

**H.313 – As Proposed for Amendment by Senate Econ. Dev.**

**Strike All - Summary**

Sec. 1 – Amends 7 V.S.A. § 204 to establish a \$50 fee for standalone third-class licenses and a fee reduction for manufacturers who acquire a third-class license.

- **Background:** Any establishment that sells spirits or fortified wines for on-premises consumption must acquire a third-class license. This includes bars, restaurants, dining cars, and manufacturers (distillers).
- **Standalone third-class licenses**
  - are issued under two circumstances: 1) a bar or restaurant that serves only spirits and fortified wines; and 2) a bar or restaurant that is renewing a third-class license that was issued for a six month period.
  - Municipalities are responsible for most of the administration of these licenses.
  - The entire \$50 fee is retained by the issuing municipality.
- **Fee Reduction for Manufacturers**
  - Currently, if a manufacturer wants to establish an on-site location for the sale of “full-pours” of a spirit, the manufacturer must obtain a third-class license in addition to their manufacturer’s license. A manufacturer’s license costs \$285; the third-class license costs \$1,095. However, a brewer, vintner, or cider-maker may obtain a first-class license to serve malt or vinous beverages on-site for \$230.
  - The amendment lowers the price of a third-class license that is granted to a manufacturer to \$230.

Sec. 2 – Adds 7 V.S.A. § 230 to authorize delivery and curbside pickup of alcoholic beverages.

- The Board of Liquor and Lottery and the local control commissioners are authorized to approve:
  - First- and third-class licensees to offer alcoholic beverages for delivery and curbside pickup, provided:
    - that the alcoholic beverages are accompanied by a food order;
    - the container has a tamper evident seal;
    - is labeled as alcohol; and
    - lists the ingredients and serving size of the beverage.
  - Second-class licensees to offer curbside pickup of the alcoholic beverages that they are allowed to sell pursuant to their license (beer, wine, and fortified wines).
    - The DLL may allow 802 Spirits agents to sell spirits for curbside pickup under separate authority.
  - Fourth-class licensees to offer curbside pickup of the alcoholic beverages that they are allowed to sell pursuant to their license (beer, wine, fortified

wines, or spirits *manufactured by the licensee or other beverages authorized by the license*).

- All licensees are limited in the hours that they may offer delivery or pickup.
- The Board is given rulemaking authority to implement this section.
- **Note:** The bill has a two year sunset of this section in Sec. 7.

Sec. 3 – Amends 7 V.S.A. § 253 to clarify and modernize the festival permit statute.

- Clarifies that only festivals that are organized for the purpose of serving alcoholic beverages are required to get a DLL festival permit.
- Permit-holders must:
  - Charge a minimum of \$5 for entry; and
  - Limit the total amount of alcoholic beverages served to an individual attendee, based on the type of alcoholic beverage served at the festival; and
    - Malt beverages: max 12 ounce container, with not more than 60 ounces served.
    - Vinous beverages: max 5 ounce container, with not more than 25 ounces served.
    - Fortified wines: max 3 ounce container, with not more than 15 ounces served.
    - Spirits: max 1 ounce container, with not more than five ounces served.
    - Combined festival: total of six U.S. standard drinks containing 3.6 fluid ounces or 84 grams of pure ethyl alcohol.
  - The festival must comply with all other provisions of Title 7.

Sec. 4 – Amends 7 V.S.A. § 256 to allow manufacturers to serve samples of beverages to the management and staff of first- and second-class licensees, without the requirement that the staff be off duty for the rest of the day.

- The section is also amended to require 48 hours notice to DLL before a sampling event is held.

Sec. 5 – This is session law that waives the first- and third-class license fees for clubs for 2021.

Sec. 6 – This is session law that contains two reports.

- The first report concerns the current laws and revenue data related to sports betting.
  - OLC and JFO are required to submit the report to Senate and House committees by October 15, 2021. The report shall contain an analysis of:
    - the sports betting laws in each state that has an active or proposed sports betting market;

- studies concerning the legalization, taxation, and regulation of sports betting;
  - the models for regulation of sports betting that are currently operating in other states;
  - state by state analysis of the revenue resulting from sports betting; and
  - any reports or information concerning impacts on problem gaming.
- The second report concerns the alcoholic beverage “to go” program established in Sec. 2 of the amendment.
    - DLL will be required to submit a report on or before January 15, 2023 concerning the economic and public safety impacts resulting from the program.
    - DLL is required to collect data from licensees in order to support the study and report.

Sec. 7. -- Sunsets 7 V.S.A. § 230 (delivery and curbside pickup) effective July 1, 2023.

Effective Date: July 1, 2021, except for Sec. 5 (waiver of club fees) which shall take effect on passage.