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H.867

Introduced by Committee on Government Operations and Military Affairs

Date:

Subject: Alcoholic beverages; lottery; miscellaneous amendments

Statement of purpose of bill as introduced: This bill proposes to authorize retail establishments to acquire special venue serving permits; allow a sampling event permit holder to purchase invoiced volumes of alcoholic beverages from wholesale dealers; increase the limit on special event permits that may be acquired by an individual licensee from 10 to 20; amend provisions related to the annual report concerning the State Lottery; extend the effective date for required liquor liability insurance to July 1, 2026; and to establish a retail master license for parent corporations that are formed for purposes of merging licensed retail dealers or manufacturers.

An act relating to miscellaneous amendments to the laws governing alcoholic beverages and the Board of Liquor and Lottery

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

~~*** Special Venue Serving Permit, Retail Establishments ***~~

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

§ 2. DEFINITIONS

~~As used in this title:~~

1
2 (38) “Special venue serving permit” means a permit granted by the
3 Division of Liquor Control permitting an art gallery, ~~bookstore~~ retail
4 establishment, public library, or museum to conduct an event at which malt or
5 vinous beverages, or both, are served by the glass to the public. As used in
6 this section, “art gallery” means a fixed establishment whose primary purpose
7 is to exhibit or offer for sale works of art; ~~“bookstore” means a fixed~~
8 ~~establishment whose primary purpose is to offer books for sale;~~ “public
9 library” has the same meaning as in 22 V.S.A. § 101; and “museum” has the
10 same meaning as in 27 V.S.A. § 1121.

11 * * *

12 Sec. 2. 7 V.S.A. § 254 is amended to read:

13 § 254. SPECIAL VENUE SERVING PERMITS

14 (a) The Division of Liquor Control may grant an art gallery, ~~bookstore~~
15 retail establishment, public library, or museum a special venue serving permit
16 if the applicant has:

17 * * *

18 (c) A permit holder shall be subject to the provisions of this title and the
19 rules of the Board regarding the service of alcoholic beverages. A permit
20 holder shall be authorized to serve, but not sell, alcoholic beverages for not
21 more than six hours and solely for consumption on the permitted premises.

1
2 (c) An art gallery, retail establishment, public library, or museum may be
3 issued not more than 12 special venue serving permits in a calendar year.

4 * * * 2026 Sunset of Special Venue Serving Permits

5 for Retail Establishments * * *

6 Sec. 3. 7 V.S.A. § 254 is amended to read:

7 § 254. SPECIAL VENUE SERVING PERMITS

8 (a) The Division of Liquor Control may grant an art gallery, ~~retail~~
9 ~~establishment~~, public library, or museum a special venue serving permit if the
10 applicant has:

11 * * *

12 (e) An art gallery, ~~retail establishment~~, public library, or museum may be
13 issued not more than 12 special venue serving permits in a calendar year.

14 * * * Sampling Event Permits * * *

15 Sec. 4. 7 V.S.A. § 2 is amended to read:

16 § 2. DEFINITIONS

17 As used in this title:

18 * * *

19 (38) “Special venue serving permit” means a permit granted by the
20 Division of Liquor Control permitting an art gallery, ~~retail establishment~~,

21 ~~public library, or museum to conduct an event at which malt or vinous~~

1 ~~beverages, or both, are served by the glass to the public. As used in this~~
2 section, “art gallery” means a fixed establishment whose primary purpose is to
3 exhibit or offer for sale works of art; “public library” has the same meaning as
4 in 22 V.S.A. § 101; and “museum” has the same meaning as in 27 V.S.A.
5 § 1151.

6 * * *

7 Sec. 5. 7 V.S.A. § 253 is amended to read:

8 § 253. SAMPLING EVENT PERMITS

9 * * *

10 (e)(1) A sampling event permit holder may purchase invoiced volumes of
11 malt beverages, vinous beverages, or ready-to-drink spirits beverages directly
12 from a manufacturer, wholesale dealer, or packager licensed in Vermont or a
13 manufacturer, wholesale dealer, or packager that holds a federal Basic Permit
14 or Brewers Notice or evidence of licensure in a foreign country that is
15 satisfactory to the Board.

16 * * *

17 * * * Special Event Permits * * *

18 Sec. 6. 7 V.S.A. § 252 is amended to read:

19 § 252. SPECIAL EVENT PERMITS
20

1 ~~(c) A licensed manufacturer or rectifier may be issued not more than 10, 20~~
2 special event permits for the same physical location in a calendar year.

3 * * * Liquor and Lottery Annual Report * * *

4 Sec. 7. 31 V.S.A. § 657 is amended to read:

5 § 657. REPORT OF THE ~~BOARD~~ DEPARTMENT

6 The ~~Board~~ Department of Liquor and Lottery shall make an annual report to
7 the Governor and to the General Assembly on or before the 10th day of
8 ~~January~~ March in each year. The report shall include an account of the
9 Board's actions and the receipts derived under the provisions of this chapter,
10 the practical effects of the application of the proceeds of the Lottery, and any
11 recommendation for legislation that the Board deems advisable.

12 * * * Extension of Liquor Liability Insurance Requirement * * *

13 Sec. 8. 2023 Acts and Resolves No. 17, Sec. 4 is amended to read:

14 Sec. 4. EFFECTIVE DATES

15 (a) This section and Secs. 1 and 3 shall take effect on July 1, 2023.

16 (b) Sec. 2 shall take effect on July 1, ~~2024~~ 2026.

17 * * * Merger of Licensed Entities; License * * *

18 Sec. 9. 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 (25) For a retail master license, \$1,000.00.

5 * * *

6 Sec. 10. 7 V.S.A. § 231 is added to read:

7 § 231. RETAIL MASTER LICENSE

8 The Division of Liquor Control may grant a retail master license to a person
9 that acts as the parent corporation for licensed retail dealers or manufacturers
10 that have merged. The holder of a retail master license may provide unified
11 payroll and administrative services for the licensed retail dealers or
12 manufacturers. The Division may apply to the holder of a retail master license
13 any duties or liability for licensee conduct that belongs to the subsidiary
14 licensees. The Board of Liquor and Lottery may adopt rules to ensure that the
15 holder of a master retail license and the licensed retail dealers or manufacturers
16 continue to comply with the provisions of this title.

17 * * * Effective Dates * * *

18 Sec. 11. EFFECTIVE DATES

19 (a) This section and Sec. 5 shall take effect on passage.

20 (b) Secs. 3 and 4 shall take effect on July 1, 2026.

21 ~~(c) All other sections shall take effect on July 1, 2024.~~

**** Tobacco Retail Audit ****

Sec. 11. TOBACCO RETAIL AUDIT; INTENT; REPORT

(a) It is the intent of the General Assembly that comprehensive data should be developed regarding the placement of beverage alcohol products in retail establishments to inform future public policy decisions by the General Assembly.

(b)(1) On or before January 15, 2025, the Department of Liquor and Lottery shall report to the House Committees on Government Operations and Military Affairs and on Human Services and the Senate Committees on Economic Development, Housing and General Affairs and on Health and Welfare regarding the results of the 2024 Tobacco Retail Audit.

(2) The report shall include detailed findings regarding the physical placement of beverage alcohol products within licensed retail establishments.

(3) The report shall take the form of a presentation to each of the Committees.

**** Effective Dates ****

Sec. 12. EFFECTIVE DATES

(a) This section and Sec. 5 shall take effect on passage.

(b) Secs. 3 and 4 shall take effect on July 1, 2026.

(c) All other sections shall take effect on July 1, 2024.

** * * Special Venue Serving Permit; Retail Establishments * * **

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

§ 2. DEFINITIONS

As used in this title:

** * **

(38) “Special venue serving permit” means a permit granted by the Division of Liquor Control permitting an art gallery, ~~bookstore~~ retail establishment, public library, or museum to conduct an event at which malt or vinous beverages, or both, are served by the glass to the public. As used in this section, “art gallery” means a fixed establishment whose primary purpose is to exhibit or offer for sale works of art; ~~“bookstore” means a fixed establishment whose primary purpose is to offer books for sale;~~ “public library” has the same meaning as in 22 V.S.A. § 101; and “museum” has the same meaning as in 27 V.S.A. § 1151. As used in this section, “retail establishment” does not include a Vermont agency liquor store or a cannabis establishment as that term is defined in section 861 of this title.

** * **

Sec. 2. 7 V.S.A. § 254 is amended to read:

§ 254. SPECIAL VENUE SERVING PERMITS

(a) The Division of Liquor Control may grant an art gallery, bookstore retail establishment, public library, or museum a special venue serving permit if the applicant has:

** * **

(c) A permit holder shall be subject to the provisions of this title and the rules of the Board regarding the service of alcoholic beverages. A permit holder shall be authorized to serve, but not sell, alcoholic beverages for not more than six hours and solely for consumption on the permitted premises.

** * **

(e) An art gallery, retail establishment, public library, or museum may be issued not more than 12 special venue serving permits in a calendar year.

(f) As used in this section, "retail establishment" does not include a Vermont agency liquor store or a cannabis establishment as that term is defined in section 861 of this title.

** * * 2026 Sunset of Special Venue Serving Permits*

*for Retail Establishments * * **

Sec. 3. 7 V.S.A. § 254 is amended to read:

§ 254. SPECIAL VENUE SERVING PERMITS

(a) The Division of Liquor Control may grant an art gallery, ~~retail establishment~~, public library, or museum a special venue serving permit if the applicant has:

** * **

(e) An art gallery, ~~retail establishment~~, public library, or museum may be issued not more than 12 special venue serving permits in a calendar year.

~~(f) As used in this section, “retail establishment” does not include a Vermont agency liquor store or a cannabis establishment as that term is defined in section 861 of this title.~~

Sec. 4. 7 V.S.A. § 2 is amended to read:

§ 2. DEFINITIONS

As used in this title:

** * **

(38) “Special venue serving permit” means a permit granted by the Division of Liquor Control permitting an art gallery, ~~retail establishment~~, public library, or museum to conduct an event at which malt or vinous beverages, or both, are served by the glass to the public. As used in this section, “art gallery” means a fixed establishment whose primary purpose is to exhibit or offer for sale works of art; “public library” has the same meaning as in 22 V.S.A. § 101; and “museum” has the same meaning as in 27 V.S.A. § 1151. ~~As used in this section, “retail establishment” does not include a~~

~~Vermont agency liquor store or a cannabis establishment as that term is defined in section 861 of this title.~~

* * *

* * * *Sampling Event Permits* * * *

Sec. 5. 7 V.S.A. § 253 is amended to read:

§ 253. SAMPLING EVENT PERMITS

* * *

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

* * *

* * * *Special Event Permits* * * *

Sec. 6. 7 V.S.A. § 252 is amended to read:

§ 252. SPECIAL EVENT PERMITS

* * *

(c) A licensed manufacturer or rectifier may be issued not more than ~~10~~ 20 special event permits for the same physical location in a calendar year.

** * * Liquor and Lottery Annual Report * * **

Sec. 7. 31 V.S.A. § 657 is amended to read:

§ 657. REPORT OF THE BOARD DEPARTMENT

The ~~Board~~ Department of Liquor and Lottery shall make an annual report to the Governor and to the General Assembly on or before the 10th day of ~~January~~ March in each year. The report shall include an account of the Board's actions and the receipts derived under the provisions of this chapter, the practical effects of the application of the proceeds of the Lottery, and any recommendation for legislation that the Board deems advisable.

** * * Extension of Liquor Liability Insurance Requirement * * **

Sec. 8. 2023 Acts and Resolves No. 17, Sec. 4 is amended to read:

Sec. 4. EFFECTIVE DATES

(a) This section and Secs. 1 and 3 shall take effect on July 1, 2023.

(b) Sec. 2 shall take effect on July 1, ~~2024~~ 2026.

** * * Retail Master License Report * * **

Sec. 9. RETAIL MASTER LICENSE; REPORT

On or before December 15, 2024, the Commissioner of Liquor and Lottery shall report to the Senate Committee on Economic Development, Housing and General Affairs and to the House Committee on Government Operations and Military Affairs regarding the creation of a retail master license that can be granted to a person that acts as the parent corporation for licensed retail

dealers or manufacturers that have merged and permits the license holder to provide unified payroll and administrative services for the licensed retail dealers or manufacturers. The report shall include a proposal for legislation to create the license and an appropriate license fee.

** * * Tobacco Retail Audit * * **

Sec. 10. TOBACCO RETAIL AUDIT; INTENT; REPORT

(a) It is the intent of the General Assembly that comprehensive data should be developed regarding the placement of beverage alcohol products in retail establishments to inform future public policy decisions by the General Assembly.

(b)(1) On or before January 15, 2025, the Department of Liquor and Lottery shall report to the House Committees on Government Operations and Military Affairs and on Human Services and the Senate Committees on Economic Development, Housing and General Affairs and on Health and Welfare regarding the results of the 2024 Tobacco Retail Audit.

(2) The report shall include detailed findings regarding the physical placement of beverage alcohol products within licensed retail establishments.

** * * Effective Dates * * **

Sec. 11. EFFECTIVE DATES

(a) This section and Sec. 5 shall take effect on passage.

(b) Secs. 3 and 4 shall take effect on July 1, 2026.

(c) All other sections shall take effect on July 1, 2024.