

1 H.685

2 Introduced by Representative Birong of Vergennes

3 Referred to Committee on

4 Date:

5 Subject: Alcoholic beverages; licensing; general provisions; restrictions;
6 financial interests

7 Statement of purpose of bill as introduced: This bill proposes to authorize a
8 manufacturer of alcoholic beverages to have a financial interest in the business
9 of a first-, second-, or third-class license, and a first-, second-, or third-class
10 licensee to have a financial interest in the business of a manufacturer of
11 alcoholic beverages, provided the retail licensee does not purchase, possess, or
12 sell the malt beverages produced by a manufacturer with which there is any
13 financial interest.

14 An act relating to exceptions to Vermont's tied-house law

15 It is hereby enacted by the General Assembly of the State of Vermont:

16 Sec. 1. 7 V.S.A. § 203 is amended to read:

17 § 203. RESTRICTIONS; FINANCIAL INTERESTS; EMPLOYEES

18 (a)(1) Except as provided in section 271 of this title, a packager,
19 manufacturer, or rectifier licensed in Vermont or in another state, a certificate
20 of approval holder, or a wholesale dealer shall not have any financial interest

1 in the business of a first-, second-, or third-class licensee, and a first-, second-,
2 or third-class licensee shall not have any financial interest in the business of a
3 packager, manufacturer, or rectifier licensed in Vermont or in another state, a
4 certificate of approval holder, or a wholesale dealer.

5 (2) Notwithstanding subdivision (1) of this subsection and except as
6 otherwise provided in section 271 of this title, a manufacturer of ~~malt~~ alcoholic
7 beverages may have a financial interest in the business of a first-, second-, or
8 ~~second-class~~ third-class license, and a first-, second, or ~~second-class~~ third-class
9 licensee may have a financial interest in the business of a manufacturer of ~~malt~~
10 alcoholic beverages, provided the first-, second-, or ~~second-class~~ third-class
11 licensee does not purchase, possess, or sell the ~~malt~~ alcoholic beverages
12 produced by a manufacturer with which there is any financial interest. Any
13 manufacturer of ~~malt~~ alcoholic beverages that has a financial interest in a first-,
14 second-, or ~~second-class~~ third-class licensee and any first-, second-, or ~~second-~~
15 ~~class~~ third-class licensee that has a financial interest in a manufacturer of ~~malt~~
16 alcoholic beverages, as permitted under this subdivision, shall provide to the
17 Division of Liquor Control and the applicable wholesale dealer written
18 notification of that financial interest and the licensees involved. A wholesale
19 dealer shall not be in violation of this section for delivering ~~malt~~ alcoholic
20 beverages to a first-, second-, or ~~second-class~~ third-class licensee that is

1 prohibited from purchasing, possessing, or selling those ~~malt~~ alcoholic
2 beverages under this section.

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4 Sec. 2. EFFECTIVE DATE

5 This act shall take effect on July 1, 2022.