

Summary of Relevant Liquor Control Statutes

For definitions see 7 V.S.A. § 2

I. Organization of the Department of Liquor Control: 7 V.S.A. Chapter 5



Organization of Liquor Control Board (§ 101)

- 5 members
- biennially appointed by Governor with advice and consent of Senate
- not more than three from same political party
- 5-year terms
- Governor biennially designates Chair
- Governor may remove member for cause (§ 102)

Duties of Liquor Control Board (§§ 104; 106; 107; 108)

§ 104:

- (1) enforce liquor laws, in collaboration with law enforcement, AG (§105), state's attorneys
- (2) supervise local agencies
- (3) establish central liquor agency to supply local agencies and sell to licensees
- (4) supervise financial transactions of central liquor agency and local agencies
- (5) adopt rules to execute its powers and duties
- (6) employ necessary staff
- (7) fix bonds or security given by licensees
- (8) make regulations and issue permits for alcohol used for manufacturing, medicine, science
- (9) make regulations on labeling and advertising alcohol, in collaboration with federal agencies
- (10) make regulations on extension of credit to licensees or permittees
- (11) make regulations on intrastate transportation of malt and vinous beverages

§ 106 – request reports from the Commissioner of Liquor Control on the liquor distribution system of the State

§ 107(1) – determine the number of local agencies in each town that votes to permit the sale of spirituous liquors

– approve regulations adopted by Commissioner of Liquor Control

§ 108 – administer and enforce the provisions of Title 7; adopt necessary rules, forms, reports

Commissioner of Liquor Control (§ 106)

- an executive officer, employed by Liquor Control Board and Secretary of Board
- appointed for indefinite period
- subject to removal by majority vote of entire board

Duties of Commissioner of Liquor Control (§§ 106-107; 110)

§ 106 – upon request of Board, and in such detail as requested, make reports to the Board concerning the liquor distribution system of the State, together with recommendations to promote general good of the State

§ 107:

- (1) – establish local agencies determined by Board
- (2) – make regulations on hours of operation, and “governing the qualifications, department, and salaries of agencies’ employees”
- (3) – make regulations on the prices, method of delivery, and quantity sold to one person at a time for (A) spirits and (B) fortified wines
- (4) – supervise quantity and quality of spirits and fortified wines stocked at local agencies;
– make regulations on filling requisitions
- (5) – purchase spirits through Commissioner of BGS on behalf of LCB
– supervise storage and distribution of spirits
– make regulations on sale and deliver from central storage plant
- (6) Audit income and disbursements of local agencies and the central storage plant
- (8) “Devise methods and plans for eradicating intemperance and promoting the general good of the State and make effective such methods and plans as part of the administration of this title.”

§ 110 – order, through Commissioner of BGS, a class, variety, or brand of spirits or fortified wine that a local agency does not have in stock

-- all regulations the Commissioner adopts are subject to the approval of the Board

Duty of Auditor of Accounts (§ 109)

– annually audit the accounts of the Board; issue annual report

Liquor Control Fund (§ 112)

- consists of:

(1) all receipts from the sale of spirits, fortified wines, and other items by DLC; (2) fees paid to DLC; (3) other amounts received by DLC; (4) amounts appropriated to the DLC

7 V.S.A. § 63 – Importation and Transportation of Liquors

- (a) – all spirits imported or transported into this State shall be by and through the LCB; but
 - a person may import or transport up to 8 quarts in his or her own private vehicle or in his or her actual possession at the time of importation without license or permit

II. Licensing and Permit Fees – 7 V.S.A. § 231

- (a)(1) manufacturer's or rectifier's license to manufacture or rectify malt beverages and vinous beverages or spirituous liquors - \$285.00
- (2) bottler's license - \$1,705.00.
- (3) wholesale dealer's license - \$1,140.00 for each location.
- (4) first-class license - \$230.00.
- (5) second-class license - \$140.00.
- (6) third-class license - \$1,000.00 for an annual license and \$500.00 for a six-month license.
- (7) shipping license for vinous beverages:
 - (A) In-state consumer shipping license, initial and renewal - \$300.00.
 - (B) Out-of-state consumer shipping license, initial and renewal - \$300.00.
 - (C) Retail shipping license - \$230.00.
- (8)(A) caterer's license - \$230.00.
 - (B) commercial catering license - \$200.00.
 - (C) request to cater permit - \$20.00.
- (11) up to ten fourth-class vinous licenses - \$65.00.
- (12) industrial alcohol distributors license - \$200.00.
- (13) special events permit - \$35.00.
- (14) festival permit - \$115.00.
- (15) wine tasting permit - \$25.00.
- (16) educational sampling event permit - \$230.00.
- (17) outside consumption permit - \$20.00.
- (18) certificate of approval:
 - (A) malt beverages - \$2,275.00.
 - (B) vinous beverages - \$900.00.
- (19) solicitor's license - \$65.00.
- (20) vinous beverages storage license - \$215.00.
- (21) promotional tasting permit for a railroad - \$20.00.
- (22) art gallery or bookstore permit - \$20.00.

(b) Except for fees collected for first, second-, and third-class licenses, the fees deposited in the Liquor Control Enterprise Fund.

The other fees shall be distributed as follows:

- (1) Third-class license fees:
 - 55% to the Liquor Control Enterprise Fund
 - 45% to the General Fund and shall fund alcohol abuse prevention and treatment programs.
- (2) First- and second-class license fees:
 - At least 50% of first-class and second-class license fees to the respective municipalities in which the licensed premises are located, and
 - remaining percentage of fees to the Liquor Control Enterprise Fund.
 - municipality may retain more than 50% of the fees collected for first- and second-class licenses to extent the municipality has assumed responsibility for enforcement of those licenses pursuant to a contract with the Department.

III. Taxes - 7 V.S.A. Chapter 15

§ 421 – Tax on Malt and Vinous Beverages

(a) Each bottler and wholesaler pays for each gallon sold to retailers, and each manufacturer or rectifier pays for each gallon it sells at retail:

- Malt beverages up to 6% alcohol → 26.5 cents/gallon
- Malt beverages over 6%; vinous beverages → 55 cents/gallon

(c) Payment is made to Commissioner of Taxes, monthly, on a prescribed form and also with a separate electronic report showing description, quantity, and price of each sale

§ 422 – Tax on Spirits and Fortified Wines

(a) Tax assessed on:

- gross revenue from the sale of spirits and fortified wines in the State by the LCB
- the retail sale of spirits and fortified wines in Vermont by a manufacturer or rectifier

Rates: based on the gross revenue of the retail sales by the seller in the current year:

- (1) if the gross revenue of the seller is \$500,000.00 or lower, the rate of tax is 5%
- (2) if the gross revenue of the seller is between \$500,000.00 and \$750,000.00, the rate of the tax is \$25,000.00 plus 10% of the gross revenues over \$500,000.00;
- (3) if the gross revenue of the seller is over \$750,000.00, the rate of tax is 25%

(b) Retail sales of spirituous liquor made by a manufacturer or rectifier at a fourth-class or farmers' market license location shall be included in the gross revenue of a seller under this section, but only to the extent that the sales are of the manufacturer's or rectifier's own products, and not products purchased from other manufacturers and rectifiers.

§ 423 – Regulations – Commissioner of Taxes and LCB have joint authority to adopt rules for the administration and collection of taxes under § 422

§ 424 – Collection - LCB collects taxes under § 422 from the purchaser; taxes collected are paid weekly to the Treasurer