

2024 Legislative Priorities for the VBA

1. Happy Hour – **THE VBA SUPPORTS THIS BILL**

[H.417 would authorize happy hour in Vermont.](#) The bill was introduced in 2023 and referred to the House Committee on Government Operations and Military Affairs. H.417 has not yet received a hearing.

Vermont is one of eight states to outlaw Happy Hour. Under current law, Vermont establishments can't reduce drink prices for a limited time, but they can reduce them for an entire day. Vermont establishments can't reduce drink prices for a limited time, they can reduce them for an entire day.

Vermont is joined by Alaska, Indiana, Massachusetts, North Carolina, Rhode Island and Utah in [banning happy hour](#), nine other states have a variety of restrictions on the time and manner that drink specials may be offered. Within states, some municipalities may have their own restrictions. Some examples of similar restrictions include prohibiting offering free or discounted drinks, unlimited drinks, drinks as a prize or as a type of promotion, advertising the prices of drinks or offering more than two drinks to an individual at a given time.

The reasoning behind the states' ban on Happy Hour is to "discourage binge drinking" and the social problems associated with binge drinking, including drunk driving.

The VBA SUPPORTS authorizing Happy Hour in Vermont for the following reasons:

- It is left up to the business to decide if they want to participate, the VBA believes in the independence of business owners.
- The laws surrounding overconsumption will remain the same and will continue to be enforced by the DLL.
- Economic Benefits: Happy hour specials can stimulate economic activity in the hospitality industry. By attracting more customers during off-peak hours, bars and restaurants can increase their revenue from both food and drinks and provide more job opportunities. With restaurants still down from the pandemic and now the flood, it is important to get consumers into seats to support the VT economy. If restaurants, hotels, and other accounts are succeeding and able to increase the volume of VT beer sold, breweries will succeed. What is good for brewery partners is good for breweries and it is important to be supporting all partners. This would allow for an increased volume of sales from the distribution companies to accounts, positively impacting manufacturers.
- Tourism & Attraction: Tourists are often confused about the lack of Happy Hour specials in VT. Legalizing happy hour specials can make VT more attractive to tourists and visitors. Offering unique or enticing drink specials can draw people to local bars and restaurants, boosting tourism and increasing revenue for VT. Legalizing happy hour specials in VT could help keep VT businesses compete with those across state borders, keeping customers and revenue within the state.

2. Tipped Minimum Wage – **THE VBA OPPOSES THIS BILL**

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[H.225 would eliminate the tipped minimum wage in Vermont.](#) The bill was introduced in 2023 and referred to the House Committee on Housing and General Affairs. H.225 has not yet received a hearing.

It has been about 80 years since the passage of the Fair Labor Standards Act (FLSA), the legislation that established many of the basic labor protections workers enjoy today, such as a 40-hour workweek, overtime protection, and a national minimum wage. There have been periodic amendments to the FLSA over the years, but the 1966 amendments were especially significant. They extended protections to hotel, restaurant, and other service workers who had previously been excluded from the FLSA, but also introduced a new “subminimum wage” for workers who customarily and regularly receive tips. Unlike temporary subminimum wages (such as those for students, youths, and workers in training), the “tip credit” provision afforded to employers uniquely established a permanent sub-wage for tipped workers, under the assumption that these workers’ tips, when added to the sub-wage, would ensure that these workers’ hourly earnings were at least equal to the regular minimum wage. The creation of the tip credit—the difference, paid for by customers’ tips, between the regular minimum wage and the sub-wage for tipped workers—fundamentally changed the practice of tipping. Whereas tips had once been simply a token of gratitude from the served to the server, they became, at least in part, a subsidy from consumers to the employers of tipped workers. In other words, part of the employer wage bill is now paid by customers via their tips.

In Vermont, the tipped employee wage applies to an employee of a hotel, motel, tourist place, or restaurant who regularly and customarily receives more than \$120 per month in tips for direct and personal customer service. In 2023, [the tipped minimum wage is \\$6.59/hour](#).

Eight states have eliminated the tipped minimum wage entirely – Oregon, Washington, California, Nevada, Alaska, Hawaii, Montana and Minnesota. Washington D.C is in the process of phasing it out.

The VBA **OPPOSES** elimination of the tipped minimum wage for the following reasons:

- The VBA believes in the independence of business owners.
- Getting rid of tipped min wage would result in a significant rise in prices for taprooms.
- The law already states that tipped minimum wage employees must make minimum wage from their tips or the employer must make up the difference.
- Business plans are based on the tipped minimum wage.
- One member said: “Our employees make on average over \$25/hour due to tipping and most are just supplementing income, not using our small outfit as a main job. If we had to pay, whatever the min wage is \$15 perhaps, they'd still get tipped and now make \$35/hour. But we'd have to raise our prices in house to cover the 200% increase in pay. I agree with this law's purpose of getting rid of tips altogether and having a liveable wage just set for servers, but it isn't going to do that. People will still tip regardless of the bill.”

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3. Protect and Uphold Tied House

The VBA continues to support the interpretation of Vermont law that allows a manufacturer to be granted a first-class license or a first- and a third-class license permitting the manufacturer to sell alcoholic beverages to the public **ONLY** at an establishment located on the premises of the licensed manufacturing facility or on or land contiguous to the licensed manufacturing facility.

The VBA opposes any proposal to allow a manufacturer to receive a first-class license or a first- and a third-class license permitting the manufacturer to sell alcoholic beverages to the public at **one** or more locations that are **not** located at the licensed manufacturing facility or on or land contiguous to the **licensed manufacturing facility**.

SEE Tied-House Primer for background.

4. Bills still in play

The following bills are still technically in play as we enter the second half of the 2023-2024 biennium.

VBA Bills of Interest			
Bill	Sponsors	Description	Status
S 107	Sen. Richard Westman	An act relating to authorizing off-site tasting rooms for alcoholic beverage manufacturers. THE VBA OPPOSES THIS BILL	Committees: Senate Economic Development, Housing and General Affairs Status: Read 1st time & referred to Committee on Economic Development, Housing and General Affairs (02/24/23)
H 225	Rep. Joseph "Chip" Troiano; Rep. Avram Patt; Rep. Brian Cina;	An Act Relating To Eliminating The Tipped Minimum Wage This bill proposes to require that tipped employees are paid the standard minimum wage by 2024. THE VBA OPPOSES THIS BILL	Committees: House General and Housing Status: Read First Time and referred to the Committee on General and Housing (02/10/23)

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H 261	Rep. Logan Nicoll	<p>An Act Relating To Retail Delivery Of Alcoholic Beverages By Third-party Contractors</p> <p>This bill proposes to allow the holder of a second-class license and retail delivery permit to deliver certain alcoholic beverages to individuals 21 years of age or older through an approved third-party contractor and amend the provisions related to the permitted hours of sale.</p> <p>THE VBA HAS NO POSITION ON THIS BILL</p>	<p>Committees: House Government Operations and Military Affairs</p> <p>Status: Read First Time and referred to the Committee on Government Operations and Military Affairs (02/15/23)</p>
H 272	Rep. Matthew Birong	<p>An Act Relating To A Reciprocity Requirement For Out-of-state Consumer Shipping Licenses</p> <p>This bill proposes to limit the issuance of out-of-state malt beverage consumer shipping licenses to breweries that are located in states that allow Vermont brewers to acquire consumer shipping licenses.</p> <p>THE VBA SUPPORTS THIS BILL</p>	<p>Committees: House Government Operations and Military Affairs</p> <p>Status: Read First Time and referred to the Committee on Government Operations and Military Affairs (02/16/23)</p>
H 273	Rep. Matthew Birong	<p>An Act Relating To Direct-to-consumer Shipping Of Spirits And Fortified Wines</p> <p>This bill proposes to authorize a manufacturer of spirits or fortified wines to acquire a consumer shipping license and ship the manufacturer's products directly to consumers in Vermont.</p> <p>THE VBA HAS NO POSITION ON THIS BILL</p>	<p>Committees: House Government Operations and Military Affairs</p> <p>Status: Read First Time and referred to the Committee on Government Operations and Military Affairs (02/16/23)</p>
H 417	Rep. Kelly Pajala; Rep. Logan Nicoll	<p>An Act Relating To Drink Specials</p> <p>This bill proposes to permit a first- class licensee to sell malt and vinous beverages at a reduced price during a period of not more than two hours each day. It also proposes to permit a third-class licensee to sell spirits and fortified wines at a reduced price during a period of not more than two hours each day.</p> <p>THE VBA SUPPORTS THIS BILL</p>	<p>Committees: House Government Operations and Military Affairs</p> <p>Status: Read First Time and referred to the Committee on Government Operations and Military Affairs (02/28/23)</p>

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S 60	Sen. Kesha Ram Hinsdale; Sen. Thomas Chittenden	<p>An Act Relating To Local Option Taxes</p> <p>This bill proposes to authorize: (1) any Vermont municipality to adopt a one percent local option tax on sales, meals and alcoholic beverages, and rooms; and (2) the Commissioner of Taxes to disclose a municipality's local option tax data to the town manager or legislative body of that municipality, provided that the disclosure subjects the recipient to the penalties for unauthorized disclosure of confidential tax data.</p> <p>THE VBA HAS NO POSITION ON THIS BILL</p>	<p>Committees: Senate Finance</p> <p>Status: Read 1st time & referred to Committee on Finance (02/07/23)</p>
S 110	Sen. Richard Westman; Sen. Kesha Ram Hinsdale	<p>An Act Relating To Direct-to-consumer Shipping Of Spirits And Fortified Wines</p> <p>This bill proposes to authorize a manufacturer of spirits or fortified wines to acquire a consumer shipping license and ship the manufacturer's products directly to consumers in Vermont.</p> <p>THE VBA HAS NO POSITION ON THIS BILL</p>	<p>Committees: Senate Economic Development, Housing and General Affairs</p> <p>Status: Read 1st time & referred to Committee on Economic Development, Housing and General Affairs (02/28/23)</p>