

1/31/25

GAC Meeting

Attending: Emma Arian - VBA, Jessica Oski - Necrason, Terry Thompson - Prohibition Pig, Cameron Martin - Zero Gravity, Bob Montgomery - Hill Farmstead, Jack Droppa - Weird Window, Matt Wilson - Zero Gravity, Daren Orr - Two Heroes, Jesse Cronin - Lucy and Howe, Chris Kesler - Black Flannel, Paul Saylor - Zero Gravity, Matt Nadaeu - Rock Art

Week 3 summary linked [here](#)

Jessica -

- Talked about Gov Scott's Affordability Plan
 - Nothing specific to breweries, but certainly to businesses and she will send some good nuggets in her summary
- Cash bill probably not going anywhere
- Prohibiting firearms - coming out of Burlington's continuing effort - facing stiff resistance from the state house
- Bill on reciprocity did get introduced, Law in WA got struck down out
- Expand the bottle bill, Jessica doesn't think this bottle will get taken up - increase deposit from 5cent to 10cents
 - Went through a grueling process a few years ago, we don't need to get too worked up to it
- Haven't released schedule for hearings for next week - Jessica to stay tuned about alcohol related interests
- H51
 - Key provisions - less interesting first half - increase to 8, current law is not more than 5
 - Equity for wine manufacturers - this is the current leg for wine manufacturers. This is not a NEW concept, it is an effort to equalize the law between malt and wine manufacturers. Any manufacturer in the US directly to 1st or 2nd class (restaurant or retail establishment) deliver through the mail or a car provided on invoice and not more than a 100 gallons per moth
 - Majority of members are positive for those who responded to Emma, Matt, and Jessica
 - Re-cap from last week's - questions around where it came from
 - Jessica - Lucy Boyden said it came from a conversation around DLL - when we met with DLL they said they wanted to generally equalize it, but specifically said they weren't bringing leg forward
 - Chris Kesler - 5000 gallons = 161 barrels per year, its not a Tied House issue its giving start ups a foot in the door economically. Chris supports it and is parity with wine. Chris reached out to Boyden and asked if there could be parity with spirits - currently they have to sell it to the state, deliver it to Montpelier, they sell it to retailers, Chris buys it from the store.

- Jesse Cronin - his total volume doesn't break 165 - amount of trouble to just sell it to an inn up the street and then it just turns it into a good neighbor discount and then he still has to mail to the distributor even though he did the sale work.
- Jessica - to reach out to the wholesalers - manufacturers would have to check to see if it violates current distribution agreement and get a carve out. Just because it could be the law, doesn't mean it would go over the existing agreement.
- Daren Orr - Brought this exact topic up at his first VBA Annual Meeting - have been self distributing - new bill proposal might work for him for a few years at least. The people that would take advantage of it would be the people that are self distributing and he doesn't think distributors will get mad because 161 barrels to them is peanuts.
 - Wholesaler permit is \$1200 per year, you save a bit of money, its a paperwork nightmare and would save all the time and could dissolve the pass through company
- Jack - good thing for his size or anyone's size, "hey were low on this keg beer shep doesn't have any do you have any" - benefits wholesalers for when they don't have it in stock and the brewery can just drop it right off
- Jessica - Aspect for an out-of-state manufacturer to ship to 1st and 2nd - is this a concern or is the amount a concern?
 - Terry - 20 logs a month so it's not too concerning
- Matt N - open up the reciprocity - cracks create crevices
 - Growth of 4th class licenses
 - Does this amount grow - he sees the advantages to it for a small brewery, but at the same time sees red flags
 - BA gives VT an A rating for self-distribution
 - Slippery slope so he is cautious
- Chris Kesler - likes the volume at its at right now and down the road if they raise it then we raise the flags and talk about it then
- Paul - does this bill get us reciprocity - or can people outside of our state can take advantage of -
 - Jessica - doesn't have anything to do with reciprocity, no impact on beer going out of the state
 - Happy to share with folks the response from Lucy about the reciprocity bill, they were to bring it up and its found unconstitutional in another state so they wont bother with that bill
 - Matt N - referenced reciprocity - out of state - outside beer in an easier venue
 - Widens the gap on reciprocity, no way to require a state - example: NH brewery can directly sell beer here, VT can't
- Jesse - can we make carve outs - possibility of suggestions to help guide
 - Jessica - cant pass a law that favors VT manufacturers
 - Benefit to in-state manufacturers - unconstitutional - violates inter-state commerce laws in the constitution

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- Matt W - has wine changed the numbers.
 - Jessica - have to check the law, doesn't have the information currently.
- Chris - can reach out to Farrel and Wendy Knight about spirits
 - If spirits added would have to add for 3rd class
- Bob M- unintended consequences on the out-of-state side, Bob could see they transitioning over to this sort of license, could see a wide open opportunity to buy a \$250 permit - we unfortunately can't stop it - it's a slippery slope, wine doesn't have the burden
 - Wine has been 40 years ahead of the malt industry on all of this time
 - Wholesalers can gate keep what's coming into VT, could see this a loophole
- Jessica - can we ask Mark Sorini - any other states doing something similar?