

1 S.116

2 Introduced by Senator Westman

3 Referred to Committee on

4 Date:

5 Subject: Alcoholic beverages; definitions; fourth class licenses

6 Statement of purpose of bill as introduced: This bill proposes to allow
7 manufacturers of spirits to sell or distribute the products of up to five other
8 manufacturers. It also allows a manufacturer of spirits to ship spirits directly
9 to in-state consumers.

10 An act relating to alcoholic beverage tastings

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

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

13 § 2. DEFINITIONS

14 The following words as used in this title, unless a contrary meaning is
15 required by the context, shall have the following meaning:

16 * * *

17 (28) "Fourth class license" or "farmers' market license": the license
18 granted by the ~~liquor control board~~ Liquor Control Board permitting a
19 manufacturer or rectifier of malt or vinous beverages or spirits to sell by the
20 unopened container and distribute, by the glass with or without charge,

1 beverages manufactured by the licensee. No more than a combined total of ten
2 fourth class and farmers' market licenses may be granted to a licensed
3 manufacturer or rectifier. At only one fourth class license location, a
4 manufacturer or rectifier of vinous beverages or spirits may sell by the
5 unopened container and distribute by the glass, with or without charge, vinous
6 beverages or spirits produced by no more than five additional manufacturers or
7 rectifiers, provided these beverages are purchased on invoice from the
8 manufacturer or rectifier. A manufacturer or rectifier of vinous beverages or
9 spirits may sell its product to no more than five additional manufacturers or
10 rectifiers. A fourth class licensee may distribute by the glass no more than two
11 ounces of malt or vinous beverage with a total of eight ounces to each retail
12 customer and no more than one-quarter ounce of spirits with a total of one
13 ounce to each retail customer for consumption on the manufacturer's premises
14 or at a farmers' market. A farmers' market license is valid for all dates of
15 operation for a specific farmers' market location.

16 * * *

17 Sec. 2. 7 V.S.A. § 66 is amended to read:

18 § 66. VINOUS BEVERAGE SHIPPING LICENSE; IN STATE; OUT OF
19 STATE; PROHIBITIONS; PENALTIES

20 (a) A manufacturer or rectifier of vinous beverages or spirits licensed in
21 Vermont may be granted an in-state consumer shipping license by filing with

1 the ~~department of liquor control~~ Department of Liquor Control an application
2 in a form required by the ~~department~~ Department accompanied by a copy of
3 the applicant's current Vermont manufacturer's license and the fee as required
4 by subdivision 231(7)(A) of this title. This consumer shipping license may be
5 renewed annually by filing the renewal fee as required by subdivision
6 231(7)(A) of this title accompanied by a copy of the licensee's current
7 Vermont manufacturer's license.

8 (b) A manufacturer or rectifier of vinous beverages or spirits licensed in
9 another state that operates a winery or distillery in the United States and holds
10 valid state and federal permits and licenses may be granted an out-of-state
11 consumer shipping license by filing with the ~~department of liquor control~~
12 Department of Liquor Control an application in a form required by the
13 ~~department~~ Department accompanied by copies of the applicant's current
14 out-of-state manufacturer's license and the fee as required by subdivision
15 231(7)(B) of this title. This consumer shipping license may be renewed
16 annually by filing the renewal fee as required by subdivision 231(7)(B) of this
17 title accompanied by the licensee's current out-of-state manufacturer's license.
18 For the purposes of this subsection and subsection (c) of this section,
19 "out-of-state" means any state other than Vermont, any territory or possession
20 of the United States, and does not include a foreign country.

21 * * *

1 (d) Pursuant to a consumer shipping license granted under subsection (a)
2 or (b) of this section, the licensee may ship vinous beverages or spirits
3 produced by the licensee:

4 * * *

5 (2) No more than 12 cases containing no more than 29 gallons of vinous
6 beverages or spirits to any one Vermont resident in any calendar year.

7 (3) Only by common carrier certified by the ~~department~~ Department.
8 The common carrier shall comply with all the following:

9 (A) Deliver vinous beverages or spirits pursuant to an invoice that
10 includes the name of the licensee and the name and address of the purchaser.

11 * * *

12 (e) A holder of any shipping license granted pursuant to this section shall:

13 * * *

14 (4) Report at least twice a year to the ~~department of liquor control~~
15 Department of Liquor Control if the holder of a direct consumer shipping
16 license and once a year if the holder of a retail shipping license in a manner
17 and form required by the ~~department~~ Department all the following information:

18 (A) The total amount of ~~vinous~~ beverages shipped into or within the
19 state for the preceding six months if a holder of a direct consumer shipping
20 license or every 12 months if a holder of a retail shipping license.

21 * * *

1 shipment of vinous beverages or spirits from a person who is not licensed or
2 certified as required by this section may be fined not more than \$1,000.00 or
3 imprisoned not more than one year, or both.

4 (i) A licensee under this section or a common carrier that ships vinous
5 beverages or spirits to an individual under 21 years of age shall be fined not
6 less than \$1,000.00 or more than \$3,000.00 or imprisoned not more than two
7 years, or both.

8 * * *

9 Sec. 3. EFFECTIVE DATE

10 This act shall take effect on July 1, 2013.