

S. 250 - An act relating to alcoholic beverages - *PASSED*

The bill includes:

- Retail delivery permits to allow second class license holders, that is 21 years or older, to deliver gifts containing beer, cider and wine sold from the licensed premises for consumption off the premises to the purchaser at a location in Vermont between the hours of 9:00 a.m. and 5:00 p.m. The permit fee is \$100. Rulemaking is required for full implementation.
- Educational on premise tastings for Manufacturers (no permit required); allows product quality assurance tastings for employees provided that;
 - They are of legal age at licensed premises
 - Sampling product for the purpose of assuring the quality
 - Limited sample size to no larger than two ounces for vinous or malt beverage and no larger than one-quarter ounce for spirits and fortified wines
- Clarifies that certain samples of alcoholic beverages provided for immediate consumption are not subject to the meals and rooms tax. This means that no tax will be collected when a business provides free samples. According to the tax department this provision has no fiscal impact.
- New “destination resort” Master License will allow resorts a more streamlined approach to designate all licensed caterers and commercial caterers that are proposed to be permitted to cater individual events within the boundaries of the resort pursuant to the destination resort master license. The fee for this license is set at \$1,000.
- Tax Filings for Malt Beverage taxes paid by VT Manufacturers
 - Tax liability \$2,000 or less for preceding calendar year can be paid to the tax department quarterly
 - Tax liability more than \$2,000, reporting and payments will remain monthly
- Changes to the process for appointing Liquor Control Board members and the Commissioner of DLC
 - Gives the Governor new authorities to appoint Board members and Commissioner with the advice and consent of the Senate.
 - Adopts five year staggered, terms for the Vermont Liquor Control Board. The bill also limits Board Members to two, five year terms.
- Requires a report to the General Assembly by the Commissioner of the Department of Liquor Control regarding recapturing lost sales to bordering states; including marketing, number of retail locations, and expanded delivery.
- **Title 7 (Alcoholic Beverages) - S.250 requires Legislative Council to prepare and submit draft legislation, in consultation with the Commissioner of Liquor Control, and VT Attorney General's Office, that makes statutory amendments of technical nature to improve the clarity of Title 7; Alcoholic Beverages, as well as to identify any provisions that are obsolete provisions or to reflect more accurately the current practices and programs of the Liquor Control Board and DLC. This is due on or before January 15, 2017.**

Manufacturers of malt beverages; transfer of malt beverages between licensed locations; Pilot Project

Allows for a limited time that a Vermont licensed manufacturer of malt beverages may transfer malt beverages to a second Vermont licensed manufacturer of malt beverages provided:

- the manufacturers are part of the same company
- one manufacturer owns the controlling interest in the other manufacturer or
- the controlling interest in each manufacturer is owned by the same person

For each transfer of malt beverages pursuant to this section, the manufacturers shall:

- document on invoices the amount of malt beverages transferred; and
- prepare and maintain records of each transfer in accordance with all applicable federal laws and regulations.
- The tax on malt beverages shall not be due at the time of the transfer, but shall be paid when the transferred malt beverages are either:
 - o sold by a wholesaler or bottler to a retailer in this State; or
 - o sold at retail by the manufacturer that received the transferred malt beverages.

The provision for transfer of malt beverages between licensed locations shall be repealed on July 1, 2017.

Requires a study on the taxation for beverages transported from one facility to another
Study and report of transfer of malt beverages between licensed manufacturing locations without the payment of taxes between licensed manufacturers of malt beverages that are under the same ownership (pursuant to 7 V.S.A. § 421), to be done by the Dept. of Taxes, DLC and interested stakeholders

- The study shall determine if there are legislative, regulatory, or administrative changes necessary to enable the bulk transfer of malt beverages without the payment of taxes
- Whether this would adversely impact the State's tax revenues
- Dept. of Taxes shall report findings and any recommendations for legislative action on or before January 15, 2017 to the Committees of Jurisdiction.