

## VBA 2024 Legislative Report Week 9

### TOWN MEETING WEEK BREAK

Next week lawmakers will be on break. They will return to work on March 12<sup>th</sup>. There will not be an legislative update next week.

### MALT BEVERAGE TAX INCREASE OFF THE TABLE – *FOR NOW*

As we previously reported, two weeks ago, Rep. Birong announced a proposed amendment to the Miscellaneous Alcohol Bill that would have increased the tax rate on beer 6% ABV for below from \$.265/gallon to \$.55/gallon. In other words, his proposal would have **more than double** the tax on beer with an ABV of 6% or less. His proposal would also have **reduced by half**, the taxes on RTDs.

On Wednesday this week, the House Government Operations Committee voted out the Misc. Alcohol Bill, [H.867](#), (discussed below) without the proposed tax increase. **Rep. Birong withdrew his proposed amendment.**

The legislature's Joint Fiscal Office did prepare a [Fiscal Note](#) on the proposal and estimate that an increase in the beer tax for 6% ABV or less from \$.265 to \$.55, would have raised close to \$5m/annually. The amount that would have been offset by the reduction in RTD taxes is not yet known. Apparently, the tax department would not make that revenue information available to the legislature essentially for privacy reasons. Because wholesalers pay that tax and there are so few wholesalers/tax filers, the argument was that the data could disclose confidential business information. Without that data, the lawmakers could not properly evaluate the fiscal impact of the proposal. Although the tax increase is most likely dead for the year, the committee is going to work with the tax department to try to get at least the aggregate gallonage revenue from RTDs.

Many lawmakers commented to us throughout the week that they heard from brewers about the tax increase proposal. Thank-you to those of you that contacted your lawmakers. Your voices matter!

### MISCELLANEOUS ALCOHOL BILL

Last week, the House Government Operations and Military Affairs Committee voted to advance [H.867](#), the Miscellaneous Alcohol Bill. The final version of the bill includes the following provisions:

**Sections 1-4** expands access to special venue serving permits. Under current law, a special venue serving permit may be granted to an art gallery, bookstore, public library or museum after receiving approval from the local control commission and paying a fee. A special venue serving permit authorizes the holder to serve (not sell) beer, wine or RTDs, purchased directly from a retailer. This proposal replaces the word "bookstore" with "retail

establishment” thereby expanding the types of retailers that can access this type of permit. In addition, special venue permits are limited to 12 permits/year/location and limited to 6 hours in duration.

**Section 5** allows a sampling event permit holder to purchase invoiced volumes of alcoholic beverages from wholesale dealers. Under current law, a sampling event permit holder (formerly known as a festival permit) is allowed to purchase invoiced volumes of malt beverages directly from a manufacturer or packager. This change allows a permit holder, like the VBA, to purchase beer directly from a wholesale dealer, in addition to a manufacturer or a packager.

**Section 6** increases the limit on special event permits that may be acquired by an individual licensee from 10 to 20. Under current law, a manufacturer is allowed to be issued up to 10 special event permits for the same physical location in a year. Each permit is good for the duration of the event or up to 4 days. A special event permit is a permit granted to a licensed manufacturer or rectifier and allows them to sell alcoholic beverages manufactured by the permit holder by the glass or unopened bottle within the confines of the special event. A special event permit also allows the manufacturer to serve or sell glasses of beverages in quantities of not more than two ounces per product and eight ounces total of malt beverages, vinous beverages, or ready-to-drink spirits beverages and not more than one ounce in total of spirits or fortified wines to each individual. This proposal increases the number of special event permits a manufacturer is allowed to obtain in a year at a specific location from 10 to 20.

The bill needs to make a quick stop in the House Ways and Means committee before it goes to the full House for consideration.

## HEADLINES OF NOTE

[‘A slight sigh of relief’: State officials say motel rate cap won’t displace residents](#)

[Capitol Recap: With competing bills, road to Act 250 compromise remains unclear](#)

[Vermont Lawmakers Choose New Sergeant at Arms in Close Vote](#)

[Post-flooding ‘life raft,’ motel program changes head to Phil Scott’s desk in annual budget bill](#)

[How rising health care costs are driving up property taxes](#)

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="#">H.687</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 Birong; Rep. Stephanie Jerome	<p>An Act Relating To Expanding Access To Special Venue Serving Permits</p> <p>This bill proposes to allow any retail establishment to acquire a special venue serving permit from the Division of Liquor Control.</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 Miscellaneous Alcohol Bill H.687 – limited to 12 annually.</b></p>

<a href="#">H 726</a>	Rep. Kate Nugent	<p>An Act Relating To Compliance Checks By The Division Of Liquor Control</p> <p>This bill proposes to require the Division of Liquor Control to perform regular compliance checks of alcoholic beverage licensees.</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 (01/10/24)</p>
<a href="#">H.687</a>	Committee on Government Operations sand Military Affairs	<p>An act relating to miscellaneous amendments to the laws governing alcoholic beverages and the Board of Liquor and Lottery</p> <p>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.</p>	<p>Committees: House Ways and Means</p> <p>Status: Read first time and referred to the Committee on House Ways and Means (02/28/24)</p>
<b>BILLS INTRODUCED IN 2023 THAT ARE STILL "ALIVE"</b>			
<a href="#">H 7</a>	Rep. Anne Donahue	<p>An Act Relating To Replacing The Term "cider" With "hard Cider" Within Title 7</p> <p>This bill proposes to replace the term "cider" with "hard cider" within Title 7 of the Vermont Statutes Annotated.</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 (01/05/23)</p>

<a href="#">H 78</a>	Rep. Matthew Birong	<p>An Act Relating To Repealing The Sunset Of 7 V.S.A. § 230</p> <p>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.</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 (01/20/23)</p>
<a href="#">H 225</a>	Rep. Joseph "Chip" Troiano; Rep. Avram Patt; Rep. Brian Cina; Rep. Dennis LaBounty; Rep. 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	<p>An Act Relating To Eliminating The Tipped Minimum Wage</p> <p>This bill proposes to require that tipped employees are paid the standard minimum wage by 2024.</p>	<p>Committees: House General and Housing</p> <p>Status: Read First Time and referred to the Committee on General and Housing (02/10/23)</p> <p><b>VBA OPPOSES THIS BILL</b></p>
<a href="#">H 261</a>	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>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>
<a href="#">H 272</a>	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>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>

<a href="#">H 273</a>	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>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>
<a href="#">H 417</a>	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>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> <p><b>VBA SUPPORTS THIS BILL</b></p>
<a href="#">S 60</a>	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>Committees: Senate Finance; House Government Operations and Military Affairs; Senate Finance?</p> <p>Status: Read First Time and referred to the Committee on Government Operations and Military Affairs (04/11/23)</p>
<a href="#">S 86</a>	Sen. Richard Westman	<p>An Act Relating To Replacing The Term "cider" With "hard Cider" Within Title 7</p> <p>This bill proposes to replace the term "cider" with "hard cider" within Title 7 of the Vermont Statutes Annotated.</p>	<p>Committees: Senate Economic Development, Housing and General Affairs</p> <p>Status: Read 1st time &amp; referred to Committee on Economic Development, Housing and General Affairs (02/16/23)</p>
<a href="#">S 107</a>	Sen. Richard Westman	<p>An Act Relating To Authorizing Off-site Tasting Rooms For Alcoholic Beverage Manufacturers</p> <p>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</p>	<p>Committees: Senate Economic Development, Housing and General Affairs</p> <p>Status: <b>This bill was considered by the committee last year and essentially put on hold</b></p>

		located on property contiguous with the manufacturing location.	<b>because of tied house concerns.</b>
<a href="#">S 110</a>	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>Committees: Senate Economic Development, Housing and General Affairs</p> <p>Status: Read 1st time &amp; referred to Committee on Economic Development, Housing and General Affairs (02/28/23)</p>