

1 H.354

2 Introduced by Representatives Ode of Burlington, Birong of Vergennes, and  
3 James of Manchester

4 Referred to Committee on

5 Date:

6 Subject: Alcoholic beverages; licensing; vinous beverages

7 Statement of purpose of bill as introduced: This bill proposes to permit  
8 second-class licensees to purchase wine and beer on terms that require  
9 payment within not more than 30 days, to permit second-class licensees to sell  
10 wine and beer on consignment, to permit second-class licensees to ship  
11 fortified wines to consumers, to amend the amount of wine and beer that a  
12 retail delivery permit holder can deliver to a Vermont resident, to make various  
13 amendments to the provisions governing retail alcoholic beverage tastings, and  
14 to permit wineries to obtain a second-class license and a wholesale dealer's or  
15 packager's license.

16 An act relating to the sale, tasting, and distribution of vinous beverages

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

18 \* \* \* Sales by Retail Licensees \* \* \*

19 Sec. 1. 7 V.S.A. 222 is amended to read:

20 § 222. SECOND-CLASS LICENSES

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(b)(1) A second-class license permits the holder to export malt and vinous beverages and to sell malt and vinous beverages to the public from the licensed premises for consumption off the premises.

(2) The Division of Liquor Control may grant a second-class licensee a fortified wine permit pursuant to section 225 of this chapter or a retail delivery permit pursuant to section 226 of this chapter.

(3)(A) Except as otherwise provided pursuant to sections 225, 271, and 278 of this title and subsection (d) of this section, a second-class license holder shall purchase all malt beverages and vinous beverages sold pursuant to its license from Vermont wholesale dealers or packagers.

(B) A second-class licensee may purchase malt beverages and vinous beverages from a licensed wholesale dealer or packager:

(i) for cash paid at the time of delivery; or

(ii) on terms that require the licensee to pay the full amount due within a period ending not more than 30 days after the delivery date.

\* \* \*

(d)(1) A second-class licensee may sell malt beverages or vinous beverages, or both, on consignment:

(A) for an individual who is not licensed under this title; or

1           (B) on behalf of the executor or administrator of the estate of a  
2           deceased individual.

3           (2)(A) A licensee shall provide written notice to the Division at least  
4           five days before it commences selling malt beverages or vinous beverages, or  
5           both, on behalf of an individual or the executor or administrator of the estate of  
6           a deceased individual pursuant to the provisions of this subsection.

7           (B) The notice shall include:

8                   (i) the name of the individual;

9                   (ii) the name of the executor or administrator, if applicable; and

10                   (iii) the quantity, type, brand, and sale price of the malt beverages  
11           or vinous beverages, or both, that will be offered for sale.

12           Sec. 2. 7 V.S.A. § 226 is amended to read:

13           § 226. RETAIL DELIVERY PERMITS

14   \* \* \*

15           (c)(1) A retail delivery permit holder may deliver to any one Vermont  
16           resident in any calendar year:

17                   (A) not more than 12 cases of malt beverages containing not more  
18           than 36 gallons of malt beverages; and

19                   (B) not more than 12 cases of vinous beverages containing not more  
20           than 29 gallons of vinous beverages.

1           (2) A retail delivery permit holder may deliver the amounts set forth in  
2           subdivision (1) of this subsection in one or more deliveries made during the  
3           calendar year.

4                           \* \* \* Alcoholic Beverage Tasting Events \* \* \*

5           Sec. 3. 7 V.S.A. § 255 is amended to read:

6           § 255. RETAIL ALCOHOLIC BEVERAGE TASTING PERMITS

7           (a)(1) The Division of Liquor Control may grant a licensee a permit to  
8           conduct an alcoholic beverage tasting event as provided in subsection (b) of  
9           this section if:

10           ~~(1)~~(A) the licensee has submitted a written application in a form  
11           required by the Commissioner and paid the fee provided in section 204 of this  
12           title ~~at least five days prior to the date of the alcoholic beverage tasting event;~~  
13           and

14           ~~(2)~~(B) the Commissioner determines that the licensee is in good  
15           standing.

16           (2) The application for a daily permit and the associated fee provided in  
17           section 204 of this title shall be paid at least five days prior to the date of the  
18           alcoholic beverage tasting event.

19           (b) The Division may grant the following alcoholic beverage tasting  
20           permits to the following types of licensees:

1           (1) A second-class licensee may be granted a daily or an annual tasting  
2 permit.

3           (A) ~~The~~ A daily and an annual permit permit authorizes the  
4 employees of the second-class licensee or of a designated manufacturer or  
5 rectifier to dispense to each customer of legal age on the licensee's premises  
6 malt or vinous beverages by the glass not to exceed two ounces of each  
7 beverage with a total of eight ounces of malt or vinous beverages.

8           (B)(i) Malt or vinous beverages dispensed at the tasting event shall  
9 be from the inventory of the licensee or purchased from a wholesale dealer.

10           (ii) A total of not more than 16 beverages may be offered at each  
11 tasting event.

12           (C) A second-class licensee may be granted up to 48 daily tasting  
13 permits per year. In addition, a second-class licensee may be granted up to  
14 five daily permits per week to conduct a tasting as part of an educational food  
15 preparation class or course conducted by the licensee on the licensee's  
16 premises.

17           (D) An annual tasting permit shall permit a second-class licensee to  
18 hold not more than five tasting events per week and a total of not more than  
19 260 tasting events per year. An annual permit holder shall not be required to  
20 provide the Division with advanced notice of any individual tasting events.

1           (2) A licensed manufacturer or rectifier of malt or vinous beverages may  
2 be granted a daily tasting permit.

3   \* \* \*

4           (3) A licensed wholesale dealer may be granted a daily tasting permit.  
5 The permit authorizes a licensed wholesale dealer to dispense malt or vinous  
6 beverages for promotional purposes at the wholesale dealer's premises without  
7 charge to invited employees of first-, second-, and third-class licensees,  
8 provided the invited employees are of legal age.

9           (c) A vinous beverage or malt beverage tasting event held pursuant to  
10 subsection (b) of this section, not including an alcoholic beverage tasting  
11 conducted on the premises of the manufacturer or rectifier, shall comply with  
12 the following:

13           (1) continue for ~~no~~ not more than six hours, with ~~no~~ not more than ~~six~~  
14 16 beverages to be offered at a single event, and ~~no~~ not more than two ounces  
15 of any single beverage and ~~no~~ not more than a total of eight ounces of malt or  
16 vinous beverages to be dispensed to a customer;

17   \* \* \*

18       Sec. 4. 7 V.S.A. § 204 is amended to read:

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

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

3 \* \* \*

4 (13) For ~~an~~ a daily alcoholic beverages tasting permit, \$25.00.

5 (14) For an annual alcoholic beverages tasting permit, \$1,000.00.

6 (15) For an educational sampling event permit, \$250.00.

7 ~~(15)~~(16) For an outside consumption permit, \$20.00.

8 ~~(16)~~(17) For a certificate of approval:

9 (A) For malt beverages, \$2,485.00.

10 (B) For vinous beverages, \$985.00.

11 ~~(17)~~(18) For a solicitor's license, \$70.00.

12 ~~(18)~~(19) For a vinous beverages storage license, \$235.00.

13 ~~(19)~~(20) For a promotional railroad tasting permit, \$20.00.

14 ~~(20)~~(21) For a special venue serving permit, \$20.00.

15 ~~(21)~~(22) For a fortified wine permit, \$100.00.

16 ~~(22)~~(23) For a retail delivery permit, \$100.00.

17 ~~(23)~~(24) For a destination resort master license, \$1,000.00.

18 \* \* \*

19 \* \* \* Vinous Beverage Manufacturer's Licenses \* \* \*

20 Sec. 5. 7 V.S.A. § 271 is amended to read:

21 § 271. MANUFACTURER'S OR RECTIFIER'S LICENSE

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(e)(1) The Board of Liquor and Lottery may grant a licensed manufacturer of malt beverages a second-class license permitting the licensee to sell alcoholic beverages to the public anywhere on the premises of the licensed manufacturing facility.

(2) The Board of Liquor and Lottery may grant a licensed manufacturer of vinous beverages and fortified wines a second-class license permitting the licensee to sell alcoholic beverages to the public from either a location on the premises of the licensed manufacturing facility or from a location that is separate from the licensed manufacturing facility.

(f) The Board of Liquor and Lottery may grant a licensed manufacturer of vinous beverages and fortified wines a packager's or wholesale dealer's license.

(g)(1) A licensed manufacturer or rectifier may serve alcoholic beverages with or without charge at an event held at the licensed manufacturing or rectifying facility or at a location on property that is owned by the licensee and is contiguous with the parcel of land on which the licensed facility is located, provided the licensee at least five days before the event gives the Division written notice of the event, including details required by the Division.

\* \* \*





1 wines produced by the licensee to private residents for personal use and not for  
2 resale.

3 (2) A licensee shall not ship more than 12 cases of malt beverages  
4 containing no more than 36 gallons of malt beverages, ~~or~~ no more than  
5 12 cases of vinous beverages containing no more than 29 gallons of vinous  
6 beverages, or no more than 12 cases of fortified wines containing no more than  
7 29 gallons of fortified wines to any one Vermont resident in any calendar year.

8 \* \* \*

9 \* \* \* Return of Unopened Cases of Alcoholic Beverages \* \* \*

10 Sec. 7. 7 V.S.A. § 241 is amended to read:

11 § 241. CATERER'S LICENSE; COMMERCIAL CATERING LICENSE

12 \* \* \*

13 (c) The holder of a caterer's license or a commercial catering license may  
14 return unopened cases of malt beverages, vinous beverages, fortified wines, or  
15 spirits to the wholesale dealer, packager, or retailer that sold the beverages to  
16 the licensee.

17 Sec. 8. EFFECTIVE DATE

18 This act shall take effect on July 1, 2021.