinous beverages, or
2 low-alcohol spirits beverages:

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

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

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

6 * * *

7 (16) For a certificate of approval:

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

9 (B) for vinous beverages, \$985.00.

10 (C) for low-alcohol spirits beverages, \$985.00.

11 * * *

12 Sec. 6. 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, and low-alcohol spirits beverages for consumption only on
17 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, and low-alcohol spirits beverages sold pursuant to the
21 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, or low-alcohol spirits beverages for consumption
4 on the premises.

5 * * *

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

7 § 222. SECOND-CLASS LICENSES

8 * * *

9 (b)(1) A second-class license permits the holder to export malt ~~and~~
10 beverages, vinous beverages, and low-alcohol spirits beverages and to sell malt
11 ~~and~~ beverages, vinous beverages, and low-alcohol spirits beverages to the
12 public from the licensed premises for consumption off the premises.

13 * * *

14 (3) Except as otherwise provided pursuant to sections 225, 271, and 278
15 of this title, a second-class license holder shall purchase all malt beverages
16 ~~and~~, vinous beverages, and low-alcohol spirits beverages sold pursuant to its
17 license from Vermont wholesale dealers or packagers.

18 (c) A retail dealer carrying on business in more than one place shall be
19 required to acquire a second-class license for each place where the retail dealer
20 sells malt beverages, and vinous beverages, and low-alcohol spirits beverages.

1 Sec. 8. 7 V.S.A. § 224 is amended to read:

2 § 224. FOURTH-CLASS LICENSES

3 * * *

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

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

10 (A) ~~no~~ not more than two ounces of malt beverages ~~or~~, and vinous
11 beverages, or low-alcohol spirits beverages with a total of eight ounces; and

12 * * *

13 Sec. 9. 7 V.S.A. § 226 is amended to read:

14 § 226. RETAIL DELIVERY PERMITS

15 * * *

16 (b) A retail delivery permit holder may deliver malt beverages ~~and~~, and vinous
17 beverages, and low-alcohol spirits beverages sold from the licensed premises
18 for consumption off the premises to an individual who is 21 years of age or
19 older subject to the following requirements:

20 * * *

1 low-alcohol spirits beverages, fortified wines, spirits, or all four are served
2 only for the purposes of marketing and educational sampling.

3 * * *

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

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

7 (2)(A) Malt beverages ~~or~~, vinous beverages, or low-alcohol spirits
8 beverages for sampling shall be offered in glasses that contain ~~no~~ not more
9 than two ounces of either beverage.

10 * * *

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

13 * * *

14 (2) vinous beverages and low-alcohol spirits beverages: \$0.55 per
15 gallon served;

16 * * *

17 Sec. 12. 7 V.S.A. § 252 is amended to read:

18 § 252. SPECIAL EVENT PERMITS

19 * * *

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

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

7 (A) by the glass; and

8 (B) in quantities of ~~no~~ not more than two ounces per product and
9 eight ounces total of malt beverages ~~or~~, vinous beverages, or low alcohol
10 spirits beverages and ~~no~~ not more than one ounce in total of spirits or fortified
11 wines to each individual.

12 * * *

13 Sec. 13. 7 V.S.A. § 253 is amended to read:

14 § 253. FESTIVAL PERMITS

15 * * *

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

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

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

5 * * *

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

9 (B) Vinous beverages or low-alcohol spirits beverages for sampling
10 shall be offered in glasses that contain not more than five ounces with not more
11 than 25 ounces served to any patron at one event.

12 * * *

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

18 * * *

19 (e)(1) A festival permit holder may purchase invoiced volumes of malt ~~or~~
20 beverages, vinous beverages, or low-alcohol spirits beverages directly from a
21 manufacturer or packager licensed in Vermont or a manufacturer or packager

1 that holds a federal Basic Permit or Brewers Notice or evidence of licensure in
2 a foreign country that is satisfactory to the Board.

3 (2) The invoiced volumes of malt ~~or beverages,~~ vinous beverages, or
4 low-alcohol spirits beverages may be transported to the site and sold by the
5 glass to the public by the permit holder or its employees and volunteers only
6 during the event.

7 (f) A festival permit holder shall be subject to the provisions of this title,
8 including section 214 of this title, and the rules of the Board regarding the sale
9 of the alcoholic beverages and shall pay the tax on the malt ~~or beverages,~~
10 vinous beverages, or low-alcohol spirits beverages pursuant to section 421 of
11 this title.

12 * * *

13 Sec. 14. 7 V.S.A. § 254 is amended to read:

14 § 254. SPECIAL VENUE SERVING PERMITS

15 * * *

16 (b) A permit holder may purchase malt ~~or beverages,~~ vinous beverages, or
17 low-alcohol spirits beverages directly from a licensed retailer.

18 * * *

19 (d) A public library or museum may only be granted a permit pursuant to
20 this section for an event held for a charitable or educational purpose at which

1 malt ~~and~~ beverages, vinous beverages, and low-alcohol spirits beverages will
2 be served for a period of not more than six hours.

3 Sec. 15. 7 V.S.A. § 255 is amended to read:

4 § 255. RETAIL ALCOHOLIC BEVERAGE TASTING PERMITS

5 * * *

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

8 (1) A second-class licensee.

9 (A) The permit authorizes the employees of the second-class licensee
10 or of a designated manufacturer or rectifier to dispense to each customer of
11 legal age on the licensee's premises malt ~~or~~ beverages, vinous beverages, or
12 low-alcohol spirits beverages by the glass not to exceed two ounces of each
13 beverage with a total of eight ounces of malt ~~or~~ beverages, vinous beverages,
14 or low-alcohol spirits beverages.

15 (B) Malt ~~or~~ beverages, vinous beverages, or low-alcohol spirits
16 beverages dispensed at the tasting event shall be from the inventory of the
17 licensee or purchased from a wholesale dealer.

18 * * *

19 (2) A licensed manufacturer or rectifier of malt ~~or~~ beverages, vinous
20 beverages, or low-alcohol spirits beverages.

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

3 * * *

4 (2) malt beverages ~~and~~, vinous beverages, and low-alcohol spirits
5 beverages may be manufactured or rectified for sale to packagers or wholesale
6 dealers, or for export, or both.

7 * * *

8 Sec. 19. 7 V.S.A. § 273 is amended to read:

9 § 273. WHOLESALE DEALER’S LICENSE

10 * * *

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

14 * * *

15 Sec. 20. 7 V.S.A. § 274 is amended to read:

16 § 274. CERTIFICATE OF APPROVAL FOR DISTRIBUTION OF MALT
17 OR VINOUS BEVERAGES

18 (a) The Board of Liquor and Lottery may grant to a manufacturer or
19 distributor of malt ~~or~~ beverages, vinous beverages, or low-alcohol spirits
20 beverages that is not licensed under the provisions of this title a certificate of
21 approval if the manufacturer or distributor does all of the following:

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(b) A certificate of approval shall permit the holder to export malt ~~or~~ beverages, vinous beverages, or low-alcohol spirits beverages, or sell malt ~~or~~ beverages, vinous beverages, or low-alcohol spirits beverages to holders of packagers' or wholesale dealers' licenses issued under section 272 or 273 of this title, or both.

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

* * *

Sec. 21. 7 V.S.A. § 275 is amended to read:

§ 275. SOLICITOR'S LICENSE

* * *

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

(1) solicit orders for and promote the sale of malt ~~or~~ beverages, vinous beverages, or low-alcohol spirits beverages; and

* * *

1 (d) A person who solicits, or attempts to solicit, orders for malt ~~or~~
2 beverages, vinous beverages, or low-alcohol spirits beverages; or promotes, or
3 attempts to promote, the sale of malt or vinous beverages, low alcohol spirits
4 beverages, spirits, or fortified wines by canvassing or interviewing a holder of
5 a license issued under the provisions of this title, without having first obtained
6 a solicitor's license as provided in this section, or who makes a false or
7 fraudulent statement or representation in an application for the license or in
8 connection with an application shall be imprisoned not more than six months
9 or fined not more than \$500.00, or both.

10 Sec. 22. 7 V.S.A. § 277 is amended to read:

11 § 277. MALT, ~~AND~~ VINOUS, AND LOW-ALCOHOL SPIRITS

12 BEVERAGE CONSUMER SHIPPING LICENSE

13 (a)(1) A manufacturer or rectifier of malt ~~or~~ beverages, vinous beverages,
14 or low-alcohol 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~~ beverages, vinous beverages,
21 or low-alcohol 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 low-alcohol
10 spirits beverages produced by the licensee to private residents for personal use
11 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 low-alcohol spirits beverages containing ~~no~~
15 not more than 29 gallons of vinous beverages or low-alcohol spirits beverages
16 to any one Vermont resident in any calendar year.

17 * * *

18 Sec. 23. 7 V.S.A. § 278 is amended to read:

19 § 278. VINOUS BEVERAGE AND LOW-ALCOHOL SPIRITS

20 BEVERAGE RETAIL SHIPPING LICENSE

1 (a) A manufacturer or rectifier of vinous beverages or low-alcohol spirits
2 beverages that is licensed in the State or outside the State and holds valid state
3 and federal permits and operates a winery or distillery in the United States may
4 apply for a retail shipping license by filing with the Division of Liquor Control
5 an application in a form required by the Commissioner accompanied by a copy
6 of its in-state or out-of-state license and the fee provided in section 204 of this
7 title.

8 * * *

9 (c) A retail shipping license holder, including the holder's affiliates,
10 franchises, and subsidiaries, may sell up to 5,000 gallons of vinous beverages
11 or low-alcohol spirits beverages per year directly to first- or second-class
12 licensees and deliver the beverages by common carrier, the manufacturer's or
13 rectifier's own vehicle, or the vehicle of an employee of a manufacturer or
14 rectifier, provided that the beverages are sold on invoice, and ~~no~~ not more than
15 100 gallons per month are sold to any single first- or second-class licensee.

16 * * *

17 (e) Vinous beverages or low-alcohol spirits beverages sold under this
18 section may be delivered by the vehicle of a second-class license holder if the
19 second-class licensee cannot obtain the vinous beverages from a wholesale
20 dealer.

1 Sec. 24. 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~~ beverages, vinous beverages, or low-
12 alcohol spirits beverages shipped into or within the State during the preceding
13 six months if a holder of a consumer shipping license or during the preceding
14 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 low-
18 alcohol 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. 25. 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 low-alcohol spirits beverages pursuant to this chapter until it has
8 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 low-alcohol 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 low alcohol 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.

19 Sec. 26. 7 V.S.A. § 281 is amended to read:

20 § 281. PROHIBITIONS

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

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

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

15 * * *

16 Sec. 27. 7 V.S.A. § 421 is amended to read:

17 § 421. TAX ON MALT AND VINOUS BEVERAGES

18 (a)(1) Every packager and wholesale dealer shall pay to the Commissioner
19 of Taxes the sum of 26 and one-half cents per gallon for every gallon or its
20 equivalent of malt beverages containing not more than six percent of alcohol
21 by volume at 60 degrees Fahrenheit sold by them to retailers in the State and

1 the sum of 55 cents per gallon for each gallon of the following beverages sold
2 by them to retailers of the State:

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

5 (B) vinous beverages ~~sold by them to retailers in the State;~~ and

6 (C) low-alcohol spirits beverages.

7 (2) A manufacturer or rectifier of malt ~~or beverages,~~ vinous beverages,
8 or low-alcohol spirits beverages shall pay the taxes required by this subsection
9 to the Commissioner of Taxes for all malt ~~and beverages,~~ vinous beverages,
10 and low-alcohol spirits beverages manufactured or rectified by them and sold
11 at retail.

12 (b) A packager or wholesale dealer may sell malt ~~or beverages,~~ vinous
13 beverages, or low-alcohol spirits beverages to any duly authorized agency of
14 the U.S. Armed Forces on any U.S. Armed Forces' installation presently
15 existing in the State or which may in the future be established as though to a
16 retail dealer but without the payment of the gallonage tax, subject to the filing
17 of the returns as provided in subsection (c) of this section.

18 (c)(1) For the purpose of ascertaining the amount of tax, on the filing dates
19 set out in subdivision (2) of this subsection according to tax liability, each
20 packager, wholesale dealer, manufacturer, or rectifier shall transmit to the
21 Commissioner of Taxes, upon a form prepared and furnished by the

1 Commissioner, a statement or return under oath or affirmation showing the
2 quantity of malt ~~and beverages~~, vinous beverages, and low-alcohol spirits
3 beverages sold by the packager, wholesale dealer, manufacturer, or rectifier
4 during the preceding filing period, and report any other information requested
5 by the Commissioner accompanied by payment of the tax required by this
6 section. The amount of tax computed under subsection (a) of this section shall
7 be rounded to the nearest whole cent. At the same time this form is due, each
8 packager, wholesale dealer, manufacturer, or rectifier also shall transmit to the
9 Commissioner in electronic format a separate report showing the description,
10 quantity, and price of malt ~~and beverages~~, vinous beverages, and low-alcohol
11 spirits beverages sold by the packager, wholesale dealer, manufacturer, or
12 rectifier to each retail dealer as defined in section 2 of this title; provided,
13 however, for direct sales to retail dealers by manufacturers or rectifiers of
14 vinous beverages or low-alcohol spirits beverages, the report required by this
15 subsection may be submitted in a nonelectronic format.

16 * * *

17 Sec. 28. 7 V.S.A. § 651 is amended to read:

18 § 651. SOLICITING ORDERS

19 A person who, for himself or herself or as agent, takes or solicits orders for
20 the sale of malt ~~or beverages~~, vinous beverages, or low-alcohol spirits
21 beverages, except for licensees or from agencies of the U.S. Armed Forces as

1 specified in section 421 of this title, or of spirits or fortified wines shall be
2 imprisoned not more than six months or fined not more than \$500.00 nor less
3 than \$100.00, or both.

4 Sec. 29. 7 V.S.A. § 656 is amended to read:

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

9 (a) Prohibited conduct; offense.

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

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

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

20 (C) Consume malt or vinous beverages, low-alcohol spirits
21 beverages, spirits, or fortified wines. A violation of this subdivision may be

1 prosecuted in a jurisdiction where the minor has consumed malt or vinous
2 beverages, low-alcohol spirits beverages, spirits, or fortified wines or in a
3 jurisdiction where the indicators of consumption are observed.

4 * * *

5 Sec. 30. EFFECTIVE DATE

6 This act shall take effect on July 1, 2022.

7

8 (Committee vote: _____)

9

10

Representative _____

11

FOR THE COMMITTEE