

1 TO THE HONORABLE SENATE:

2 The Committee on Economic Development, Housing and General Affairs to
3 which was referred House Bill No. 470 entitled “An act relating to
4 miscellaneous amendments to alcoholic beverage laws” respectfully reports
5 that it has considered the same and recommends that the Senate propose to the
6 House that the bill be amended as follows:

7 First: In Sec. 6, in 7 V.S.A. § 224 (fourth-class licenses), following
8 subsection (a) and before the ellipses, by inserting subdivisions (b)(1) and
9 (c)(1) and to read as follows:

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

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

16 (A) not more than ~~two ounces of~~ an aggregate total of 16 ounces of
17 malt beverages; or hard cider;

18 (B) not more than an aggregate quantity of 12 ounces of vinous
19 beverages; or ready-to-drink spirits beverages with a total of eight ounces; and

20 ~~(B)(C) no~~ not more than one-quarter ounce of spirits or fortified
21 wine with a total of ~~one ounce~~ two ounces.

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(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.

Second: Following Sec. 8 (public health impact study and report), by
inserting reader assistance headings and new Secs. 9 through 12 to read as
follows:

* * * Sampling Event Permits and Limited Event Permits * * *

Sec. 9. 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:

* * *

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

* * *

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

* * *

1 Sec. 10. 7 V.S.A. § 251 is amended to read:

2 § 251. ~~EDUCATIONAL SAMPLING~~ LIMITED EVENT

3 PERMIT

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

14 ~~(1) malt beverages:~~

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

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

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

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

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

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

2 Sec. 11. 7 V.S.A. § 253 is amended to read:

3 § 253. ~~FESTIVAL~~ SAMPLING EVENT PERMITS

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

6 (1) received approval from the local control commissioners;

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

9 (3) paid the fee provided in section 204 of this title.

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

14 (c) A ~~festival~~ sampling event permit holder is permitted to conduct an event
15 that is open to the public at which one or more of the following are served:
16 malt beverages, vinous beverages, ready-to-drink spirits beverages, fortified
17 wines, or spirits. The permit holder may sell alcoholic beverages by the closed
18 container when the event has more than five sampling outlets and expected
19 event attendance is greater than 50 patrons.

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

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

3 * * *

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

7 * * *

8 (E) Patrons attending a ~~festival~~ sampling event where combinations
9 of malt beverages, vinous beverages, ready-to-drink spirits beverages, fortified
10 wines, or spirits are mutually sampled shall not be served more than a
11 combined total of six U.S. standard ~~drinks containing 3.6 fluid ounces or 84~~
12 ~~grams of pure ethyl alcohol~~ drink units as defined by the World Health
13 Organization.

14 * * *

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

20 * * *

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

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

9 * * * Special Events Permits * * *

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

11 § 252. SPECIAL EVENT PERMITS

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

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

20 * * *

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

3

4 and by renumbering the remaining section to be numerically correct.

5

6 (Committee vote: _____)

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8

Senator _____

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FOR THE COMMITTEE