

1 S.110

2 Introduced by Senators Westman and Ram Hinsdale

3 Referred to Committee on

4 Date:

5 Subject: Alcoholic beverages; licensing; manufacturing and distribution of
6 alcohol; direct-to-consumer shipping of spirits

7 Statement of purpose of bill as introduced: This bill proposes to authorize a
8 manufacturer of spirits or fortified wines to acquire a consumer shipping
9 license and ship the manufacturer's products directly to consumers in Vermont.

10 An act relating to direct-to-consumer shipping of spirits and fortified wines

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

12 Sec. 1. 7 V.S.A. § 277a is added to read:

13 § 277a. SPIRITS CONSUMER SHIPPING LICENSE

14 (a) An in-state or out-of-state consumer shipping license may be granted to
15 a manufacturer or rectifier of spirits or fortified wines in the same manner as a
16 manufacturer or rectifier of malt or vinous beverages pursuant to section 277
17 of this title. An in-state or out-of-state spirits or fortified wines consumer
18 shipping license may only be granted to a manufacturer that meets all the
19 requirements of sections 277 and 279 of this title.

1 (b) The holder of a consumer shipping license that ships fortified wines or
2 spirits shall:

3 (1) register each product intended for sale within the State and affirm
4 that it is the brand owner for each product registered;

5 (2) submit each product registration to the Division on a form prescribed
6 by the Division; and

7 (3) sell the fortified wines or spirits at the prevailing retail price set by
8 the Department.

9 (c) The product registrations required by subsection (b) of this section shall
10 remain valid, provided that the spirits or fortified wines consumer shipping
11 license is valid. In the event of a change of ownership, the new owner shall
12 renew the registration with the Division.

13 (d) In any calendar year, a spirits or fortified wines consumer shipping
14 licensee shall not ship to any one Vermont resident more than:

15 (1) 12 cases of fortified wines containing not more than 29 gallons of
16 fortified wines; or

17 (2) four cases of spirits containing not more than three gallons of spirits.

18 (e) Notwithstanding subdivision 279(4) of this title, the holder of a spirits
19 or fortified wines consumer shipping license shall submit to the Division
20 quarterly reports containing the information required by subdivision 279(4).

1 (f) A common carrier may deliver fortified wines and spirits, provided that
2 the common carrier has fulfilled the requirements of section 280 of this title.

3 Sec. 2. 7 V.S.A. § 426 is added to read:

4 § 426. 802 SPIRITS SPECIAL FUND; TAX

5 (a) There is established the 802 Spirits Special Fund, which shall be
6 managed in accordance with 32 V.S.A. chapter 7, subchapter 5. The proceeds
7 of the tax assessed pursuant to subsection (b) of this section shall be deposited
8 and credited to this Fund. This Fund shall be available to the Department of
9 Liquor and Lottery to offset any revenue loss experienced by the Department's
10 agents due to direct-to-consumer shipping of spirits under section 277a of this
11 title.

12 (b) Notwithstanding 16 V.S.A. § 4025, revenue from the sales and use tax
13 imposed by 32 V.S.A. chapter 233 on the sale of spirits pursuant to section
14 277a of this title shall be used to fund the 802 Spirits Special Fund.

15 Sec. 3. EFFECTIVE DATE

16 This act shall take effect on July 1, 2023.