

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 by striking out all after the enacting clause and
7 inserting in lieu thereof the following:

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

9 § 2. DEFINITIONS

10 As used in this title:

11 * * *

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

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

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

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

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

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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.

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

2 (b) ~~A festival~~ An event required to be permitted under this section is any
3 event that ~~is open to the public for which the primary purpose is to serve one or~~
4 ~~more of the following: malt beverages, vinous beverages, ready-to-drink~~
5 ~~spirits beverages, fortified wines, or spirits~~ has more than five sampling outlets
6 and expected event attendance is greater than 50 patrons.

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

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

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

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

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19 (E) Patrons attending a ~~festival~~ sampling event where combinations
20 of malt beverages, vinous beverages, ready-to-drink spirits beverages, fortified
21 wines, or spirits are mutually sampled shall not be served more than a

1 combined total of ~~six U.S.~~ five standard drinks containing ~~3.6 fluid ounces or~~
2 ~~84 grams of pure ethyl alcohol~~ drink units as defined by the World Health
3 Organization.

4 * * *

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

10 * * *

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

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

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

20 § 421. TAX ON MALT AND VINOUS BEVERAGES

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

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

5 * * *

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

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

9 * * *

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

12 * * *

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

14 Sec. 7. REPEAL

15 7 V.S.A. § 230 is repealed on July 1, ~~2023~~ 2025.

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

19 On or before January 15, 2025, the Department of Liquor and Lottery, in
20 consultation with other stakeholders, shall study and report on the public safety
21 impacts of the sale of alcoholic beverages for off-premises consumption since

1 the passage of 7 V.S.A. § 230. The Department shall submit the written report
2 to the House Committee on Government Operations and Military Affairs and
3 the Senate Committee on Economic Development, Housing, and General
4 Affairs. The Department shall include with its findings any recommendations
5 for legislative action.

6 * * * Effective Dates * * *

7 Sec. 11. EFFECTIVE DATES

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

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

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18 (Committee vote: _____)

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Representative _____

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FOR THE COMMITTEE