

## VBA 2024 Legislative Report Week 7

### MALT BEVERAGE TAX INCREASE DISCUSSIONS

Several economic factors are forcing lawmakers to look under every couch cushion for spare change. Some of the factors driving Vermont's current budget crunch include: the end of Federal COVID relief funds, increasing education costs driven in part by deteriorating infrastructure and increased student mental health needs, increasing health insurance costs for public employees, increasing rates of homelessness and substance use disorder, and on-going public safety challenges. In light of these challenges, it is not surprising that lawmakers are looking at all revenue options, including a possible change to alcohol taxes.

To be very clear, **there is not currently a proposal on the table**, just discussions, mostly "in the hallway." Rep. Birong, Vice Chair of the House Government Operations and Military Affairs Committee and committee lead on DLL issues, is considering proposing an "ABV equivalency" reform to alcohol taxes. There is not currently a model of this kind of alcohol taxation in other states. Very roughly, such a proposal could increase beer taxes by \$.15 - \$.20 per gallon. Any alcohol tax proposal would be considered by the House Ways and Means Committee and would not likely be included in the miscellaneous alcohol bill.

The VBA Government Affairs Committee is not waiting for a proposal to emerge to prepare for this conversation. Last Friday, the committee met with representatives from the BA to enlist their support. We will stay in close contact with the BA as this conversation evolves.

### MISCELLANEOUS ALCOHOL BILL

Last week, the House Government Operations and Military Affairs Committee took more testimony on the proposed [miscellaneous alcohol bill](#). The committee heard from several public health advocates on the dangers of over-consumption of alcohol, and how government regulation can reduce or exacerbate over-consumption. That testimony can be reviewed [here](#), [here](#), and [here](#). Each of the witnesses expressed concern with Sections 1 & 2 in the miscellaneous alcohol bill that would remove the segregated space requirement for Class 1/3 and Class 2 licenses and allow both (or all three) licenses to operate in a contiguous space within an establishment. Like DLL, these witnesses warned against the dangers of increased outlet density that could result from this proposal.

The committee is [scheduled](#) to continue consideration of the bill on Wednesday and Thursday afternoon next week.

### HEADLINES OF NOTE

[Bracing for a Property Tax Hike, Lawmakers Drop Bid to Give Themselves Raises](#)  
[With a flurry of legislation, Vermont lawmakers try to bring down health care costs](#)  
[Final Reading: Vermont lawmakers consider a reboot on requiring hybrid public meetings](#)

[Critics say Phil Scott's budget proposal, which would force cuts to prosecutors, undermines public safety agenda](#)

VBA 2023/2024 BILL REPORT			
Bill	Sponsors	Description	Status
<a href="#">H 601</a>	Rep. Lawrence Satcowitz	<p>An Act Relating To Prohibiting The Presence Of Toxic Chemicals In Plastic Packaging</p> <p>This bill proposes to prohibit the presence of certain high priority materials and high priority chemicals in packaging or packaging components sold or distributed in the State.</p>	<p>Committees: House Environment and Energy</p> <p>Status: Read First Time and referred to the Committee on Environment and Energy (01/03/24)</p>
<a href="#">H 643</a>	Rep. Lucy Boyden	<p>An Act Relating To The Sale Of Closed Containers Of Alcoholic Beverages Within A First- Or Third-class License Serving Area</p> <p>This bill proposes to allow the holder of any combination of first-, second-, and third-class licenses to sell closed containers of alcoholic beverages, for off-premises consumption, anywhere in first- or third-class licensed premises.</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 (01/04/24)</p> <p><b>Included in the <a href="#">Miscellaneous Alcohol Bill Draft 1.2.</a></b></p>
<a href="#">H 662</a>	Rep. Michael Marcotte; Rep. Woodman Page	<p>An Act Relating To The Merger Of Entities That Hold Separate Alcoholic Beverage Licenses</p> <p>This bill proposes to allow two or more licensed entities that have merged and formed a parent corporation to continue to hold separate alcoholic beverage licenses while operating under a unified payroll and administrative system.</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 (01/04/24)</p>
<a href="#">H 680</a>	Rep. Katherine "Kari" Dolan; Rep. Matthew	An Act Relating To Expanding Access To Special Venue Serving Permits	Committees: House Government Operations

	Birong; Rep. Stephanie Jerome	This bill proposes to allow any retail establishment to acquire a special venue serving permit from the Division of Liquor Control.	and Military Affairs  Status: Read First Time and referred to the Committee on Government Operations and Military Affairs (01/04/24)  <b>Included in the <a href="#">Miscellaneous Alcohol Bill Draft 1.2</a> – limited to 12 annually.</b>
<a href="#">H 726</a>	Rep. Kate Nugent	An Act Relating To Compliance Checks By The Division Of Liquor Control  This bill proposes to require the Division of Liquor Control to perform regular compliance checks of alcoholic beverage licensees.	Committees: House Government Operations and Military Affairs  Status: Read first time and referred to the Committee on Government Operations and Military Affairs (01/10/24)
<b>BILLS INTRODUCED IN 2023 THAT ARE STILL “ALIVE”</b>			
<a href="#">H 7</a>	Rep. Anne Donahue	An Act Relating To Replacing The Term "cider" With "hard Cider" Within Title 7  This bill proposes to replace the term "cider" with "hard cider" within Title 7 of the Vermont Statutes Annotated.	Committees: House Government Operations and Military Affairs  Status: Read First Time and referred to the Committee on Government Operations and Military Affairs (01/05/23)
<a href="#">H 78</a>	Rep. Matthew Birong	An Act Relating To Repealing The Sunset Of 7 V.S.A. § 230  This bill proposes to repeal the sunset of 7 V.S.A. § 230 (sale of alcoholic beverages for off-premises consumption) to allow licensees to sell alcoholic beverages for pick up or delivery beyond July 1, 2023.	Committees: House Government Operations and Military Affairs  Status: Read First Time and referred to the Committee on Government Operations and Military Affairs (01/20/23)
<a href="#">H 225</a>	Rep. Joseph "Chip" Troiano; Rep. Avram Patt; Rep. Brian Cina; Rep. Dennis LaBounty; Rep.	An Act Relating To Eliminating The Tipped Minimum Wage  This bill proposes to require that tipped	Committees: House General and Housing  Status:

	Emma Mulvaney-Stanak; Rep. James Carroll; Rep. James Masland; Rep. John Arrison; Rep. Josie Leavitt; Rep. Kate Logan; Rep. Kate McCann; Rep. Kristi Morris; Rep. Leslie Goldman; Rep. Michael Mrowicki; Rep. R. Scott Campbell; Rep. Robert "Bobby" Farlice-Rubio; Rep. Troy Headrick	employees are paid the standard minimum wage by 2024.	Read First Time and referred to the Committee on General and Housing (02/10/23)  <b>VBA OPPOSES THIS BILL</b>
<a href="#">H 261</a>	Rep. Logan Nicoll	An Act Relating To Retail Delivery Of Alcoholic Beverages By Third-party Contractors  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.	Committees: House Government Operations and Military Affairs  Status: Read First Time and referred to the Committee on Government Operations and Military Affairs (02/15/23)
<a href="#">H 272</a>	Rep. Matthew Birong	An Act Relating To A Reciprocity Requirement For Out-of-state Consumer Shipping Licenses  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.	Committees: House Government Operations and Military Affairs  Status: Read First Time and referred to the Committee on Government Operations and Military Affairs (02/16/23)
<a href="#">H 273</a>	Rep. Matthew Birong	An Act Relating To Direct-to-consumer Shipping Of Spirits And Fortified Wines  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.	Committees: House Government Operations and Military Affairs  Status: Read First Time and referred to the Committee on Government Operations and Military Affairs (02/16/23)
<a href="#">H 417</a>	Rep. Kelly Pajala; Rep. Logan Nicoll	An Act Relating To Drink Specials  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	Committees: House Government Operations and Military Affairs  Status: Read First Time and referred to the Committee on Government Operations

		reduced price during a period of not more than two hours each day.	and Military Affairs (02/28/23) <b>VBA SUPPORTS THIS BILL</b>
<a href="#">S 60</a>	Sen. Kesha Ram Hinsdale; Sen. Thomas Chittenden	An Act Relating To Local Option Taxes  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.	Committees: Senate Finance; House Government Operations and Military Affairs; Senate Finance?  Status: Read First Time and referred to the Committee on Government Operations and Military Affairs (04/11/23)
<a href="#">S 86</a>	Sen. Richard Westman	An Act Relating To Replacing The Term "cider" With "hard Cider" Within Title 7  This bill proposes to replace the term "cider" with "hard cider" within Title 7 of the Vermont Statutes Annotated.	Committees: Senate Economic Development, Housing and General Affairs  Status: Read 1st time & referred to Committee on Economic Development, Housing and General Affairs (02/16/23)
<a href="#">S 107</a>	Sen. Richard Westman	An Act Relating To Authorizing Off-site Tasting Rooms For Alcoholic Beverage Manufacturers  This bill proposes to allow holders of a manufacturer's or rectifier's license to acquire a first-class license to sell their products at a tasting room that is not located on property contiguous with the manufacturing location.	Committees: Senate Economic Development, Housing and General Affairs  Status: <b>This bill was considered by the committee last year and essentially put on hold because of tied house concerns.</b>
<a href="#">S 110</a>	Sen. Richard Westman; Sen. Kesha Ram Hinsdale	An Act Relating To Direct-to-consumer Shipping Of Spirits And Fortified Wines  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.	Committees: Senate Economic Development, Housing and General Affairs  Status: Read 1st time & referred to Committee on Economic Development, Housing and General Affairs (02/28/23)