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H.313

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

Referred to Committee on

Date:

Subject: Alcoholic beverages

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

- (1) authorize municipalities to assess a \$50.00 local fee for stand-alone third-class licenses;
- (2) authorize first- and third-class licensees to purchase wholesale spirits using a credit card;
- (3) authorize wholesale pricing of spirits sold by the Department of Liquor and Lottery;
- (4) temporarily authorize first- and third-class licensees to sell certain alcoholic beverages for delivery and curbside pickup;

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

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

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

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

12 An act relating to miscellaneous amendments to alcoholic beverage laws

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

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

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

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

19 * * *

1 (6) For a third-class license, \$1,095.00 for an annual license and
2 \$550.00 for a six-month license. For a stand-alone third-class license, the
3 issuing municipality may assess an additional \$50.00 local processing fee.

4 * * *

5 (b) Except for fees collected for first-, second-, and third-class licenses, the
6 fees collected pursuant to subsection (a) of this section shall be deposited in the
7 Liquor Control Enterprise Fund. The other fees shall be distributed as follows:

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

12 * * *

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

14 § 221. FIRST-CLASS LICENSES

15 * * *

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

18 (2) Except as otherwise provided pursuant to sections 271 and 278 of
19 this title, a first-class license holder shall purchase all malt beverages and
20 vinous beverages sold pursuant to the license from Vermont wholesale dealers
21 or packagers. A first-class license holder may use a credit card to purchase

1 malt beverages and vinous beverages from Vermont wholesale dealers or
2 packagers.

3 * * *

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

5 § 223. THIRD-CLASS LICENSES

6 * * *

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

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

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

15 CONSUMPTION

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

18 (1) Authorize first- and third-class licensees to sell malt beverages,
19 vinous beverages, and spirits-based prepared drinks for off-premises
20 consumption. All sales of alcoholic beverages for off-premises consumption
21 must be accompanied by a food order.

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

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

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

7 § 253. FESTIVAL PERMITS

8 * * *

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

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

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

16 (1) Attendees at the festival shall be required to pay an entry fee of not
17 less than \$5.00.

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

1 (B) Vinous beverages for sampling shall be offered in glasses that
2 contain not more than five ounces with not more than 25 ounces served to any
3 patron at one event.

4 (C) Fortified wines for sampling shall be offered in glasses that
5 contain not more than three ounces with not more than 15 ounces served to any
6 patron at one event.

7 (D) Spirits for sampling shall be offered in glasses that contain not
8 more than one ounce with not more than five ounces served to any patron at
9 one event.

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

14 (3) The event shall be conducted in compliance with all the
15 requirements of this title.

16 (e)(1) A festival permit holder may purchase invoiced volumes of malt or
17 vinous beverages directly from a manufacturer or packager licensed in
18 Vermont, or a manufacturer or packager that holds a federal Basic Permit or
19 Brewers Notice or evidence of licensure in a foreign country that is satisfactory
20 to the Board.

1 (2) The invoiced volumes of malt or vinous beverages may be
2 transported to the site and sold by the glass to the public by the permit holder
3 or its employees and volunteers only during the event.

4 ~~(e)~~(f) A festival permit holder shall be subject to the provisions of this title,
5 including section 214 of this title, and the rules of the Board regarding the sale
6 of the alcoholic beverages and shall pay the tax on the malt or vinous
7 beverages pursuant to section 421 of this title.

8 ~~(d)~~(g) A person shall be granted ~~no~~ not more than four festival permits per
9 year, and each permit shall be valid for ~~no~~ not more than four consecutive
10 days.

11 Sec. 6. 7 V.S.A. § 256 is amended to read:

12 § 256. PROMOTIONAL TASTINGS FOR LICENSEES

13 (a)(1) At the request of a first- or second-class licensee, a holder of a
14 manufacturer's, rectifier's, or wholesale dealer's license may distribute without
15 charge to the first- or second-class licensee's management and staff, provided
16 they are of legal age ~~and are off duty for the rest of the day~~, two ounces per
17 person of vinous or malt beverages for the purpose of promoting the beverage.

18 (2) At the request of a holder of a third-class license, a manufacturer or
19 rectifier of spirits or fortified wines may distribute without charge to the third-
20 class licensee's management and staff, provided they are of legal age ~~and are~~
21 ~~off duty for the rest of the day~~, one-quarter ounce of each beverage and ~~no~~ not

1 more than a total of one ounce to each individual for the purpose of promoting
2 the beverage.

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

6 * * *

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

8 Subchapter 4. Use, Reproduction, and Advertisement of Restaurant Menus
9 and Services

10 § 3149. USE AND REPRODUCTION OF MENUS BY THIRD-PARTY

11 SERVICES

12 (a) The use or reproduction of any restaurant or food service establishment
13 menu by any third-party service shall be prohibited unless the restaurant or
14 food service establishment has provided express authority for the third-party
15 service's use or reproduction of the menu.

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

19 § 3150. THIRD-PARTY DELIVERY PLATFORMS; PROHIBITION

20 (a) No third-party delivery platform or other delivery service shall advertise
21 or arrange for the delivery of goods from a restaurant or food service

1 establishment without first obtaining an agreement with the restaurant or food
2 service establishment that expressly authorizes the third-party delivery
3 platform or service to accept orders and deliver meals on behalf of the
4 restaurant or food service establishment.

5 (b) As used in this section, “third-party delivery platform” means any
6 business that:

7 (1) offers intermediary services between consumers and multiple
8 restaurant or food service establishments that allows a consumer to submit
9 orders for goods from a restaurant or food service establishment; and

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

12 § 3151. THIRD-PARTY DELIVERY PLATFORMS; LIMITATION ON
13 FEES

14 Third-party delivery platforms may not pay reduced menu prices, charge
15 fees, or collect commissions from food service establishments. Third-party
16 delivery platforms may charge fees to consumers. Third-party delivery
17 platforms shall list any fees to be charged to consumers separately from a food
18 service establishment’s menu prices.

19 Sec. 8. REPEAL

20 7 V.S.A. § 230 is repealed on July 1, 2023.

1 Sec. 9. EFFECTIVE DATE

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