

1 TO THE HONORABLE SENATE:

2 The Committee on Economic Development, Housing and General Affairs to
3 which was referred House Bill No. 867 entitled “An act relating to
4 miscellaneous amendments to the laws governing alcoholic beverages and the
5 Board of Liquor and Lottery” respectfully reports that it has considered the
6 same and recommends that the Senate propose to the House that the bill be
7 amended by striking out all after the enacting clause and inserting in lieu
8 thereof the following:

9 * * * Special Venue Serving Permit; Retail Establishments * * *

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

11 § 2. DEFINITIONS

12 As used in this title:

13 * * *

14 (38) “Special venue serving permit” means a permit granted by the
15 Division of Liquor Control permitting an art gallery, ~~bookstore~~ retail
16 establishment, public library, or museum to conduct an event at which malt or
17 vinous beverages, or both, are served by the glass to the public. As used in this
18 section, “art gallery” means a fixed establishment whose primary purpose is to
19 exhibit or offer for sale works of art; ~~“bookstore” means a fixed establishment~~
20 ~~whose primary purpose is to offer books for sale~~; “public library” has the same

1 meaning as in 22 V.S.A. § 101; and “museum” has the same meaning as in
2 27 V.S.A. § 1151.

3 * * *

4 Sec. 2. 7 V.S.A. § 254 is amended to read:

5 § 254. SPECIAL VENUE SERVING PERMITS

6 (a) The Division of Liquor Control may grant an art gallery, ~~bookstore~~
7 retail establishment, public library, or museum a special venue serving permit
8 if the applicant has:

9 * * *

10 (c) A permit holder shall be subject to the provisions of this title and the
11 rules of the Board regarding the service of alcoholic beverages. A permit
12 holder shall be authorized to serve, but not sell, alcoholic beverages for not
13 more than six hours and solely for consumption on the permitted premises.

14 * * *

15 (e) An art gallery, retail establishment, public library, or museum may be
16 issued not more than 12 special venue serving permits in a calendar year.

17 * * * 2026 Sunset of Special Venue Serving Permits

18 for Retail Establishments * * *

19 Sec. 3. 7 V.S.A. § 254 is amended to read:

20 § 254. SPECIAL VENUE SERVING PERMITS

1 (a) The Division of Liquor Control may grant an art gallery, ~~retail~~
2 ~~establishment~~, public library, or museum a special venue serving permit if the
3 applicant has:

4 * * *

5 (e) An art gallery, ~~retail establishment~~, public library, or museum may be
6 issued not more than 12 special venue serving permits in a calendar year.

7 Sec. 4. 7 V.S.A. § 2 is amended to read:

8 § 2. DEFINITIONS

9 As used in this title:

10 * * *

11 (38) “Special venue serving permit” means a permit granted by the
12 Division of Liquor Control permitting an art gallery, ~~retail establishment~~,
13 public library, or museum to conduct an event at which malt or vinous
14 beverages, or both, are served by the glass to the public. As used in this
15 section, “art gallery” means a fixed establishment whose primary purpose is to
16 exhibit or offer for sale works of art; “public library” has the same meaning as
17 in 22 V.S.A. § 101; and “museum” has the same meaning as in 27 V.S.A.
18 § 1151.

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*** * * Sampling Event Permits * * ***

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

§ 253. SAMPLING EVENT PERMITS

* * *

(e)(1) A sampling event permit holder may purchase invoiced volumes of malt beverages, vinous beverages, or ready-to-drink spirits beverages directly from a manufacturer, wholesale dealer, or packager licensed in Vermont or a manufacturer, wholesale dealer, 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.

* * *

*** * * Special Event Permits * * ***

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

§ 252. SPECIAL EVENT PERMITS

* * *

(c) A licensed manufacturer or rectifier may be issued not more than ~~10~~ 20 special event permits for the same physical location in a calendar year.

1 * * * Liquor and Lottery Annual Report * * *

2 Sec. 7. 31 V.S.A. § 657 is amended to read:

3 § 657. REPORT OF THE ~~BOARD~~ DEPARTMENT

4 The ~~Board~~ Department of Liquor and Lottery shall make an annual report to
5 the Governor and to the General Assembly on or before the 10th day of
6 ~~January~~ March in each year. The report shall include an account of the
7 Board’s actions and the receipts derived under the provisions of this chapter,
8 the practical effects of the application of the proceeds of the Lottery, and any
9 recommendation for legislation that the Board deems advisable.

10 * * * Extension of Liquor Liability Insurance Requirement * * *

11 Sec. 8. 2023 Acts and Resolves No. 17, Sec. 4 is amended to read:

12 Sec. 4. EFFECTIVE DATES

13 (a) This section and Secs. 1 and 3 shall take effect on July 1, 2023.

14 (b) Sec. 2 shall take effect on July 1, ~~2024~~ 2026.

15 * * * Retail Master License Report * * *

16 Sec. 9. RETAIL MASTER LICENSE; REPORT

17 (a) On or before December 15, 2024, the Commissioner of Liquor and
18 Lottery shall report to the Senate Committee on Economic Development,
19 Housing and General Affairs and to the House Committee on Government
20 Operations and Military Affairs regarding the creation of a retail master license
21 that can be granted to a person that acts as the parent corporation for licensed

1 retail dealers or manufacturers that have merged and permits the license holder
2 to provide unified payroll and administrative services for the licensed retail
3 dealers or manufacturers. The report shall include a proposal for legislation to
4 create the license and an appropriate license fee.

5 * * * Direct-to-Consumer Sales Investigator * * *

6 Sec. 10. INVESTIGATOR POSITION CREATED; APPROPRIATION;

7 REPORT

8 (a) One new permanent classified position, Investigator, is established in
9 the Department of Liquor and Lottery to enforce and to investigate potential
10 violations of Vermont laws relating to direct-to-consumer sales and delivery of
11 alcohol and tobacco products, including 7 V.S.A. §§ 277, 279, 280, and 1010.

12 (b)(1) The sum of \$160,000.00 is appropriated to the Department of Liquor
13 and Lottery from the Tobacco Litigation Settlement Fund in fiscal year 2025 to
14 fund the Investigator position established in subsection (a) of this section.

15 (2) It is the intent of the General Assembly that the position established
16 in subsection (a) of this section should be funded from the Tobacco Litigation
17 Settlement Fund for fiscal years 2025 and 2026. It is also the intent of the
18 General Assembly that, beginning in fiscal year 2027, the funding for the
19 Investigator position should be built into base funding for the Department of
20 Liquor and Lottery's budget, with the amount of the salary and benefits for the
21 Investigator position offset by an equivalent amount of the revenue generated

1 to the Department or to the Office of the Attorney General, or both, by the
2 Investigator's activities in enforcing and in investigating violations of Vermont
3 law, with the remainder of the revenue deposited into the General Fund.

4 (c) If the revenue generated by the Investigator's activities becomes
5 insufficient to cover the cost of the position in the future, the Department of
6 Liquor and Lottery shall propose eliminating the position as part of its next
7 budget or budget adjustment presentation to the General Assembly.

8 (d)(1) On or before March 15, 2025, the Department of Liquor and Lottery
9 shall provide an update to the House Committees on Government Operations
10 and Military Affairs and on Human Services and the Senate Committees on
11 Economic Development, Housing and General Affairs and on Health and
12 Welfare regarding the status of its implementation of the new Investigator
13 position.

14 (2) Annually on or before December 15, the Department of Liquor and
15 Lottery shall report to the House Committees on Government Operations and
16 Military Affairs and on Human Services and the Senate Committees on
17 Economic Development, Housing and General Affairs and on Health and
18 Welfare on the impact of the Investigator's activities on compliance with
19 Vermont's laws relating to direct-to-consumer sales and delivery of alcohol
20 and tobacco products.

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(Committee vote: _____)

Senator _____

FOR THE COMMITTEE