



VERMONT LEGISLATIVE
Joint Fiscal Office

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Fiscal Note

March 12, 2024

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H.867 – An act relating to miscellaneous amendments to the laws governing alcoholic beverages and the Board of Liquor and Lottery

As recommended by the House Committee on Government Operations and Military Affairs, Draft 2.3

Bill Summary

This bill proposes changes to permits and licenses administered by the Department of Liquor and Lottery. It also would extend the effective date for required liquor liability insurance to July 1, 2026 and change the due date of the Department's annual report from January to March. Proposed changes to licensing and permits include:

- Allowing retail establishments to acquire \$20 special venue serving permits. These permits are currently only available to art galleries, bookstores, public libraries, or museums. Eligible entities would be limited to no more than 12 special venue serving permits per calendar year. The provision expanding eligibility to retail establishments would sunset July 1, 2026.
- Increasing the number of \$35 special event permits that could be acquired by manufacturers or rectifiers from 10 to 20.
- Establishing a \$1,000 retail master license for parent corporations merging multiple retail dealers or manufacturers.

Fiscal Impact and Background

JFO estimates the bill would have a negligibly positive revenue increase for the Liquor Control Enterprise Fund from the following provisions of the bill:

Section 2: Changes to special venue serving permits in Section 2 would have two competing revenue impacts. Broadening the base of establishments that could access this permit could increase fee revenues. However, some current establishments use more than 12 permits in a calendar year. Capping the number of permits that could be attained by an applicant in a calendar year could decrease revenues compared to current law. Overall, since this permit does not allow alcohol sales, JFO does not expect wide take-up by retail establishments.

Section 6: Increasing the number of special event permits a manufacturer or rectifier could attain from 10 to 20 per physical location in a calendar year could generate a limited amount of additional Special Fund revenue. In calendar year 2023, only 10 of 97 manufacturers or rectifiers used 9 or more special event permits and would potentially utilize the additional permits available.

Section 9-10: The Department of Liquor and Lottery currently only knows of one entity requesting the \$1,000 master retail license. Thus, the additional revenue that would be generated by this new license would likely be minimal.