



H.288 – Liquor Liability
Amy Spear, Vice President of Tourism
Senate Judiciary Committee – April 7, 2023

The Vermont Chamber of Commerce represents businesses of all sizes, from every industry, across every region of Vermont. We understand what it takes to help businesses grow and thrive to build strong and vibrant communities, and businesses have trusted us to center stewardship in our mission of advancing the Vermont economy. Vermont Independent Restaurants (VTIR) is a working partner of the Vermont Chamber charged with preserving and advancing Vermont’s restaurant and bar industry. We appreciate the opportunity to weigh in on H.288.

We’ve reached a critical point where legislative action is needed to correct this issue. The Vermont Chamber and VTIR first began work on this issue in the summer of 2021 to gain a better understanding of the high costs associated with obtaining liquor liability insurance for high liquor-to-food ratio operators in Vermont. The issue has accelerated dramatically; costs have continued to increase, some operators are being informed that carriers will no longer write policies in Vermont in the next year, and some operators simply cannot secure a carrier to write a policy to cover their business.

How did we get to this critical point? Vermont is an outlier. In fact, Vermont and Alabama rank as the two worst states for a business to obtain liquor liability insurance. To help frame the conversation, an important point of reference is that liquor liability insurance exists at its foundation as a reaction to a state’s liquor liability laws. Dram shop laws in most jurisdictions establish liability on negligence. Vermont establishes liability on a strict liability basis. Additionally, there is a chain of liability that includes the server, owner, and landlord. Including the landlord is problematic and not common practice.

As currently drafted, H.288 takes important steps forward to bring Vermont in-line with neighboring states. As it relates to the requirement for liquor liability insurance, we encourage the committee to consider a crawl, walk, run approach to implementation to ensure there are no unintended consequences versus a set date of implementation of July 2024.

We appreciate the dialogue and sense of urgency relating to this issue. Updates to Vermont’s dram shop laws will ensure that an entire industry in Vermont does not become uninsurable while maintaining public safety guardrails put in place with clear guidelines for civil liquor licensee liability.