

I am writing regarding the potential legislation being discussed that would require restaurants to carry liquor liability insurance.

As you know, Vermont does not license stand-alone bars; establishments that serve alcohol must operate as restaurants and comply with food service requirements. As a result, this proposal would affect a wide range of small restaurant operators across the state, many of whom are already operating under significant financial pressure.

Over the past five years, insurance costs for hospitality businesses have increased substantially, in many cases doubling, alongside rising costs for labor, food, utilities, and compliance. Adding another mandatory insurance requirement would create a meaningful additional burden for small businesses that are already navigating an unstable operating environment.

I respectfully ask that the Department carefully consider the cumulative impact of new regulatory costs on Vermont's restaurant industry. At a time when the state is facing population decline and ongoing challenges in attracting and retaining businesses, additional mandated expenses risk making it more difficult for independent operators to remain viable.

Restaurants play an important role in Vermont's economy and community life, and policies that increase operating costs without clear demonstrated benefit may unintentionally accelerate business closures or discourage future investment. Thank you for your consideration, and for your continued work supporting a balanced and sustainable regulatory environment for Vermont businesses.

Respectfully,

Justin Hyjek