

House Government Operations and Military Affairs Committee

Testimony from the Vermont Brewers Association

RE: An Act Relating to Miscellaneous Amendments to Alcoholic Beverage Laws

February 8, 2024

Thank – you for the opportunity to testify this morning. My name is **Matt Wilson**, co-founder of Zero Gravity and Chair of the VBA Government Affairs Committee. With me is **Emma Arian**, the Executive Director of the Vermont Brewers Association. Also in the room is **Jessica Oski**, with **Necrason Group**, the VBA’s lobbyist.

Craft beer is a significant driver of the Vermont economy. Vermont Brewers Association has 61 brewery members and employs 2,593 people. The average wage in our industry is \$38,887 annually. The economic impact (output) that Vermont’s craft beer has is \$384,490,000 and the impact per capita is \$768.31 which ranks 1st in the nation. Vermont brews 324,505 barrels of craft beer annually and ranks 1st in the nation for beer brewed per capita. The Vermont craft beer industry draws tourists to Vermont and is a critical part of our rural economy – with many craft breweries drawing customers to our very rural towns and village centers. Craft breweries are gathering places contributing to the rich fabric of our communities. We are grateful for the continued support and consideration from the Vermont legislature and Scott administration. Thank you.

We are here today to comment on the DRAFT miscellaneous alcohol bill ([draft 1.1](#))

- **Sections 1 & 2** relating to the sale of closed containers of alcoholic beverages within a first- or third-class license serving area. DLL currently requires establishments that have both a first (and/or third) and second-class license to have a segregated space for each license at a single establishment. Sections 1 & 2 would remove the segregated space requirement and allow both (or all three) licenses to operate in a contiguous space within an establishment. **The VBA supports this proposal.** Many tap rooms and brew pubs are small. Efforts to segregate spaces can often present challenges. The VBA believes that this change does not present any risk to the public and we support this proposal.
- **Sections 3 & 4** relating to expanding access to special venue serving permits. Under current law, a special venue serving permit may be granted to an art gallery, bookstore, public library or museum after receiving approval from the local control commission and paying a fee. A special venue serving permit authorizes the holder to serve beer, wine or RTDs, purchased directly from a retailer. This proposal would replace the word “bookstore” with “retail establishment” thereby expanding the types of retailers that can access this type of permit. **The VBA does not object to this proposal.**
- **Section 5** relating to allowing a sampling event permit holder to purchase invoiced volumes of alcoholic beverages from wholesale dealers. Under current law, a sampling event permit

holder (formerly known as a Festival Permit) is allowed to purchase invoiced volumes of malt beverages directly from a manufacturer or packager. This change would allow a permit holder, like the VBA, to purchase beer directly from a wholesale dealer, in addition to a manufacturer or a packager. **The VBA supports this proposal.**

- **Section 6** relating to increasing the limit on special event permits that may be acquired by an individual licensee from 10 to 20. Under current law, a manufacturer is allowed to be issued up to 10 special event permits for the same physical location in a year. Each permit is good for the duration of the event or up to 4 days. A special event permit is a permit granted to a licensed manufacturer or rectifier and allows them to sell alcoholic beverages manufactured by the permit holder by the glass or unopened bottle within the confines of the special event. A special event permit also allows the manufacturer to serve or sell glasses of beverages in quantities of not more than two ounces per product and eight ounces total of malt beverages, vinous beverages, or ready-to-drink spirits beverages and not more than one ounce in total of spirits or fortified wines to each individual. This proposal would increase the number of special event permits a manufacturer is allowed to obtain in a year at a specific location from 10 to 20. **The VBA supports this proposal.**
- **Section 7** Regarding the DLL Annual Report. **The VBA has no position on this proposal.**
- **Section 8** Regarding liquor liability insurance. **The VBA has no position on this proposal.**
- **Section 9** relating to bulk shipments for rectifying. Under current law wine manufacturers may receive bulk shipments of vinous beverages to rectify with manufacturer's own product, provided that wine produced by the manufacturer does not contain more than 25% the imported material. This proposal would expand this allowance to all alcoholic beverage manufacturers, e.g. beer and spirit manufacturers. **The VBA would prefer that the legislature postpone consideration of this proposal until the need can be better understood.**