
VBA Legislative Update – Week 18 May 16, 2026

→ **ACTION ALERT** - Update on Miscellaneous Alcohol Bill.

H.921 An act relating to alcoholic beverages. Next week, the House Government Operations and Military Affairs Committee will decide whether to recommend that the House support the Senate passed amendments to H.921.

There continues to be at least one manufacturer voicing concern about Tied House issues in the bill. Their concerns seem to be particularly about Section 2 of the bill, relating to 4th class licenses, but they have also raised concern about Section 6, the VBA's priority section relating to self-distribution (see a section by section summary of the bill below).

In response, we are asking VBA members to please send an email to the Speaker of the House, Jill Krowinski, urging passage of the bill, specifically Section 6. Her email is jkrowinski@leg.state.vt.us. Please copy all emails to her Chief of Staff, Conor Kennedy, ckennedy@leg.state.vt.us and to Emma.

Some of the points you can raise in your email include:

- Neighboring states allow small manufacturers similar direct access to markets. Allowing Vermont manufacturers to do the same ensures that our businesses are not placed at a competitive disadvantage in the region.
 - o **NH** – In NH if you hold a Beverage Manufacturers License and you produce no more than 15,000 barrels annually, you may self-distribute up to 5,000 barrels annually to New Hampshire retailers without getting any special license. [Title XIII, Sec. 178:12 \(IV\)\(b\)](#)
 - o **ME** - In Maine, if you hold a small brewery license (producing up to 30,000 barrels per year), you can sell your beer directly to licensed retailers (restaurants & stores) without needing to get a wholesale licensee. [Title 28-A, Sec. 1355-A \(3\)\(B\)\(2\)](#) (no maximum limit).
- The three-tier system is failing small manufacturers. Over the past two years, three distributors have closed, leaving only three operating in Vermont (Baker, Farrell, and Vermont Wine Merchants). This consolidation has left a number of small Vermont brewers without access to a distributor. Should further consolidation occur, even more brewers could find themselves without distribution options.
- If manufacturers were allowed direct access to 1st and 2nd class establishments (bars, restaurants and stores), they would have the opportunity to grow their brand, possibly to the extent that they would be attractive to one of the large distributors.
- Adding self-distribution to an already time-consuming manufacturing business is a lot of work, however, it is the most cost-effective way for small brands to intentionally grow their business.

As a reminder, the bill as Passed by the Senate includes the following provisions (changes from the House Passed in yellow):

Section 1: Changes the term for service on the Liquor and Lottery Board from 2 to 4 years

Section 2:

- Increase the allowable total volume of alcoholic beverages that may be served for consumption at a 4th class licensed location (aka tasting room),
 - not more than an aggregate total of 16 ounces of malt beverages or hard cider;
 - not more than an aggregate total of 12 ounces of vinous beverages or ready-to-drink spirits beverages; and
 - not more than one-quarter ounce of spirits or fortified wine with a total of two ounces.
 - this does not apply to farmers markets
- Increases from **one to ten five** the number of 4th class license locations that a licensed manufacturer is allowed to sell alcoholic beverages produced by other manufacturers. At these locations, they may sell unopened beverages or serve them by the glass (with or without charge), provided the beverages are purchased on invoice from the producing manufacturers or rectifiers.
 - **This change was made after concerns were raised about potential density of 4th class locations. The conversation was confusing and the change was made as a compromise to end the discussion.**

Section 3: Removes the restriction on hours of operation for sale for off-premise consumption (was 10am –11pm) and aligns with all other liquor sales under DLL rules.

Section 4: This is a technical, or “housekeeping” change to the law to conform with other sections of law.

Section 5: Changes the application deadline for a retail alcoholic beverage tasting permit from at least five days to at least one day before an event.

Section 6:

- Allows vinous beverage manufacturer the same right as a malt beverage manufacturer to operate two licensed establishments at their manufacturing facility or on land contiguous.
- Allows malt beverage manufacturers to self-distribute up to 3000 barrels of malt beverage annually.
- **NEW.** Requires manufacturer of malt beverages to retain copies of records of self-distribution and sales made. Annually, on or before January 15, manufacturers will have to report to DLL the total amount of malt beverages distributed.

Section 7: ~~Sunsets (repeals) the right of malt beverage manufacturers to self-distribute up to 3000 barrels of malt beverage annually on July 1, 2028. This means that during the 2028 session, the legislature will have to proactively repeal the sunset in order to extend the authority for self-distribution.~~ **The Senate deleted the sunset provision.** They did this for a couple of reasons: with the reporting to DLL they felt they would have a good idea on how the distribution was going, and, because distribution licenses begin on April 1, and the law was set to sunset on July 1, DLL worried that this could put brewers in a difficult situation if the law did sunset and they had to make alternative arrangements for distribution.

Section 8: This is another technical change to the law to increase the payment methods available to applicants of a solicitor’s license.

Section 9 and 10: Repeals the sunset on allowing a “an art gallery, retail establishment, public library, or museum” to be issued not more than 12 special venue serving permits in a calendar year.

NEW Section 11 and 12: Allows a licensed caterer to host not more than five functions per calendar year located on the caterer’s own first-, first-and third-, or second-class licensed

premises. This section was added at the request of DLL to address some issues that some wine bars were having.

→ **Update on Bottle Bill.**

[H.915 An act relating to establishing an extended producer responsibility program for beverage containers](#). As we reported last week, the Senate Natural Resources and Energy Committee voted (5-0-0) to approve an amended version of H915. The bill is now being considered by the Senate Finance Committee before it goes to the full Senate.

As previously reported, **H.915** as recommended by Senate Natural Resources, includes a \$.01 increase in the handling fee. This increase will be in place at least until the **Producer Responsibility Organization** mandated by the bill is in place and begins negotiating with redemption centers on “fair compensation.” See last week’s report for a detailed summary of the bill.

On Friday, the Senate Finance Committee heard testimony in opposition to the handling fee increase from both Brie Dietley of the Beverage Association of Vermont and Nick Sherman of the Vermont Wholesale Beverage Association. The committee seemed divided on the handling fee increase. They will continue consideration of the bill next week.

→ **Headlines of Note**

- [Vermont bottle bill overhaul could raise drink prices](#)
- [Vermonters will vote on equal protection amendment to state constitution this fall](#)
- [Enosburg Falls cream cheese producer agrees to pay the state \\$265,000 for allegedly releasing untreated wastewater](#)
- [Senate lawmakers reconsider ending Vermont’s school PCB testing program](#)
- [Capitol Recap: Impasse over forced mergers threatens education reform](#)
- [In the Vermont House, a Bid to Weaken Conservation Goals Falls Short](#)
- [Vermont’s Lawmakers Push Big Ideas — but Struggle to Fund Them](#)