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H.470

Introduced by Committee on Government Operations and Military Affairs

Date:

Subject: Alcoholic beverages; miscellaneous amendments

Statement of purpose of bill as introduced: This bill proposes to amend various provisions of Title 7 to replace the term “cider” with “hard cider”; increase the annual limit on fourth-class licenses from 10 to 20; and repeal the sunset of 7 V.S.A. § 230 (sale of alcoholic beverages for off-premises consumption).

An act relating to miscellaneous amendments to alcoholic beverage laws

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

~~*** Hard Cider ***~~

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

§ 2. DEFINITIONS

As used in this title:

~~***~~

(44) ~~“Cider”~~ “Hard cider” means a vinous beverage made a majority from the fermented natural sugar content of apples or pears, that contains an alcoholic content of not less than one percent or more than 16 percent by

1 ~~volume at 60 degrees Fahrenheit. "Cider" "Hard cider" includes sweetened,~~

2 flavored, and carbonated hard cider.

3 Sec. 2. 7 V.S.A. § 228 is amended to read:

4 § 228. SAMPLER FLIGHTS

5 (a) The holder of a first-class license may serve a sampler flight of up to
6 32 ounces in the aggregate of malt beverages or hard ciders to a single
7 customer at one time.

8 * * *

9 Sec. 3. 7 V.S.A. § 253 is amended to read:

10 § 253. FESTIVAL PERMITS

11 * * *

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

13 * * *

14 (2)(A) Malt beverages and hard ciders for sampling shall be offered in
15 glasses that contain not more than 12 ounces with not more than 60 ounces
16 served to any patron at one event.

17 * * *

18 Sec. 4. 7 V.S.A. § 421 is amended to read:

19 § 421. TAX ON MALT AND VINOUS BEVERAGES

20 (a) Every packager and wholesale dealer shall pay to the Commissioner of
21 ~~Taxes.~~

1 ~~(1) the sum of 26 and one-half cents per gallon for every gallon or its~~

2 equivalent of:

3 * * *

4 (B) hard ciders containing not more than seven percent of alcohol by
5 volume at 60 degrees Fahrenheit sold by them to retailers in the State;

6 (2) the sum of 55 cents per gallon for each gallon of:

7 * * *

8 (B) hard ciders containing more than seven percent of alcohol by
9 volume at 60 degrees Fahrenheit sold by them to retailers in the State; and

10 * * *

11 * * * Fourth-Class Licenses * * *

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

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

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

17 * * *

18 (9) For up to ~~ten~~ 20 fourth-class licenses, \$70.00.

19 ~~_____~~

1 ~~Sec. 6. 7 V.S.A. § 224 is amended to read:~~

2 § 224. FOURTH-CLASS LICENSES

3 (a) The Board of Liquor and Lottery may grant up to a combined total of
4 ~~ten~~ 20 fourth-class licenses to a manufacturer or rectifier that submits an
5 application and the fee provided in section 204 of this title.

6 * * *

7 * * * Repeal of Sunset * * *

8 Sec. 7. 2021 Acts and Resolves No. 70, Sec. 7 is amended to read:

9 Sec. 7. REPEAL

10 ~~7 V.S.A. § 230 is repealed on July 1, 2023. [Repealed.]~~

11 * * * Study and Report * * *

12 Sec. 8. DEPARTMENT OF HEALTH; ALCOHOLIC BEVERAGES;

13 PUBLIC HEALTH IMPACT STUDY AND REPORT

14 On or before January 15, 2025, the Department of Health, in consultation
15 with the Department of Liquor and Lottery, shall study and report on the
16 public health impacts of the sale of alcoholic beverages for off-premises
17 consumption since the passage of 7 V.S.A. § 230 and within the context of
18 existing alcohol regulations in Vermont. The Department of Health shall
19 submit the written report to the House Committee on Government Operations
20 and Military Affairs and the Senate Committee on Economic Development,

1 ~~Housing and General Affairs. The Department of Health shall include with its~~
2 ~~findings any recommendations for legislative action.~~

3 * * * Effective Dates * * *

4 Sec. 9. EFFECTIVE DATES

5 (a) This section and Sec. 7 (repeal) shall take effect on passage.

6 ~~(b) All other sections shall take effect on July 1, 2023.~~

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

§ 2. DEFINITIONS

As used in this title:

** * **

(44) “Cider” “Hard cider” means a vinous beverage, made a majority from the fermented natural sugar content of apples or pears, that contains an alcoholic content of not less than one percent or more than 16 percent by volume at 60 degrees Fahrenheit. “Cider” “Hard cider” includes sweetened, flavored, and carbonated hard cider.

Sec. 2. 7 V.S.A. § 204 is amended to read:

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

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

~~(9) For up to ten each fourth-class licenses license, \$70.00.~~

~~***~~

~~(12) For a festival sampling event permit, \$125.00.~~

~~***~~

~~(14) For an educational sampling a limited event permit, \$250.00.~~

~~***~~

Sec. 3. 7 V.S.A. § 224 is amended to read:

§ 224. FOURTH-CLASS LICENSES

(a) The Board of Liquor and Lottery may grant up to a combined total of ~~ten~~ 20 fourth-class licenses to a manufacturer or rectifier that submits an application and the fee provided in section 204 of this title.

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

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

(A) At a farmer's market location, not more than:

(i) two ounces of malt beverages, vinous beverages, or ready-to-drink spirits beverages with a total of eight ounces; and

(B)(ii) ~~no more than~~ one-quarter ounce of spirits or fortified wine with a total of one ounce.

~~(B) At a tasting room and retail shop, not more than:~~

~~(i) an aggregate total of 16 ounces of malt beverages or hard
cider;~~

~~(ii) an aggregate total of 12 ounces of vinous beverages or ready-
to-drink spirits beverages; and~~

~~(iii) not more than one-quarter ounce of spirits or fortified wine
with a total of two ounces.~~

~~* * *~~

~~(c)(1) At only one a maximum of two fourth-class license location
locations, a licensed manufacturer or rectifier may sell by the unopened
container or distribute by the glass, with or without charge, alcoholic
beverages produced by ~~no~~ not more than five additional manufacturers or
rectifiers, provided these beverages are purchased on invoice from the
manufacturer or rectifier.~~

~~* * *~~

~~Sec. 4. 7 V.S.A. § 228 is amended to read:~~

~~§ 228. SAMPLER FLIGHTS~~

~~(a) The holder of a first-class license may serve a sampler flight of up to
32 ounces in the aggregate of malt beverages or hard ciders to a single
customer at one time.~~

~~Sec. 5. 7 V.S.A. § 251 is amended to read:~~

~~§ 251. EDUCATIONAL SAMPLING LIMITED EVENT~~

~~PERMIT~~

~~(a) The Division of Liquor Control may grant an educational sampling a limited event permit to a person if:~~

~~(1) the limited event is also approved by the local control commissioners; and~~

~~(2) at least 15 days prior to the event, the applicant submits an application to the Division in a form required by the Commissioner that includes a list of the alcoholic beverages to be acquired for sampling at the event and is accompanied by the fee provided in section 204 of this title.~~

~~(b)(1) An educational sampling A limited event permit holder is permitted to conduct an event that is open to the public at which may purchase invoiced volumes of malt beverages, vinous beverages, ready-to-drink spirits beverages, fortified wines, or spirits, or all five are served only for the purposes of marketing and educational sampling, directly from a manufacturer, packager, wholesale dealer, or importer licensed in Vermont or a manufacturer or packager that holds a federal Basic Permit or Brewer's Notice or evidence of licensure in a foreign country that is satisfactory to the Board.~~

~~(2) The invoiced volumes of alcoholic beverages may be transported into the site and sold by the glass to the public by the permit holder or the~~

~~permit holder's employees and volunteers only during the event.~~

~~(c)(1) No Not more than four educational ~~sampling~~ limited event permits shall be issued annually to the same person., and~~

~~(2) An educational ~~sampling event~~ each permit shall be valid for ~~no~~ not more than four consecutive days.~~

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

~~(1) Attendees at the educational ~~sampling event~~ shall be required to pay an entry fee of not less than \$5.00.~~

~~(2)(A) Malt beverages, vinous beverages, or ready-to-drink spirits beverages for sampling shall be offered in glasses that contain not more than two ounces of either beverage.~~

~~(B) Fortified wines and spirits for sampling shall be offered in glasses that contain no more than one-quarter ounce of either beverage.~~

~~(3) The event shall be conducted in compliance with all the requirements be subject to the provisions of this title, including section 214 of this title, and the rules of the Board regarding the sale of alcoholic beverages. The permit holder shall pay the tax on the alcoholic beverages served at the event pursuant to section 421 of this title.~~

~~(e) An educational ~~sampling event~~ permit holder:~~

~~(1) may receive shipments directly from a manufacturer, packager, certificate of approval holder, wholesale dealer, or importer licensed in~~

~~Vermont or that provides evidence of licensure in another state or foreign country satisfactory to the Board;~~

~~(2) may transport alcoholic beverages to the event site, and those beverages may be served at the event by the permit holder or the holder's employees, volunteers, or representatives of a manufacturer, packager, or importer participating in the event, provided they meet the server age and training requirements under section 259 of this chapter; and~~

~~(3) shall mark all cases and bottles of alcoholic beverages to be served at the event "For sampling only. Not for resale."~~

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

~~(1) malt beverages:~~

~~(A) \$0.265 per gallon of malt beverages served that contain not more than six percent alcohol by volume at 60 degrees Fahrenheit; and~~

~~(B) \$0.55 per gallon of malt beverages served that contain more than six percent alcohol by volume at 60 degrees Fahrenheit;~~

~~(2) vinous beverages: \$0.55 per gallon served;~~

~~(3) spirits: \$19.80 per gallon served;~~

~~(4) fortified wines: \$19.80 per gallon served; and~~

~~(5) ready-to-drink spirits beverages: \$1.10 per gallon served.~~

~~Sec. 6. 7 V.S.A. § 252 is amended to read.~~

~~§ 252. SPECIAL EVENT PERMITS~~

~~(a)(1) The Division of Liquor Control may issue a special event permit if the application is submitted to the Division of Liquor Control with the fee provided in section 204 of this title at least five days prior to the date of the event.~~

~~(2) A manufacturer or rectifier may be issued one special event permit shall be valid for the duration of per physical location for each public event or four days, whichever is shorter. A special event permit shall be valid for not more than 40 days in a calendar year.~~

~~***~~

~~(e) A licensed manufacturer or rectifier may be issued not more than 10 special event permits for the same physical location in a calendar year.~~

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

~~§ 253. FESTIVAL SAMPLING EVENT PERMITS~~

~~(a) The Division of Liquor Control may grant a festival sampling event permit if the applicant has:~~

- ~~(1) received approval from the local control commissioners;~~
- ~~(2) submitted a request for a festival the permit to the Division in a form required by the Commissioner at least 15 days prior to the festival event; and~~
- ~~(3) paid the fee provided in section 204 of this title.~~

~~(b) A festival An event required to be permitted under this section is any~~

~~event that is open to the public for which the primary purpose is to serve one or more of the following: malt beverages, vinous beverages, ready-to-drink spirits beverages, fortified wines, or spirits has more than five sampling outlets and expected event attendance is greater than 50 patrons.~~

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

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

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

~~***~~

~~(2)(A) Malt beverages and hard ciders for sampling shall be offered in glasses that contain not more than ~~12~~ 16 ounces with not more than 60 ounces served to any patron at one event.~~

~~***~~

~~(E) Patrons attending a festival sampling event where combinations of malt beverages, vinous beverages, ready-to-drink spirits beverages, fortified wines, or spirits are mutually sampled shall not be served more than a combined total of six U.S. five standard drinks containing 3.6 fluid ounces, or ~~64~~ grams of pure ethyl alcohol drink units as defined by the World Health~~

Organization

* * *

(e)(1) A festival sampling event permit holder may purchase invoiced volumes of malt beverages, vinous beverages, or ready-to-drink spirits beverages directly from a manufacturer or packager licensed in Vermont or a manufacturer or packager that holds a federal Basic Permit or Brewers Notice or evidence of licensure in a foreign country that is satisfactory to the Board.

* * *

(f) A festival sampling event permit holder shall be subject to the provisions of this title, including section 214 of this title, and the rules of the Board regarding the sale of the alcoholic beverages and shall pay the tax on the malt beverages, vinous beverages, or ready-to-drink spirits beverages pursuant to section 421 of this title.

(g) A person shall be granted not more than four festival sampling event permits per year, and each permit shall be valid for not more than four consecutive days.

Sec. 8. 7 V.S.A. § 421 is amended to read:

§ 421. TAX ON MALT AND VINOUS BEVERAGES

(a) Every packager and wholesale dealer shall pay to the Commissioner of Taxes:

(1) the sum of 26 and one-half cents per gallon for every gallon or its

equivalent of:

** * **

(B) hard ciders containing not more than seven percent of alcohol by volume at 60 degrees Fahrenheit sold by them to retailers in the State;

(2) the sum of 55 cents per gallon for each gallon of:

** * **

(B) hard ciders containing more than seven percent of alcohol by volume at 60 degrees Fahrenheit sold by them to retailers in the State; and

** * **

Sec. 9. 2021 Acts and Resolves No. 70, Sec. 7 is amended to read:

Sec. 7. REPEAL

7 V.S.A. § 230 is repealed on July 1, ~~2023~~ 2025.

*Sec. 10. DEPARTMENT OF LIQUOR AND LOTTERY; ALCOHOLIC
BEVERAGES; PUBLIC HEALTH IMPACT STUDY AND
REPORT*

On or before January 15, 2025, the Department of Liquor and Lottery, in consultation with other stakeholders, shall study and report on the public safety impacts of the sale of alcoholic beverages for off-premises consumption since the passage of 7 V.S.A. § 230. The Department shall submit the written report to the House Committee on Government Operations and Military Affairs and the Senate Committee on Economic Development, Housing, and General

~~Affairs. The Department shall include with its findings any recommendations
for legislative action.~~

~~Sec. 11. EFFECTIVE DATES~~

~~(a) This section and Sec. 9 (extension of sunset; 7 V.S.A. 230) shall take
effect on passage.~~

~~(b) All other sections shall take effect on July 1, 2023.~~

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

§ 2. DEFINITIONS

As used in this title:

* * *

(44) ~~“Cider”~~ “Hard cider” means a vinous beverage, made a majority from the fermented natural sugar content of apples or pears, that contains an alcoholic content of not less than one percent or more than 16 percent by volume at 60 degrees Fahrenheit. ~~“Cider”~~ “Hard cider” includes sweetened, flavored, and carbonated hard cider.

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PERMITS; DISPOSITION OF FEES

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

* * *

(9) For ~~up to ten~~ each fourth-class licenses license, \$70.00.

** * **

(12) For a ~~festival~~ sampling event permit, \$125.00.

** * **

(14) For ~~an educational sampling~~ a limited event permit, \$250.00.

** * **

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(a) The Board of Liquor and Lottery may grant up to a combined total of ~~ten~~ 20 fourth-class licenses to a manufacturer or rectifier that submits an application and the fee provided in section 204 of this title.

** * **

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** * **

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§ 251. EDUCATIONAL SAMPLING LIMITED EVENT

PERMIT

(a) The Division of Liquor Control may grant ~~an educational sampling a~~ limited event permit to a person if:

(1) the limited event is also approved by the local control commissioners; and

(2) at least 15 days prior to the event, the applicant submits an application to the Division in a form required by the Commissioner that ~~includes a list of the alcoholic beverages to be acquired for sampling at the event~~ and is accompanied by the fee provided in section 204 of this title.

(b)(1) ~~An educational sampling~~ A limited event permit holder is permitted to conduct an event that is open to the public at which may purchase invoiced volumes of malt beverages, vinous beverages, ready-to-drink spirits beverages, fortified wines, or spirits, or all five are served only for the purposes of marketing and educational sampling, directly from a manufacturer, packager, wholesale dealer, or importer licensed in Vermont or a manufacturer or packager that holds a federal Basic Permit or Brewer's Notice or evidence of licensure in a foreign country that is satisfactory to the Board.

(2) The invoiced volumes of alcoholic beverages may be transported into the site and sold by the glass to the public by the permit holder or the permit holder's employees and volunteers only during the event.

(c)(1) ~~No~~ Not more than four educational sampling limited event permits shall be issued annually to the same person, and

~~(2) An educational sampling event each permit shall be valid for no not more than four consecutive days.~~

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

~~(1) Attendees at the educational sampling event shall be required to pay an entry fee of not less than \$5.00.~~

~~(2)(A) Malt beverages, vinous beverages, or ready-to-drink spirits beverages for sampling shall be offered in glasses that contain not more than two ounces of either beverage.~~

~~(B) Fortified wines and spirits for sampling shall be offered in glasses that contain no more than one-quarter ounce of either beverage.~~

~~(3) The event shall be conducted in compliance with all the requirements be subject to the provisions of this title, including section 214 of this title, and the rules of the Board regarding the sale of alcoholic beverages. The permit holder shall pay the tax on the alcoholic beverages served at the event pursuant to section 421 of this title.~~

~~(e) An educational sampling event permit holder:~~

~~(1) may receive shipments directly from a manufacturer, packager, certificate of approval holder, wholesale dealer, or importer licensed in Vermont or that provides evidence of licensure in another state or foreign country satisfactory to the Board;~~

~~(2) may transport alcoholic beverages to the event site, and those beverages may be served at the event by the permit holder or the holder's employees, volunteers, or representatives of a manufacturer, packager, or importer participating in the event, provided they meet the server age and training requirements under section 259 of this chapter; and~~

~~(3) shall mark all cases and bottles of alcoholic beverages to be served at the event "For sampling only. Not for resale."~~

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

~~(1) malt beverages:~~

~~(A) \$0.265 per gallon of malt beverages served that contain not more than six percent alcohol by volume at 60 degrees Fahrenheit; and~~

~~(B) \$0.55 per gallon of malt beverages served that contain more than six percent alcohol by volume at 60 degrees Fahrenheit;~~

~~(2) vinous beverages: \$0.55 per gallon served;~~

~~(3) spirits: \$19.80 per gallon served;~~

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

§ 253. FESTIVAL SAMPLING EVENT PERMITS

(a) The Division of Liquor Control may grant a ~~festival~~ sampling event permit if the applicant has:

** * **

(2) submitted a request for ~~a festival~~ the permit to the Division in a form required by the Commissioner at least 15 days prior to the ~~festival~~ event; and

** * **

(b) ~~A festival~~ An event required to be permitted under this section is any event that is open to the public for which the primary purpose is to serve one or more of the following: malt beverages, vinous beverages, ready-to-drink spirits beverages, fortified wines, or spirits.

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

(d) The permit holder shall ensure the following:

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

** * **

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

* * *

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

* * *

(e)(1) A festival sampling event permit holder may purchase invoiced volumes of malt beverages, vinous beverages, or ready-to-drink spirits beverages directly from a manufacturer or packager licensed in Vermont or a manufacturer or packager that holds a federal Basic Permit or Brewers Notice or evidence of licensure in a foreign country that is satisfactory to the Board.

* * *

(f) A festival sampling event permit holder shall be subject to the provisions of this title, including section 214 of this title, and the rules of the Board regarding the sale of the alcoholic beverages and shall pay the tax on the malt beverages, vinous beverages, or ready-to-drink spirits beverages pursuant to section 421 of this title.

(g) A person shall be granted not more than four festival sampling event permits per year, and each permit shall be valid for not more than four consecutive days.

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

§ 421. TAX ON MALT AND VINOUS BEVERAGES

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Taxes:

*(1) the sum of 26 and one-half cents per gallon for every gallon or its
equivalent of:*

** * **

*(B) hard ciders containing not more than seven percent of alcohol by
volume at 60 degrees Fahrenheit sold by them to retailers in the State;*

(2) the sum of 55 cents per gallon for each gallon of:

** * **

*(B) hard ciders containing more than seven percent of alcohol by
volume at 60 degrees Fahrenheit sold by them to retailers in the State; and*

** * **

Sec. 8. 2021 Acts and Resolves No. 70, Sec. 7 is amended to read:

Sec. 7. REPEAL

7 V.S.A. § 230 is repealed on July 1, 2023 2025.

*Sec. 9. DEPARTMENT OF LIQUOR AND LOTTERY; ALCOHOLIC
BEVERAGES; PUBLIC SAFETY IMPACT STUDY AND
REPORT*

On or before January 15, 2025, the Department of Liquor and Lottery, in consultation with other stakeholders, shall study and report on the public safety impacts of the sale of alcoholic beverages for off-premises consumption since the passage of 7 V.S.A. § 230. The Department shall submit the written report to the House Committee on Government Operations and Military Affairs and the Senate Committee on Economic Development, Housing and General Affairs. The Department shall include with its findings any recommendations for legislative action.

Sec. 10. EFFECTIVE DATES

(a) This section and Sec. 8 (extension of sunset; 7 V.S.A. 230) shall take effect on passage.

(b) All other sections shall take effect on July 1, 2023.