

1 H.526

2 Introduced by Representatives Stevens of Waterbury and Ancel of Calais

3 Referred to Committee on

4 Date:

5 Subject: Alcoholic beverages; Liquor Control Board; Commissioner of Liquor
6 Control; Department of Liquor Control

7 Statement of purpose of bill as introduced: This bill proposes to limit Liquor
8 Control Board members to no more than two consecutive five-year terms; to
9 provide for the appointment of the Commissioner of Liquor Control by the
10 Governor from a pool of candidates proposed by the Liquor Control Board;
11 and to direct Legislative Council, in consultation with the Board, Department,
12 and Attorney General, to prepare a draft bill that would reorganize and clarify
13 the statutory provisions of Title 7.

14 An act relating to the Commissioner of Liquor Control and the Liquor
15 Control Board

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

2 ~~Sec. 1. 7 V.S.A. § 101 is amended to read.~~

3 § 101. COMPOSITION OF DEPARTMENT; COMMISSIONER OF
4 LIQUOR CONTROL; LIQUOR CONTROL BOARD

5 (a) The Department of Liquor Control, created by 3 V.S.A. § 212, shall
6 include the Commissioner of Liquor Control and the Liquor Control Board.

7 (b)(1) The Liquor Control Board shall consist of five persons, not more
8 than three members of which shall belong to the same political party.

9 ~~(2)(A) Biennially, with~~ With the advice and consent of the Senate, the
10 Governor shall appoint ~~a person as a member~~ members of ~~such~~ the Board for a
11 ~~staggered five-year term, whose~~ staggered five-year terms.

12 (B) The Governor shall fill a vacancy occurring during a term by an
13 appointment for the unexpired term in accordance with the provisions of
14 3 V.S.A. § 257(b).

15 (C) A member's term of office shall commence on February 1 of the
16 year in which such appointment is made the member is appointed.

17 (3) A member of the Board may serve for no more than two consecutive
18 terms.

19 (4) The Governor shall biennially designate a member of such the Board
20 to be its Chair.

1 ~~Sec. 2. 7 V.S.A. § 106 is amended to read:~~

2 § 106. COMMISSIONER OF LIQUOR CONTROL; REPORTS;

3 RECOMMENDATIONS

4 ~~The board shall employ an executive officer, who shall be the secretary of~~
5 ~~the board and shall be called the commissioner of liquor control. The~~
6 ~~commissioner shall be appointed for an indefinite period and shall be subject to~~
7 ~~removal upon the majority vote of the entire board. At such times and in such~~
8 ~~detail as the board directs, the commissioner shall make reports to the board~~
9 ~~concerning the liquor distribution system of the state, together with such~~
10 ~~recommendations as he deems proper for the promotion of the general good of~~
11 ~~the state.~~

12 (a)(1) With the advice and consent of the Senate, the Governor shall
13 appoint from among no fewer than three candidates proposed by the Liquor
14 Control Board a Commissioner of Liquor Control for a term of four years.

15 (2) The Board shall review the applicants for the position of
16 Commissioner of Liquor Control and by a vote of the majority of the members
17 of the Board shall select candidates to propose to the Governor. The Board
18 shall consider each applicant's administrative expertise and his or her
19 knowledge regarding the business of distributing and selling alcoholic
20 beverages.

1 ~~(b) The Commissioner shall serve at the pleasure of the Governor until the~~
2 ~~end of the term for which he or she is appointed or until a successor is~~
3 ~~appointed.~~

4 Sec. 3. 7 V.S.A. § 107 is amended to read:

5 § 107. DUTIES OF COMMISSIONER OF LIQUOR CONTROL

6 The Commissioner of Liquor Control shall:

7 (1) In towns ~~which~~ that vote to permit the sale of spirits and fortified
8 wines, establish ~~such number of~~ local agencies ~~therein~~ as the Board shall
9 determine, ~~enter into agreements for the rental of necessary and adequate~~
10 ~~quarters, and employ suitable assistants for the operation thereof.~~ However, it
11 ~~shall not be obligatory upon the Liquor Control Board~~ shall not be obligated to
12 establish an agency in every town ~~which~~ that votes to permit the sale of spirits
13 and fortified wines.

14 (2) ~~Make regulations~~ Recommend rules subject to the approval of and
15 adoption by the Board governing the hours during which ~~such~~ local agencies
16 shall be open for the sale of spirits and fortified wines ~~and governing,~~ the
17 qualifications, ~~department, and salaries~~ of the agencies' employees, and the
18 business, operational, financial, and revenue standards that must be met for the
19 establishment of an agency and its continued operation.

20 (3) ~~Make regulations~~ Recommend rules subject to the approval of and
21 adoption by the Board governing:

1 ~~(A) the prices at which spirits shall be sold by local agencies, the~~
2 method for their delivery, and the quantities of spirits that may be sold to any
3 one person at any one time; and

4 ~~(B) the minimum prices at which fortified wines shall be sold by~~
5 local agencies and second-class licensees that hold fortified wine permits, the
6 method for their delivery, and the quantities of fortified wines that may be sold
7 to any one person at any one time.

8 (4) Supervise the quantities and qualities of spirits and fortified wines to
9 be kept as stock in local agencies and ~~make regulations~~ recommend rules
10 subject to ~~the approval of~~ and adoption by the Board regarding the filling of
11 requisitions therefor on the Commissioner of Liquor Control.

12 (5) Purchase through the Commissioner of Buildings and General
13 Services spirits and fortified wines for and in behalf of the Liquor Control
14 Board, supervise ~~the~~ their storage ~~thereof~~ and ~~the~~ distribution to local agencies,
15 druggists and, ~~licensees of the third class,~~ third-class licensees, and holders of
16 fortified wine permits, and ~~make regulations~~ recommend rules subject to ~~the~~
17 approval ~~of~~ and adoption by the Board regarding the sale and delivery from the
18 central storage plant.

19 (6) Check and audit the income and disbursements of all local agencies;
20 and the central storage plant.

21 (7) [Repealed.]

1 ~~(8) Devise methods and plans for eradicating intemperance and~~
2 promoting the general good of the state State and make effective such methods
3 and plans as part of the administration of this title.

4 Sec. 4. RULEMAKING

5 On or before July 1, 2017, the Commissioner shall prepare and submit to
6 the Liquor Control Board for its approval and adoption his or her
7 recommendation for rules to govern the business, operational, financial, and
8 revenue standards for local agencies as necessary to implement this act.

9 Sec. 5. LEGISLATIVE COUNCIL; DRAFT LEGISLATION

10 On or before January 15, 2017, the Legislative Council, in consultation with
11 the Commissioner of Liquor Control, the Liquor Control Board, and the Office
12 of the Attorney General, shall prepare and submit a draft bill to the House
13 Committee on General, Housing and Military Affairs and the Senate
14 Committee on Economic Development, Housing and General Affairs that
15 makes statutory amendments of a technical nature to improve the clarity of
16 Title 7 through the reorganization of its provisions and the modernization of its
17 statutory language. The draft bill shall also identify all statutory sections of
18 Title 7 that the General Assembly must amend substantively in order to
19 remove out-of-date and obsolete provisions or to more accurately reflect the
20 current practices and programs of the Liquor Control Board and the
21 Department of Liquor Control.

1 ~~Sec. 6. 7 V.S.A. § 102 is amended to read:~~

2 § 102. REMOVAL

3 ~~After Notwithstanding any provision of 3 V.S.A. § 2004 to the contrary,~~
4 ~~after~~ notice and hearing, the ~~governor~~ Governor may remove a member of the
5 ~~liquor control board~~ Liquor Control Board for incompetency, failure to
6 discharge his or her duties, malfeasance, immorality, or other cause inimical to
7 the general good of the ~~state~~ State. In case of such removal, the ~~governor~~
8 Governor shall appoint a person to fill the unexpired term.

9 Sec. 7. EFFECTIVE DATE

10 ~~This act shall take effect on July 1, 2016.~~

Sec. 1. 7 V.S.A. § 101 is amended to read:

*§ 101. COMPOSITION OF DEPARTMENT; COMMISSIONER OF
LIQUOR CONTROL; LIQUOR CONTROL BOARD*

(a) The Department of Liquor Control, created by 3 V.S.A. § 212, shall include the Commissioner of Liquor Control and the Liquor Control Board.

(b)(1) The Liquor Control Board shall consist of five persons, not more than three members of which shall belong to the same political party.

(2)(A) ~~Biennially, with~~ With the advice and consent of the Senate, the Governor shall appoint ~~a person as a member~~ members of such the Board for ~~a staggered five-year term, whose~~ staggered five-year terms.

(B) The Governor shall fill a vacancy occurring during a term by appointment for the unexpired term in accordance with the provisions of 3 V.S.A. § 257(b).

(C) A member's term of office shall commence on February 1 of the year in which such appointment is made the member is appointed.

~~(3) A member of the Board may serve for no more than two consecutive terms.~~

(3) A member of the Board may serve for no more than two consecutive full terms. A member that is appointed to fill a vacancy occurring during a term may serve two consecutive full terms in addition to the unexpired portion of the term during which the member is first appointed.

(4) The Governor shall biennially designate a member of ~~such~~ the Board to be its Chair.

Sec. 2. 7 V.S.A. § 106 is amended to read:

§ 106. COMMISSIONER OF LIQUOR CONTROL; REPORTS;

RECOMMENDATIONS

~~The board shall employ an executive officer, who shall be the secretary of the board and shall be called the commissioner of liquor control. The commissioner shall be appointed for an indefinite period and shall be subject to removal upon the majority vote of the entire board. At such times and in such detail as the board directs, the commissioner shall make reports to the~~

~~board concerning the liquor distribution system of the state, together with such recommendations as he deems proper for the promotion of the general good of the state.~~

(a)(1) With the advice and consent of the Senate, the Governor shall appoint from among no fewer than three candidates proposed by the Liquor Control Board a Commissioner of Liquor Control for a term of four years.

(2) The Board shall review the applicants for the position of Commissioner of Liquor Control and by a vote of the majority of the members of the Board shall select candidates to propose to the Governor. The Board shall consider each applicant's administrative expertise and his or her knowledge regarding the business of distributing and selling alcoholic beverages.

(3) If a vacancy occurs for a reason other than the expiration of a term, the Governor, in consultation with the Liquor Control Board, shall fill the vacancy by appointing a Commissioner for the unexpired portion of the term in accordance with the provisions of 3 V.S.A. § 257(b).

(b) The Commissioner shall serve at the pleasure of the Governor until the end of the term for which he or she is appointed or until a successor is appointed.

Sec. 3. 7 V.S.A. § 107 is amended to read:

§ 107. DUTIES OF COMMISSIONER OF LIQUOR CONTROL

The Commissioner of Liquor Control shall:

(1) In towns ~~which~~ that vote to permit the sale of spirits and fortified wines, establish ~~such number of~~ local agencies ~~therein~~ as the Board shall determine, ~~enter into agreements for the rental of necessary and adequate quarters, and employ suitable assistants for the operation thereof.~~ However, it ~~shall not be obligatory upon~~ the Liquor Control Board shall not be obligated to establish an agency in every town ~~which~~ that votes to permit the sale of spirits and fortified wines.

(2) ~~Make regulations~~ Recommend rules subject to ~~the~~ approval of and adoption by the Board governing the hours during which ~~such~~ local agencies shall be open for the sale of spirits and fortified wines ~~and governing~~ the qualifications, ~~department, and salaries~~ of the agencies' employees, and the business, operational, financial, and revenue standards that must be met for the establishment of an agency and its continued operation.

(3) ~~Make regulations~~ Recommend rules subject to ~~the~~ approval of and adoption by the Board governing:

(A) the prices at which spirits shall be sold by local agencies, the method for their delivery, and the quantities of spirits that may be sold to any one person at any one time; and

(B) the minimum prices at which fortified wines shall be sold by local agencies and second-class licensees that hold fortified wine permits, the

method for their delivery, and the quantities of fortified wines that may be sold to any one person at any one time.

(4) Supervise the quantities and qualities of spirits and fortified wines to be kept as stock in local agencies and ~~make regulations~~ recommend rules subject to ~~the approval of~~ and adoption by the Board regarding the filling of requisitions therefor on the Commissioner of Liquor Control.

(5) Purchase through the Commissioner of Buildings and General Services spirits and fortified wines for and in behalf of the Liquor Control Board, supervise ~~the~~ their storage ~~thereof~~ and ~~the~~ distribution to local agencies, druggists ~~and, licensees of the third class,~~ third-class licensees, and holders of fortified wine permits, and ~~make regulations~~ recommend rules subject to ~~the approval of~~ and adoption by the Board regarding the sale and delivery from the central storage plant.

(6) Check and audit the income and disbursements of all local agencies, and the central storage plant.

(7) Report to the Board regarding the State's liquor control system and make recommendations for the promotion of the general good of the State.

(8) Devise methods and plans for eradicating intemperance and promoting the general good of the ~~state~~ State and make effective such methods and plans as part of the administration of this title.

Sec. 4. RULEMAKING

On or before July 1, 2017, the Commissioner shall prepare and submit to the Liquor Control Board for its approval and adoption his or her recommendation for rules to govern the business, operational, financial, and revenue standards for local agencies as necessary to implement this act.

Sec. 5. LEGISLATIVE COUNCIL; DRAFT LEGISLATION

On or before January 15, 2017, the Legislative Council, in consultation with the Commissioner of Liquor Control, the Liquor Control Board, and the Office of the Attorney General, shall prepare and submit a draft bill to the House Committee on General, Housing and Military Affairs and the Senate Committee on Economic Development, Housing and General Affairs that makes statutory amendments of a technical nature to improve the clarity of Title 7 through the reorganization of its provisions and the modernization of its statutory language. The draft bill shall also identify all statutory sections of Title 7 that the General Assembly must amend substantively in order to remove out-of-date and obsolete provisions or to more accurately reflect the current practices and programs of the Liquor Control Board and the Department of Liquor Control.

Sec. 6. 7 V.S.A. § 102 is amended to read:

§ 102. REMOVAL

After Notwithstanding any provision of 3 V.S.A. § 2004 to the contrary, after notice and hearing, the ~~governor~~ Governor may remove a member of the

~~liquor control board~~ Liquor Control Board for incompetency, failure to discharge his or her duties, malfeasance, immorality, or other cause inimical to the general good of the ~~state~~ State. In case of such removal, the ~~governor~~ Governor shall appoint a person to fill the unexpired term.

Sec. 7. COMMISSIONER OF LIQUOR CONTROL; CURRENT TERM;

APPOINTMENT OF SUCCESSOR

The Commissioner of Liquor Control in office on the effective date of this act shall be deemed to have commenced a four-year term pursuant to 7 V.S.A. § 106(a)(1) on February 1, 2016. The Commissioner shall serve until the end of the four-year term, or until a successor is appointed as provided pursuant to 7 V.S.A. § 106. Notwithstanding any provision of 3 V.S.A. § 2004 or 7 V.S.A. § 106(b) to the contrary, during this current term, the Governor may remove the Commissioner for cause after notice and a hearing.

Sec. 8. CURRENT LIQUOR CONTROL BOARD MEMBERS; TERM

LIMIT

For purposes of the term limit set forth in 7 V.S.A. § 101(b)(3), the current term of each of the Liquor Control Board members in office on the effective date of this act shall be deemed to be that member's first consecutive term as a member of the Board.

Sec. 9. EFFECTIVE DATE

This act shall take effect on July 1, 2016.