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H.252

Introduced by Representatives Stevens of Waterbury, Gonzalez of Winooski,
Huntley of Cavendish, Sweaney of Windsor, and Walz of Barre
City

Referred to Committee on

Date:

Subject: Internal security and public safety; Agency of Controlled Substances

Statement of purpose of bill as introduced: This bill proposes to establish the
Agency of Controlled Substances to administer and enforce the laws relating to
alcohol, tobacco, therapeutic cannabis, the State Lottery, games of chance,
horse racing, motor racing, and boxing.

An act relating to establishing the Agency of Controlled Substances

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

Sec. 1. 3 V.S.A. chapter 69 is added to read:

CHAPTER 69. AGENCY OF CONTROLLED SUBSTANCES

Subchapter 1. Administration; Generally

§ 4101. DEFINITIONS

As used in this chapter:

(1) “Agency” means the Agency of Controlled Substances.

1 (2) “Commissioner” means the head of a department responsible to the
2 Secretary for the administration of the department.

3 (3) “Department” means a major component of the Agency.

4 (4) “Director” means the head of a division of the Agency.

5 (5) “Division” means a major component of a department engaged in
6 furnishing services to the public or to units of government at levels other than
7 the State level.

8 (6) “Secretary” means the head of the Agency, a member of the
9 Governor’s Cabinet, who is responsible to the Governor for the administration
10 of the Agency.

11 § 4102. CREATION OF AGENCY

12 (a) The Agency of Controlled Substances is created to administer laws
13 relating to alcohol and tobacco in Title 7, therapeutic use of cannabis in
14 18 V.S.A. chapter 86, the State Lottery in 31 V.S.A. chapter 14, games of
15 chance in 32 V.S.A. chapter 239, horse racing in 31 V.S.A. chapter 13, motor
16 vehicle racing in 26 V.S.A. chapter 93, and boxing in 31 V.S.A. chapter 21.

17 (b) The Agency shall consist of the Department of Liquor Control and the
18 State Lottery.

19 § 4103. ADVISORY CAPACITY

20 All boards and commissions which under this chapter are a part of or are
21 attached to the Agency shall be advisory only, except as hereinafter provided,

1 and the powers and duties of the boards and commissions, including
2 administrative, policy making, and regulatory functions, shall vest in and be
3 exercised by the Secretary of the Agency.

4 § 4104. PERSONNEL DESIGNATION

5 The Secretary, Deputy Secretary, Commissioner, Deputy Commissioner,
6 attorneys, and all members of the boards, committees, commissions, or
7 councils attached to the Agency for support are exempt from the classified
8 State service. Except as authorized by section 311 of this title or otherwise by
9 law, all other positions shall be within the classified service.

10 § 4105. APPOINTMENT AND SALARY

11 The Agency shall be under the direction and supervision of a Secretary,
12 who shall be appointed by the Governor with the advice and consent of the
13 Senate and shall serve at the pleasure of the Governor.

14 § 4106. BUDGET AND REPORT

15 The Secretary shall be responsible to the Governor and shall plan,
16 coordinate, and direct the functions vested in the Agency.

17 § 4107. DEPUTY SECRETARY

18 (a) The Secretary, with the approval of the Governor, may appoint a
19 Deputy Secretary to serve at his or her pleasure and to perform such duties as
20 the Secretary may prescribe. The Deputy Secretary shall be exempt from the

1 classified service. The appointment shall be in writing and shall be filed in the
2 Office of the Secretary of the State.

3 (b) The Deputy Secretary shall discharge the duties and responsibilities of
4 the Secretary in the Secretary's absence. In case a vacancy occurs in the
5 Office of the Secretary, the Deputy shall assume and discharge the duties of
6 the Office until the vacancy is filled.

7 § 4108. ADVISORY COUNCILS OR COMMITTEES

8 The Secretary, with approval of the Governor, may create such advisory
9 councils or committees as he or she deems necessary within the Agency, and
10 appoint members to them for terms not exceeding his or hers.

11 § 4109. TRANSFER OF PERSONNEL AND APPROPRIATIONS

12 (a) The Secretary, with the approval of the Governor, may transfer
13 classified positions between the departments and other components of the
14 Agency, subject only to personnel laws and rules.

15 (b) The Secretary, with the approval of the Governor, may transfer
16 appropriations or parts of them between departments and other components in
17 the agency, consistent with the purposes for which the appropriation was made.

18 § 4110. COMMISSIONERS—APPOINTMENT; TERM

19 The Secretary, with the approval of the Governor, shall appoint a
20 commissioner of each department, who shall be the chief executive and
21 administrative officer and head of the department and shall serve at the

1 pleasure of the Secretary. The term of the commissioners shall be concurrent
2 with that of the Secretary.

3 § 4111. MANDATORY DUTIES

4 (a) The commissioner shall determine the policies of the department, and
5 may exercise the powers and shall perform the duties required for its effective
6 administration.

7 (b) In addition to other duties imposed by law, the commissioner shall:

8 (1) administer the laws assigned to the department;

9 (2) coordinate and integrate the work of the divisions; and

10 (3) supervise and control all staff functions.

11 § 4112. PERMISSIVE DUTIES; APPROVAL OF SECRETARY

12 The commissioner may, with the approval of the Secretary:

13 (1) Transfer appropriations or parts of them within or between divisions,
14 consistent with the purposes for which the appropriation was made.

15 (2) Transfer classified positions within or between divisions subject only
16 to State personnel laws and regulations.

17 (3) Cooperate with the appropriate federal agencies and administer
18 federal funds in support of programs within the department.

19 (4) Submit plans and reports, and in other respects comply with federal
20 law and regulations which pertain to programs administered by the department.

1 (5) Make regulations consistent with law for the internal administration
2 of the department and its programs.

3 (6) Appoint a deputy commissioner.

4 (7) Create such advisory councils or committees as he or she deems
5 necessary within the department, and appoint their members, for a term not
6 exceeding that of the commissioner.

7 (8) Provide training and instructions for any employees of the
8 department, at the expense of the department, in educational institutions or
9 other places.

10 (9) Organize, reorganize, transfer, or abolish divisions, staff functions,
11 or sections within the department. This authority shall not extend to divisions
12 or other bodies created by law.

13 § 4113. DIRECTORS

14 (a) A director shall administer each division created within the Agency.
15 The commissioners, with the approval of the Secretary, shall appoint directors
16 for divisions that are part of a department, and the Secretary shall appoint any
17 other directors. All directors shall be appointed subject to section 12 of this
18 title.

19 (b) Each division and its officers shall be under the direction and control of
20 the appointing authority, except with regard to judicial or quasi-judicial acts or
21 duties vested in them by law.

1 (c) No rule or regulation may be issued by a director of a division without
2 the approval of the appointing authority.

3 Subchapter 3. Substance Control Board

4 § 4121. SUBSTANCE CONTROL BOARD; CREATION

5 The Substance Control Board is created in the Agency of Controlled
6 Substances to advise the Secretary regarding the administration of the Agency
7 and the development of policies and programs related to the functions and
8 authority vested in the Agency.

9 § 4122. SUBSTANCE CONTROL BOARD; APPOINTMENT OF

10 MEMBERS; TERM; VACANCY

11 (a) The Board shall consist of 11 members: the Secretary, the five
12 members of the Liquor Control Board, and the five members of the Lottery
13 Commission.

14 (b) No member of the Board shall have any pecuniary interest in any
15 licensee, licensed under the provisions of Title 7 or 31 V.S.A. chapter 14 to
16 conduct a lottery, nor shall any member of the Board have a pecuniary interest
17 in any contract awarded pursuant to Title 7 or 31 V.S.A. chapter 14.

18 § 4123. SUBSTANCE CONTROL BOARD; DUTIES

19 (a) The Board shall advise the Secretary regarding the establishment and
20 advancement of policies governing the administration and enforcement of laws

1 relating to alcohol, tobacco, therapeutic use of cannabis, the State Lottery,
2 games of chance, horse racing, motor vehicle racing, and boxing.

3 (b) The Board shall advise the Secretary regarding the development of
4 regulations and programs related to the functions vested in the Agency.

5 (c) The Board shall advise the Secretary regarding the preparation of the
6 Agency budget for the Governor.

7 (d) The Board shall, subject to the approval of the Secretary, appoint the
8 Commissioner of Liquor Control and the Director of the State Lottery.

9 (e) The Board shall report annually on or before December 15 to the
10 Secretary on the condition of the Agency and the laws and programs that it
11 administers. The report shall be organized and presented in a way that is easily
12 understandable by the general public. The Secretary shall use the information
13 in the report to determine whether it is necessary to propose statutory changes
14 to the General Assembly, to adopt new regulations, or to implement
15 administrative changes within the Agency. The provisions of 2 V.S.A. § 20(d)
16 (expiration of required reports) shall not apply to the report to be made under
17 this subdivision.

18 (f) The Board shall establish such advisory commissions as in the judgment
19 of the Board will be of assistance to it in carrying out its duties. Advisory
20 commission members shall serve with or without compensation at the

1 discretion of the Board but shall receive actual expenses incurred in pursuance
2 of their duties.

3 § 4124. SUBSTANCE CONTROL BOARD; MEETINGS

4 (a) The Board shall meet at least every other month and shall hold special
5 meetings as required to perform its duties. The time and place for each
6 meeting shall be designated by the Secretary. A special meeting of the Board
7 shall be held if the Secretary determines that it is necessary or if two members
8 of the Board petition the Secretary to hold such a meeting.

9 (b) Members of the Board who are not employees of the State of Vermont
10 and who are not otherwise compensated or reimbursed for their attendance
11 shall be entitled to per diem compensation and reimbursement of expenses
12 pursuant to 32 V.S.A. § 1010 for no more than 16 meetings per year.

13 Sec. 2. 18 V.S.A. chapter 86, subchapter 2 is amended as follows:

14 Subchapter 2. Marijuana for Medical Symptom Use by
15 Persons with Severe Illness

16 § 4472. DEFINITIONS

17 As used in this subchapter:

18 * * *

19 (12) "Registered patient" means a resident of Vermont who has been
20 issued a registration card by the ~~Department of Public Safety~~ Agency of
21 Controlled Substances identifying the person as having a debilitating medical

1 condition pursuant to the provisions of this subchapter. "Resident of Vermont"
2 means a person whose domicile is Vermont.

3 * * *

4 § 4473. REGISTERED PATIENTS; QUALIFICATION STANDARDS AND
5 PROCEDURES

6 * * *

7 (b) The ~~Department of Public Safety~~ Agency of Controlled Substances
8 shall review applications to become a registered patient using the following
9 procedures:

10 (1) A patient with a debilitating medical condition shall submit a signed
11 application for registration to the ~~Department~~ Agency. A patient's initial
12 application to the registry shall be notarized, but subsequent renewals shall not
13 require notarization. If the patient is under 18 years of age, the application
14 must be signed by both the patient and a parent or guardian. The application
15 shall require identification and contact information for the patient and the
16 patient's registered caregiver applying for authorization under section 4474 of
17 this title, if any, and the patient's designated dispensary under section 4474e of
18 this title, if any. The applicant shall attach to the application a medical
19 verification form developed by the ~~Department~~ Agency pursuant to subdivision
20 (2) of this subsection.

1 (2) The ~~Department of Public Safety~~ Agency of Controlled Substances
2 shall develop a medical verification form to be completed by a health care
3 professional and submitted by a patient applying for registration in the
4 program. The form shall include:

5 (A) A cover sheet ~~which~~ that includes the following:

6 (i) A statement of the penalties for providing false information.

7 (ii) Definitions of the following statutory terms:

8 (I) “Bona fide health care professional-patient relationship” as
9 defined in section 4472 of this title.

10 (II) “Debilitating medical condition” as defined in section 4472
11 of this title.

12 (III) “Health care professional” as defined in section 4472 of
13 this title.

14 (B) A verification sheet ~~which~~ that includes the following:

15 (i) A statement that a bona fide health care professional-patient
16 relationship exists under section 4472 of this title, or that under subdivision
17 (3)(A) of this subsection (b), the debilitating medical condition is of recent or
18 sudden onset, and the patient has not had a previous health care professional
19 who is able to verify the nature of the disease and its symptoms.

20 (ii) A statement that reasonable medical efforts have been made
21 over a reasonable amount of time without success to relieve the symptoms.

1 (iii) A statement that the patient has a debilitating medical
2 condition as defined in section 4472 of this title, including the specific disease
3 or condition which the patient has and whether the patient meets the criteria
4 under section 4472.

5 (iv) A signature line which provides in substantial part: “I certify
6 that I meet the definition of ‘health care professional’ under 18 V.S.A. § 4472,
7 that I am a health care professional in good standing in the state of
8 , and that the facts stated above are accurate to the best of
9 my knowledge and belief.”

10 (v) The health care professional’s contact information, license
11 number, category of his or her health care profession as defined in subdivision
12 4472(6) of this title, and contact information for the out-of-state licensing
13 agency, if applicable. The ~~Department of Public Safety~~ Agency of Controlled
14 Substances shall adopt rules for verifying the ~~goodstanding~~ good standing of
15 out-of-state health care professionals.

16 (3)(A) The ~~Department of Public Safety~~ Agency of Controlled
17 Substances shall transmit the completed medical verification form to the health
18 care professional and contact him or her for purposes of confirming the
19 accuracy of the information contained in the form. The ~~Department~~ Agency
20 may approve an application, notwithstanding the six-month requirement in
21 section 4472 of this title, if the ~~Department~~ Agency is satisfied that the medical

1 verification form confirms that the debilitating medical condition is of recent
2 or sudden onset, and that the patient has not had a previous health care
3 professional who is able to verify the nature of the disease and its symptoms.

4 (B) If the health care professional is licensed in another state as
5 provided section 4472 of this title, the ~~Department~~ Agency shall verify that the
6 health care professional is in good standing in that state.

7 (4) The ~~Department~~ Agency shall approve or deny the application for
8 registration in writing within 30 days from receipt of a completed registration
9 application. If the application is approved, the ~~Department~~ Agency shall issue
10 the applicant a registration card which shall include the registered patient's
11 name and photograph, the registered patient's designated dispensary, if any,
12 and a unique identifier for law enforcement verification purposes under section
13 4474d of this title.

14 * * *

15 § 4474. REGISTERED CAREGIVERS; QUALIFICATION STANDARDS
16 AND PROCEDURES

17 (a) A person may submit a signed application to the ~~Department of Public~~
18 Safety Agency of Controlled Substances to become a registered patient's
19 registered caregiver. The ~~Department~~ Agency shall approve or deny the
20 application in writing within 30 days. In accordance with rules adopted
21 pursuant to section 4474d of this title, the ~~Department~~ Agency shall consider

1 an individual's criminal history record when making a determination as to
2 whether to approve the application. An applicant shall not be denied solely on
3 the basis of a criminal conviction that is not listed in subsection 4474g(e) of
4 this title or 13 V.S.A. chapter 28. The ~~Department~~ Agency shall approve a
5 registered caregiver's application and issue the person an authorization card,
6 including the caregiver's name, photograph, and a unique identifier, after
7 verifying the person will serve as the registered caregiver for one registered
8 patient only.

9 (b) Prior to acting on an application, the ~~Department~~ Agency shall obtain
10 from the Vermont Crime Information Center a Vermont criminal record, an
11 out-of-state criminal record, and a criminal record from the Federal Bureau of
12 Investigation for the applicant. Each applicant shall consent to the release of
13 criminal records to the ~~Department~~ Agency on forms developed by the Center.
14 The ~~Department~~ Agency shall comply with all laws regulating the release of
15 criminal history records and the protection of individual privacy. The Vermont
16 Crime Information Center shall send to the requester any record received
17 pursuant to this section or inform the ~~Department of Public Safety~~ Agency of
18 Controlled Substances that no record exists. If the ~~Department~~ Agency
19 disapproves an application, the ~~Department~~ Agency shall promptly provide a
20 copy of any record of convictions and pending criminal charges to the
21 applicant and shall inform the applicant of the right to appeal the accuracy and

1 completeness of the record pursuant to rules adopted by the Vermont Crime
2 Information Center. No person shall confirm the existence or nonexistence of
3 criminal record information to any person who would not be eligible to receive
4 the information pursuant to this subchapter.

5 (c)(1) Except as provided in subdivision (2) of this subsection, a registered
6 caregiver may serve only one registered patient at a time, and a registered
7 patient may have only one registered caregiver at a time.

8 (2) A registered patient who is under 18 years of age may have two
9 registered caregivers.

10 § 4474a. REGISTRATION; FEES

11 (a) The ~~department~~ Agency shall collect a fee of \$50.00 for the application
12 authorized by sections 4473 and 4474 of this title. The fees received by the
13 ~~department~~ Agency shall be deposited into a registration fee fund and used to
14 offset the costs of processing applications under this subchapter.

15 (b) A registration card shall expire one year after the date of issue, with the
16 option of renewal, provided the patient submits a new application ~~which~~ that is
17 approved by ~~department of public safety~~ Agency of Controlled Substances,
18 pursuant to section 4473 or 4474 of this title, and pays the fee required under
19 subsection (a) of this section.

20 * * *

1 § 4474c. PROHIBITIONS, RESTRICTIONS, AND LIMITATIONS
2 REGARDING THE USE OF MARIJUANA FOR SYMPTOM
3 RELIEF

4 * * *

5 (e) Within 72 hours after the death of a registered patient, the patient's
6 registered caregiver shall return to the ~~Department of Public Safety~~ Agency of
7 Controlled Substances for disposal any marijuana or marijuana plants in the
8 possession of the patient or registered caregiver at the time of the patient's
9 death. If the patient did not have a registered caregiver, the patient's next of
10 kin shall contact the ~~Department of Public Safety~~ Agency of Controlled
11 Substances within 72 hours after the patient's death and shall ask the
12 ~~Department~~ Agency to retrieve such marijuana and marijuana plants for
13 disposal.

14 * * *

15 § 4474d. LAW ENFORCEMENT VERIFICATION OF INFORMATION;
16 RULEMAKING

17 (a) The ~~Department of Public Safety~~ Agency of Controlled Substances
18 shall maintain and keep confidential, except as provided in subsection (b) of
19 this section and except for purposes of a prosecution for false swearing under
20 13 V.S.A. § 2904, the records of all persons registered under this subchapter or

1 registered caregivers in a secure database accessible by authorized ~~Department~~
2 ~~of Public Safety~~ Agency of Controlled Substances employees only.

3 (b) In response to a person-specific or property-specific inquiry by a law
4 enforcement officer or agency made in the course of a bona fide investigation
5 or prosecution, the ~~Department~~ Agency may verify the identities and registered
6 property addresses of the registered patient and the patient's registered
7 caregiver, a dispensary, and the principal officer, the ~~Board~~ board members,
8 and the employees of a dispensary.

9 (c) The ~~Department~~ Agency shall maintain a separate secure electronic
10 database accessible to law enforcement personnel 24 hours a day that uses a
11 unique identifier system to allow law enforcement to verify that a person or
12 entity is a registered patient, a registered caregiver, a dispensary, or the
13 principal officer, a board member, or an employee of a dispensary.

14 (d) The ~~Department of Public Safety~~ Agency of Controlled Substances
15 shall implement the requirements of this act within 120 days of its effective
16 date. The ~~Department~~ Agency may adopt rules under 3 V.S.A. chapter 25 and
17 shall develop forms to implement this act.

18 (e) The ~~Department~~ Agency shall adopt rules for the issuance of a caregiver
19 registry identification card that shall include standards for approval or denial of
20 an application based on an individual's criminal history record. The rules shall
21 address whether an applicant who has been convicted of an offense listed in

1 subsection 4474g(e) of this title or 13 V.S.A. chapter 28 has been rehabilitated
2 and should be otherwise eligible for a caregiver registry identification card.

3 (f) The ~~Department~~ Agency shall adopt rules establishing protocols for the
4 safe delivery of marijuana to patients and caregivers.

5 (g) The ~~Department~~ Agency shall adopt rules for granting a waiver of the
6 dispensary possession limits in section 4474e of this title upon application of a
7 dispensary for the purpose of developing and providing a product for symptom
8 relief to a registered patient who is under 18 years of age who suffers from
9 seizures.

10 § 4474e. DISPENSARIES; CONDITIONS OF OPERATION

11 (a) A dispensary registered under this section may:

12 (1) Acquire, possess, cultivate, manufacture, transfer, transport, supply,
13 sell, and dispense marijuana, marijuana-infused products, and marijuana-
14 related supplies and educational materials for or to a registered patient who has
15 designated it as his or her dispensary and to his or her registered caregiver for
16 the registered patient's use for symptom relief.

17 (A) Marijuana-infused products shall include tinctures, oils, solvents,
18 and edible or potable goods. Only the portion of any marijuana-infused
19 product that is attributable to marijuana shall count toward the possession
20 limits of the dispensary and the patient. The ~~Department of Public Safety~~
21 Agency of Controlled Substances shall establish by rule the appropriate

1 method to establish the weight of marijuana that is attributable to
2 marijuana-infused products.

3 (B) Marijuana-related supplies shall include pipes, vaporizers, and
4 other items classified as drug paraphernalia under chapter 89 of this title.

5 (2) Acquire marijuana seeds or parts of the marijuana plant capable of
6 regeneration from or dispense them to registered patients or their caregivers or
7 acquire them from another registered Vermont dispensary, provided that
8 records are kept concerning the amount and the recipient.

9 (3)(A) Cultivate and possess at any one time up to 28 mature marijuana
10 plants, 98 immature marijuana plants, and 28 ounces of usable marijuana.
11 However, if a dispensary is designated by more than 14 registered patients, the
12 dispensary may cultivate and possess at any one time two mature marijuana
13 plants, seven immature plants, and four ounces of usable marijuana for every
14 registered patient for which the dispensary serves as the designated dispensary.

15 (B) Notwithstanding subdivision (A) of this subdivision, if a
16 dispensary is designated by a registered patient under 18 years of age who
17 qualifies for the registry because of seizures, the dispensary may apply to the
18 ~~Department~~ Agency for a waiver of the limits in subdivision (A) of this
19 subdivision (3) if additional capacity is necessary to develop and provide an
20 adequate supply of a product for symptom relief for the patient. The
21 ~~Department~~ Agency shall have discretion whether to grant a waiver and limit

1 the possession amounts in excess of subdivision (A) of this subdivision (3) in
2 accordance with rules adopted pursuant to section 4474d of this title.

3 (b)(1) A dispensary shall be operated on a nonprofit basis for the mutual
4 benefit of its patients but need not be recognized as a tax-exempt organization
5 by the Internal Revenue Service.

6 (2) A dispensary shall have a sliding-scale fee system that takes into
7 account a registered patient's ability to pay.

8 (c) A dispensary shall not be located within 1,000 feet of the property line
9 of a preexisting public or private school or licensed or regulated child care
10 facility.

11 (d)(1) A dispensary shall implement appropriate security measures to deter
12 and prevent the unauthorized entrance into areas containing marijuana and the
13 theft of marijuana and shall ensure that each location has an operational
14 security alarm system. All cultivation of marijuana shall take place in an
15 enclosed, locked facility which is either indoors or otherwise not visible to the
16 public and which can only be accessed by principal officers and employees of
17 the dispensary who have valid registry identification cards. ~~The Department of~~
18 ~~Public Safety~~ Agency of Controlled Substances shall perform an annual on-site
19 assessment of each dispensary and may perform on-site assessments of a
20 dispensary without limitation for the purpose of determining compliance with
21 this subchapter and any rules adopted pursuant to this subchapter and may

1 enter a dispensary at any time for such purpose. During an inspection, the
2 ~~Department~~ Agency may review the dispensary's confidential records,
3 including its dispensing records, which shall track transactions according to
4 registered patients' registry identification numbers to protect their
5 confidentiality.

6 (2)(A) A registered patient or registered caregiver may obtain marijuana
7 from the dispensary by appointment only.

8 (B) A dispensary may deliver marijuana to a registered patient or
9 registered caregiver. The marijuana shall be transported in a locked container.

10 (3) The operating documents of a dispensary shall include procedures
11 for the oversight of the dispensary and procedures to ensure accurate
12 record-keeping.

13 (4) A dispensary shall submit the results of a financial audit to the
14 ~~Department of Public Safety~~ Agency of Controlled Substances no later than 60
15 days after the end of the dispensary's first fiscal year, and every other year
16 thereafter. The audit shall be conducted by an independent certified public
17 accountant, and the costs of any such audit shall be borne by the dispensary.
18 The ~~Department~~ Agency may also periodically require, within its discretion,
19 the audit of a dispensary's financial records by the ~~Department~~ Agency.

20 (5) A dispensary shall destroy or dispose of marijuana,
21 marijuana-infused products, clones, seeds, parts of marijuana that are not

1 usable for symptom relief or are beyond the possession limits provided by this
2 subchapter, and marijuana-related supplies only in a manner approved by rules
3 adopted by the ~~Department of Public Safety~~ Agency of Controlled Substances.

4 (e) A registered patient shall not consume marijuana for symptom relief on
5 dispensary property.

6 (f) A person may be denied the right to serve as a principal officer, board
7 member, or employee of a dispensary because of the person's criminal history
8 record in accordance with section 4474g of this title and rules adopted by the
9 ~~Department of Public Safety~~ Agency of Controlled Substances pursuant to that
10 section.

11 (g)(1) A dispensary shall notify the ~~department of public safety~~ Agency of
12 Controlled Substances within 10 days of when a principal officer, board
13 member, or employee ceases to be associated with or work at the dispensary.
14 His or her registry identification card shall be deemed null and void, and the
15 person shall be liable for any penalties that may apply.

16 (2) A dispensary shall notify the ~~Department of Public Safety~~ Agency of
17 Controlled Substances in writing of the name, address, and date of birth of any
18 proposed new principal officer, board member, or employee and shall submit a
19 fee for a new registry identification card before a new principal officer, board
20 member, or employee begins his or her official duties related to the dispensary

1 and shall submit a complete set of fingerprints for the prospective principal
2 officer, board member, or employee.

3 * * *

4 (k)(1) No dispensary, principal officer, board member, or employee of a
5 dispensary shall:

6 (A) acquire, possess, cultivate, manufacture, transfer, transport,
7 supply, sell, or dispense marijuana for any purpose except to assist a registered
8 patient with the use of marijuana for symptom relief directly or through the
9 qualifying patient's designated caregiver;

10 (B) acquire usable marijuana or marijuana plants from any source
11 other than registered dispensary principal officers, board members, or
12 employees who cultivate marijuana in accordance with this subchapter;

13 (C) dispense more than two ounces of usable marijuana to a
14 registered patient directly or through the qualifying patient's registered
15 caregiver during a 30-day period;

16 (D) dispense an amount of usable marijuana to a qualifying patient or
17 a designated caregiver that the principal officer, board member, or employee
18 knows would cause the recipient to possess more marijuana than is permitted
19 under this subchapter;

1 (E) dispense marijuana to a person other than a registered patient
2 who has designated the dispensary to provide for his or her needs or other than
3 the patient's registered caregiver.

4 (2) A person found to have violated subdivision (1) of this subsection
5 may no longer serve as a principal officer, board member, or employee of any
6 dispensary, and such person's registry identification card shall be immediately
7 revoked by the ~~Department of Public Safety~~ Agency of Controlled Substances.

8 (3) The board of a dispensary shall be required to report to the
9 ~~Department of Public Safety~~ Agency of Controlled Substances any information
10 regarding a person who violates this section.

11 * * *

12 § 4474f. DISPENSARY APPLICATION, APPROVAL, AND
13 REGISTRATION

14 (a)(1) The ~~department of public safety~~ Agency of Controlled Substances
15 shall adopt rules on the following:

16 * * *

17 (H) Procedures for providing notice to applicants regarding federal
18 law with respect to marijuana.

19 (2) The ~~department of public safety~~ Agency of Controlled Substances
20 shall adopt such rules with the goal of protecting against diversion and theft
21 without imposing an undue burden on a registered dispensary or compromising

1 the confidentiality of registered patients and their registered caregivers. Any
2 dispensing records that a registered dispensary is required to keep shall track
3 transactions according to registered patients' and registered caregivers' registry
4 identification numbers, rather than their names, to protect confidentiality.

5 (b) Within 30 days of the adoption of rules, the ~~Department~~ Agency shall
6 begin accepting applications for the operation of dispensaries. Within 365
7 days of the effective date of this section, the ~~Department~~ Agency shall grant
8 registration certificates to four dispensaries, provided at least four applicants
9 apply and meet the requirements of this section. No more than four
10 dispensaries shall hold valid registration certificates at one time. Any time a
11 dispensary registration certificate is revoked, is relinquished, or expires, the
12 ~~Department~~ Agency shall accept applications for a new dispensary. If at any
13 time after one year after the effective date of this section fewer than four
14 dispensaries hold valid registration certificates in Vermont, the ~~Department of~~
15 ~~Public Safety~~ Agency of Controlled Substances shall accept applications for a
16 new dispensary.

17 (c) Each application for a dispensary registration certificate shall include all
18 of the following:

19 (1) a nonrefundable application fee in the amount of \$2,500.00 paid to
20 the ~~department of public safety~~ Agency of Controlled Substances;

21 * * *

1 (d) Any time one or more dispensary registration applications are being
2 considered, the ~~department of public safety~~ Agency of Controlled Substances
3 shall solicit input from registered patients and registered caregivers.

4 * * *

5 (f) The ~~Department of Public Safety~~ Agency of Controlled Substances may
6 deny an application for a dispensary if it determines that an applicant's
7 criminal history record indicates that the person's association with a dispensary
8 would pose a demonstrable threat to public safety.

9 (g) After a dispensary is approved but before it begins operations, it shall
10 submit the following to the ~~Department~~ Agency:

11 * * *

12 § 4474g. DISPENSARY REGISTRY IDENTIFICATION CARD;

13 CRIMINAL BACKGROUND CHECK

14 (a) Except as provided in subsection (b) of this section, the ~~Department of~~
15 ~~Public Safety~~ Agency of Controlled Substances shall issue each principal
16 officer, ~~Board~~ board member, and employee of a dispensary a registry
17 identification card or renewal card within 30 days of receipt of the person's
18 name, address, and date of birth and a fee of \$50.00. The fee shall be paid by
19 the dispensary and the cost shall not be passed on to a principal officer, ~~Board~~
20 board member, or employee. A person shall not serve as principal officer,
21 ~~Board~~ board member, or employee of a dispensary until that person has

1 received a registry identification card issued under this section. Each card
2 shall specify whether the cardholder is a principal officer, ~~Board~~ board
3 member, or employee of a dispensary and shall contain the following:

4 (1) the name, address, and date of birth of the person;

5 (2) the legal name of the dispensary with which the person is affiliated;

6 (3) a random identification number that is unique to the person;

7 (4) the date of issuance and the expiration date of the registry
8 identification card; and

9 (5) a photograph of the person.

10 (b) Prior to acting on an application for a registry identification card, the
11 ~~Department of Public Safety~~ Agency of Controlled Substances shall obtain
12 with respect to the applicant a Vermont criminal history record, an out-of-state
13 criminal history record, and a criminal history record from the Federal Bureau
14 of Investigation. Each applicant shall consent to the release of criminal history
15 records to the ~~Department~~ Agency on forms developed by the Vermont Crime
16 Information Center.

17 (c) When the ~~Department of Public Safety~~ Agency of Controlled
18 Substances obtains a criminal history record, the ~~Department~~ Agency shall
19 promptly provide a copy of the record to the applicant and to the principal
20 officer and ~~Board~~ board of the dispensary if the applicant is to be an employee.
21 The ~~Department~~ Agency shall inform the applicant of the right to appeal the

1 accuracy and completeness of the record pursuant to rules adopted by the
2 ~~Department~~ Vermont Crime Information Center.

3 (d) The ~~Department of Public Safety~~ Agency of Controlled Substances
4 shall comply with all laws regulating the release of criminal history records
5 and the protection of individual privacy. No person shall confirm the existence
6 or nonexistence of criminal history record information to any person who
7 would not be eligible to receive the information pursuant to this subchapter.

8 (e) The ~~Department of Public Safety~~ Agency of Controlled Substances
9 shall not issue a registry identification card to any applicant who has been
10 convicted of a drug-related offense or a violent felony or who has a pending
11 charge for such an offense. ~~For purposes of~~ As used in this subchapter,
12 “violent felony” means a listed crime as defined in 13 V.S.A. § 5301(7) or an
13 offense involving sexual exploitation of children in violation of 13 V.S.A.
14 chapter 64.

15 (f) The ~~Department of Public Safety~~ Agency of Controlled Substances shall
16 adopt rules for the issuance of a registry identification card and shall set forth
17 standards for determining whether an applicant should be denied a registry
18 identification card because his or her criminal history record indicates that the
19 person’s association with a dispensary would pose a demonstrable threat to
20 public safety. The rules shall consider whether a person who has a conviction
21 for an offense not listed in subsection (e) of this section has been rehabilitated.

1 A conviction for an offense not listed in subsection (e) of this section shall not
2 automatically disqualify a person for a registry identification card. A
3 dispensary may deny a person the opportunity to serve as a ~~Board~~ board
4 member or an employee based on his or her criminal history record. An
5 applicant who is denied a registry identification card may appeal the
6 ~~department of Public Safety's~~ Agency of Controlled Substances' determination
7 in Superior Court in accordance with Rule 75 of the Vermont Rules of Civil
8 Procedure.

9 * * *

10 § 4474h. PATIENT DESIGNATION OF DISPENSARY

11 (a) A registered patient may obtain marijuana only from the patient's
12 designated dispensary and may designate only one dispensary. If a registered
13 patient designates a dispensary, the patient and his or her caregiver may not
14 grow marijuana or obtain marijuana or marijuana-infused products for
15 symptom relief from any source other than the designated dispensary. A
16 registered patient who wishes to change his or her dispensary shall notify the
17 ~~department of public safety~~ Agency of Controlled Substances in writing on a
18 form issued by the ~~department~~ Agency and shall submit with the form a fee of
19 \$25.00. The ~~department~~ Agency shall issue a new identification card to the
20 registered patient within 30 days of receiving the notification of change in
21 dispensary. The registered patient's previous identification card shall expire at

1 the time the new identification card takes effect. A registered patient shall
2 submit his or her expired identification card to the ~~department~~ Agency within
3 30 days of expiration. A registered patient shall not change his or her
4 designated dispensary more than once in any 90-day period.

5 (b) The ~~department of public safety~~ Agency of Controlled Substances shall
6 track the number of registered patients who have designated each dispensary.
7 The ~~department~~ Agency shall issue a monthly written statement to the
8 dispensary identifying the number of registered patients who have designated
9 that dispensary and the registry identification numbers of each patient and each
10 patient's designated caregiver, if any.

11 (c) In addition to the monthly reports, the ~~department of public safety~~
12 Agency of Controlled Substances shall provide written notice to a dispensary
13 whenever any of the following events occurs:

14 * * *

15 § 4474i. CONFIDENTIALITY OF INFORMATION REGARDING

16 DISPENSARIES AND REGISTERED PATIENTS

17 The confidentiality provisions in section 4474d of this title shall apply to
18 records of all registered patients and registered caregivers within dispensary
19 records in the ~~department of public safety~~ Agency of Controlled Substances.

1 § 4474j. ANNUAL REPORT

2 (a)(1) There is established a ~~marijuana for symptom relief oversight~~
3 ~~committee~~ Marijuana for Symptom Relief Oversight Committee. The
4 ~~committee~~ Committee shall be composed of the following members:

5 (A) one registered patient appointed by each dispensary;

6 (B) one registered nurse and one registered patient appointed by the
7 ~~governor~~ Governor;

8 (C) one physician appointed by the Vermont ~~medical society~~ Medical
9 Society;

10 (D) one member of a local zoning board appointed by the Vermont
11 League of Cities and Towns;

12 (E) one representative appointed jointly by the Vermont ~~sheriffs'~~
13 ~~association~~ Sheriffs' Association and the Vermont ~~association of chiefs of~~
14 ~~police~~ Association of Chiefs of Police; and

15 (F) the ~~commissioner of public safety~~ Secretary of Controlled
16 Substances or his or her designee.

17 (2) The ~~oversight committee~~ Oversight Committee shall meet at least
18 two times per year for the purpose of evaluating and making recommendations
19 to the ~~general assembly~~ General Assembly regarding:

20 (A) The ability of qualifying patients and registered caregivers in all
21 areas of the ~~state~~ State to obtain timely access to marijuana for symptom relief.

1 (B) The effectiveness of the registered dispensaries individually and
2 together in serving the needs of qualifying patients and registered caregivers,
3 including the provision of educational and support services.

4 (C) ~~Sufficiency~~ The sufficiency of the regulatory and security
5 safeguards contained in this subchapter and adopted by the ~~department of~~
6 ~~public safety~~ Agency of Controlled Substances to ensure that access to and use
7 of cultivated marijuana is provided only to cardholders authorized for such
8 purposes.

9 (b) On or before January 1 of each year, beginning in 2013, the ~~oversight~~
10 ~~committee~~ Oversight Committee shall provide a report to the ~~department of~~
11 ~~public safety~~ Agency of Controlled Substances, the ~~house committee on human~~
12 ~~services~~ House Committee on Human Services, the ~~senate committee on health~~
13 ~~and welfare~~ Senate Committee on Health and Welfare, the ~~house~~ House and
14 ~~senate committees on judiciary~~ Senate Committees on Judiciary, and the ~~house~~
15 House and ~~senate committees~~ Senate Committees on ~~government operations~~
16 Government Operations on its findings.

17 § 4474k. FEES; DISPOSITION

18 All fees collected by the ~~department of public safety~~ Agency of Controlled
19 Substances relating to dispensaries and pursuant to this subchapter shall be
20 deposited in the registration fee fund as referenced in section 4474a of this
21 title.

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* * *

§ 4474m. ~~DEPARTMENT OF PUBLIC SAFETY~~ AGENCY OF
CONTROLLED SUBSTANCES; PROVISION OF
EDUCATIONAL AND SAFETY INFORMATION

The ~~Department of Public Safety~~ Agency of Controlled Substances shall provide educational and safety information developed by Vermont Department of Health to each registered patient upon registration pursuant to section 4473 of this title, and to each registered caregiver upon registration pursuant to section 4474 of this title.

Sec. 3. 7 V.S.A. § 2 is amended to read:

§ 2. DEFINITIONS

The following words as used in this title, unless a contrary meaning is required by the context, shall have the following meaning:

* * *

(4) “Bottler’s license”: the license granted by the ~~Liquor Control Board~~ Commissioner permitting a bottler to bottle for sale and to distribute and sell at wholesale malt or vinous beverages.

* * *

(6) “Caterer’s license”: a license issued by the ~~Liquor Control Board~~ Commissioner authorizing the holder of a first-class license or first- and third-class licenses for a cabaret, restaurant, or hotel premises to serve malt or

1 vinous beverages or ~~spirituous liquors~~ spirits at a function located on premises
2 other than those occupied by a first-, first- and third-, or second-class licensee
3 to sell alcoholic beverages.

4 (7) "Club": an unincorporated association or a corporation authorized to
5 do business in this State, that has been in existence for at least two consecutive
6 years prior to the date of application for license under this title and owns, hires,
7 or leases a building or space in a building that is suitable and adequate for the
8 reasonable and comfortable use and accommodation of its members and their
9 guests and contains suitable and adequate kitchen and dining room space and
10 equipment implements and facilities. A club may be used or leased by a
11 nonmember as a location for a social event as if it were any other licensed
12 commercial establishment. Such club shall file with the ~~Liquor Control Board~~
13 Commissioner, before May 1 of each year, a list of the names and residences
14 of its members and a list of its officers. Its affairs and management shall be
15 conducted by a ~~Board of Directors, Executive Committee~~ board of directors,
16 executive committee, or similar body chosen by the members at its annual
17 meeting, and no member or any officer, agent, or employee of the club shall be
18 paid, or directly or indirectly receive, in the form of salary or other
19 compensation, any profits from the disposition or sale of alcoholic ~~liquors~~
20 beverages to the members of the club or its guests introduced by members
21 beyond the amount of such salary as may be fixed and voted at annual

1 meetings by the members or by its directors or other governing body, and as
2 reported by the club to the ~~Liquor Control Board~~ Commissioner. An auxiliary
3 member of a club may invite one guest at any one time. An officer or director
4 of a club may perform the duties of a bartender without receiving any payment
5 for that service, provided the officer or director is in compliance with the
6 requirements of this title that relate to service of alcoholic beverages. An
7 officer, member, or director of a club may volunteer to perform services at the
8 club other than serving alcoholic beverages, including seating patrons and
9 checking identification, without receiving payment for those services. An
10 officer, member, or director of a club who volunteers his or her services shall
11 not be considered to be an employee of the club. A bona fide unincorporated
12 association or corporation whose officers and members consist solely of
13 veterans of the U.S. Armed Forces of the United States, or a subordinate lodge
14 or local chapter of any national fraternal order, and which fulfills all
15 requirements of this subdivision, except that it has not been in existence for
16 two years, shall come within the terms of this definition six months after the
17 completion of its organization. A club located on and integrally associated
18 with at least a regulation nine-hole golf course need only be in existence for six
19 months prior to the date of application for license under this title.

20 * * *

1 (11) "Hotel" has the same meaning as in 32 V.S.A. § 9202(3) and as
2 determined by the ~~Liquor Control Board~~ Commissioner. A hotel that places a
3 minibar in any room of a registered guest shall assure that the minibar is
4 locked and that access to the minibar is restricted to guests of legal
5 drinking age.

6 (12) "~~Commissioner of liquor control~~": ~~the executive officer of the~~
7 ~~liquor control board appointed under the provisions of this title~~ Commissioner
8 of Liquor Control appointed by the Substance Control Board with the approval
9 of the Secretary of Controlled Substances.

10 * * *

11 (14) "Malt beverages": all fermented beverages of any name or
12 description manufactured for sale from malt, wholly or in part, or from any
13 substitute therefor, known as beer, porter, ale, and stout, containing not less
14 than one percent nor more than 16 percent of alcohol by volume at 60 degrees
15 Fahrenheit. However, if such a beverage has an alcohol content of more than
16 six percent and has a terminal specific gravity of less than 1.009, it shall be
17 deemed to be a spirit and not a malt beverage. The holder of the certificate of
18 approval or the manufacturer shall certify to the ~~Liquor Control Board~~
19 Commissioner the terminal specific gravity of the beverage when the alcohol
20 content is more than six percent.

1 (15) “Manufacturer’s or rectifier’s license”: a license granted by the
2 ~~Liquor Control Board~~ Commissioner that permits the holder to manufacture or
3 rectify ~~spirituous liquors~~ spirits for export and sale to the ~~Liquor Control Board~~
4 Department, or malt beverages and vinous beverages for export and sale to
5 bottlers or wholesale dealers. This license permits a manufacturer of vinous
6 beverages to receive from another manufacturer licensed in or outside this ~~state~~
7 State bulk shipments of vinous beverages to rectify with the licensee’s own
8 product, provided that the vinous beverages produced by a Vermont
9 manufacturer may contain no more than 25 percent imported vinous beverage.
10 The ~~Liquor Control Board~~ Commissioner may grant to a licensed manufacturer
11 or rectifier a first-class restaurant or cabaret license or first- and third-class
12 restaurant or cabaret license permitting the licensee to sell alcoholic beverages
13 to the public only at the manufacturer’s premises, which for the purposes of a
14 manufacturer of malt beverages, includes up to two licensed establishments
15 that are located on the contiguous real estate of the holder of the
16 manufacturer’s license, provided the manufacturer owns or has direct control
17 over those establishments. A manufacturer of malt beverages who also holds a
18 first-class restaurant or cabaret license may serve to a customer malt beverage
19 by the glass, not to exceed eight glasses at one time and not to exceed four
20 ounces in each glass. The ~~Liquor Control Board~~ Commissioner may grant to a
21 licensed manufacturer or a rectifier of malt beverages a second-class license

1 permitting the licensee to sell alcoholic beverages to the public anywhere on
2 the manufacturer's or rectifier's premises. A licensed manufacturer or rectifier
3 of vinous beverages may serve, with or without charge, at an event held on
4 premises of the licensee or the vineyard property, spirits and vinous and malt
5 beverages, provided the licensee gives the Department written notice of the
6 event, including details required by the Department, at least five days before
7 the event. Any beverages not manufactured by the licensee and served at the
8 event shall be purchased on invoice from a licensed manufacturer or wholesale
9 dealer or ~~Liquor Control Board~~ the Department.

10 * * *

11 (17) "Restaurant": a space in a suitable building, approved by the
12 ~~Liquor Control Board~~ Commissioner, occupied, used, maintained, advertised,
13 or held out to the public to be a place where food is served at all times when
14 open for business and there are no sleeping accommodations. The space shall
15 have adequate and sanitary kitchen and dining room capacity and the number
16 and kinds of employees for preparing, cooking, and serving suitable food for
17 guests and patrons as required by the ~~Liquor Control Board~~ Commissioner.

18 * * *

19 (22) "Third-class license": a license granted by the ~~Liquor Control~~
20 ~~Board~~ Commissioner permitting the licensee to sell ~~spirituous liquors~~ spirits
21 for consumption only on the premises for which the license is granted.

1 (23) “Vinous beverages”: all fermented beverages of any name or
2 description manufactured or obtained for sale from the natural sugar content of
3 fruits, or other agricultural product, containing sugar, the alcoholic content of
4 which is not less than one percent nor more than 16 percent by volume at 60
5 degrees Fahrenheit, except that all vermouths shall be purchased and retailed
6 by and through the ~~Liquor Control Board~~ Department as authorized in chapters
7 5 and 7 of this title.

8 * * *

9 (25) “Wholesale dealer’s license”: the license granted by the ~~Liquor~~
10 ~~Control Board~~ Commissioner permitting the wholesale dealer to sell or
11 distribute malt or vinous beverages as a wholesale dealer.

12 * * *

13 (27) “Special events permit”: a permit granted by the ~~Liquor Control~~
14 ~~Board~~ Commissioner permitting a person holding a manufacturer’s or
15 rectifier’s license to sell by the glass or by unopened bottle spirits, malt
16 beverages, or vinous beverages manufactured or rectified by the license holder
17 at an event open to the public that has been approved by the local licensing
18 authority. For the purposes of tasting only, the permit holder may distribute,
19 with or without charge, beverages manufactured by the permit holder by the
20 glass no more than two ounces per product and eight ounces total of malt or
21 vinous beverages and no more than one ounce in total of spirits to each

1 individual. No more than 36 special events permits may be issued to a holder
2 of a manufacturer's or rectifier's license during a year. A special event permit
3 shall be valid for the duration of each public event or four days, whichever is
4 shorter. Requests for a special events permit, accompanied by the fee as
5 required by subdivision 231(13) of this title, shall be submitted to the
6 Department of Liquor Control at least five days prior to the date of the event.
7 Each manufacturer or rectifier planning to attend a single special event under
8 this permit may be listed on a single permit. However, each attendance at a
9 special event shall count toward the manufacturer's or rectifier's 36
10 special-event-permit limitation.

11 (28) "Fourth-class license" or "farmers' market license": the license
12 granted by the ~~Liquor Control Board~~ Commissioner permitting a manufacturer
13 or rectifier of malt or vinous beverages or spirits to sell by the unopened
14 container and distribute, by the glass with or without charge, beverages
15 manufactured by the licensee. No more than a combined total of ten
16 fourth-class and farmers' market licenses may be granted to a licensed
17 manufacturer or rectifier. At only one fourth-class license location, a
18 manufacturer or rectifier of vinous beverages, malt beverages, or spirits may
19 sell by the unopened container and distribute by the glass, with or without
20 charge, vinous beverages, malt beverages, or spirits produced by no more than
21 five additional manufacturers or rectifiers, provided these beverages are

1 purchased on invoice from the manufacturer or rectifier. A manufacturer or
2 rectifier of vinous beverages, malt beverages, or spirits may sell its product to
3 no more than five additional manufacturers or rectifiers. A fourth-class
4 licensee may distribute by the glass no more than two ounces of malt or vinous
5 beverage with a total of eight ounces to each retail customer and no more than
6 one-quarter ounce of spirits with a total of one ounce to each retail customer
7 for consumption on the manufacturer's premises or at a farmers' market. A
8 farmers' market license is valid for all dates of operation for a specific farmers'
9 market location.

10 (29) "Festival permit": a permit granted by the ~~Liquor Control Board~~
11 Commissioner permitting a person to conduct an event at which malt or vinous
12 beverages, or both, are sold by the glass to the public, provided the event is
13 approved by the local licensing authority. A festival permit holder may
14 purchase invoiced volumes of malt or vinous beverages directly from a
15 manufacturer or bottler, provided the manufacturer or bottler either holds a
16 federal Basic Permit or a Brewers Notice or evidence of licensure in a foreign
17 country, satisfactory to the ~~Board~~ Commissioner, whichever applies. The
18 invoiced volumes of malt or vinous beverages may be transported to the site
19 and sold by the glass to the public by the permit holder or its employees and
20 volunteers only during the event. A festival permit holder shall be subject to
21 the provisions of this chapter, including section 240 of this title, and the rules

1 of the ~~Board~~ Department regarding the sale of the alcoholic beverages and
2 shall pay the tax on the malt or vinous beverages as required by section 421 of
3 this title. A person shall not be granted a festival permit more than four times
4 in one year, and each permit shall be valid for no more than four consecutive
5 days. A request for a festival permit shall be submitted to the Department in a
6 form required by the Department at least 15 days prior to the festival and shall
7 be accompanied by a permit fee as required by subdivision 231(14) of this title
8 to be paid to the Department.

9 * * *

10 (32) “Art gallery or bookstore permit”: a permit granted by the ~~Liquor~~
11 ~~Control Board~~ Commissioner permitting an art gallery or bookstore to conduct
12 an event at which malt or vinous beverages or both are served by the glass to
13 the public, provided that the event is approved by the local licensing authority.
14 A permit holder may purchase malt or vinous beverages directly from a
15 licensed retailer. A permit holder shall be subject to the provisions of this title
16 and the rules of the ~~Board~~ Department regarding the service of alcoholic
17 beverages. A request for a permit shall be submitted to the Department in a
18 form required by the Department at least five days prior to the event and shall
19 be accompanied by the permit fee required by subdivision 231(a)(22) of this
20 title. As used in this section, “art gallery” means a fixed establishment whose

1 primary purpose is to exhibit or offer for sale works of art; and “bookstore”
2 means a fixed establishment whose primary purpose is to offer books for sale.

3 * * *

4 (34) “Request to cater permit”: a permit granted by the ~~Liquor Control~~
5 ~~Board~~ Commissioner authorizing a ~~first~~ first-class or first- and third-class
6 licensed caterer or commercial caterer to cater individual events.

7 (35) “Industrial alcohol distributors license”: a license granted by the
8 ~~Liquor Control Board~~ Commissioner that allows holders to sell pure ethyl or
9 grain alcohol of at least 190 proof in quantities of five gallons or more directly
10 to manufacturers, industrial users, hospitals, druggists, and institutions of
11 learning. Alcohol sold under the industrial alcohol distributors license may
12 only be used for manufacturing, mechanical, medicinal, and scientific
13 purposes.

14 (36) “Outside consumption permit”: a permit granted by the ~~Liquor~~
15 ~~Control Board~~ Commissioner allowing a first-class or first- and third-class
16 license holder and fourth-class license holder to allow for consumption of
17 alcohol in a delineated outside area.

18 * * *

19 (38) “Secretary”: the Secretary of Controlled Substances.

1 (39) “Substance Control Board”: the advisory board of the Agency of
2 Controlled Substances appointed under the provisions of 3 V.S.A. chapter 86,
3 subchapter 3.

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

5 CHAPTER 3. PROHIBITED ACTS

6 § 61. RESTRICTIONS; EXCEPTIONS

7 A person, partnership, association, or corporation shall not furnish or sell, or
8 expose or keep with intent to sell, any malt or vinous beverage, or spirits, or
9 manufacture, sell, barter, transport, import, export, deliver, prescribe, furnish,
10 or possess any alcohol, except as authorized by this title. However, this
11 chapter shall not apply to the furnishing of ~~such~~ beverages or spirits by a
12 person in his or her private dwelling unless ~~such~~ the dwelling becomes a place
13 of public resort, nor to the sale of fermented cider by the barrel or cask of not
14 less than 32 liquid gallons capacity, provided the same is delivered and
15 removed from the vendor’s premises in such barrel or cask at the time of such
16 sale, nor to the use of sacramental wine, nor to the furnishing, purchase, sale,
17 barter, transportation, importation, exportation, delivery, prescription, or
18 possession of alcohol for manufacturing, mechanical, medicinal, and scientific
19 purposes, provided the same is done under and in accordance with rules and
20 regulations made and licenses and permits issued by the ~~Liquor Control Board~~
21 Commissioner as hereinafter provided.

1 § 62. HOURS OF SALE

2 * * *

3 (c) The ~~liquor control board~~ Commissioner may adopt rules controlling
4 hours of consumption and sale under this section and may extend the hours of
5 sale by holders of ~~first or first and third class~~ first- or first- and third-class
6 licenses on New Years Day.

7 § 63. IMPORTATION OR TRANSPORTATION OF ~~LIQUORS~~ ALCOHOL;
8 PROHIBITIONS; PERSONAL IMPORT LIMIT; PENALTY

9 (a) All ~~spirituous liquors~~ spirits imported or transported into this State shall
10 be imported or transported by and through the ~~Liquor Control Board~~
11 Department. A person importing or transporting or causing to be imported or
12 transported into this State any ~~spirituous liquors~~ spirits shall be imprisoned not
13 more than one year or fined not more than \$1,000.00, or both. However, a
14 person may import or transport not more than eight quarts of ~~spirituous liquors~~
15 spirits into this State in his or her own private vehicle or in his or her actual
16 possession at the time of importation without license or permit.

17 (b) Except as provided in sections 66 and 68 of this title, all malt or vinous
18 beverages, or both, imported or transported into this State shall be imported or
19 transported by and through a wholesale dealer holding a wholesale dealer's
20 license issued by the ~~Liquor Control Board~~ Commissioner. A person
21 importing or transporting or causing to be imported or transported into this

1 State any malt or vinous beverages, or both, shall be imprisoned not more than
2 one year or fined not more than \$1,000.00, or both. Provided, however, a
3 person may import or transport not more than six gallons of malt or vinous
4 beverages, or both, into this State in his or her own private vehicle or in his or
5 her actual possession at the time of importation without license or permit,
6 providing it is not for resale.

7 § 64. SALE OF MALT BEVERAGES IN KEGS

8 * * *

9 (b) A keg shall be sold by a ~~second-class~~ second-class licensee only under
10 the following conditions:

11 (1) The keg shall be tagged in a manner and with a label approved by
12 the ~~board~~ Commissioner. The label shall be supplied and securely affixed to
13 the keg by the wholesale dealer.

14 * * *

15 (3) The purchaser shall complete a form, provided by the ~~board, which~~
16 Commissioner, that includes at least the name, address and date of birth of the
17 purchaser as they appear on the purchaser's proper proof of identification and
18 the identification number of the keg. The form shall also include the
19 provisions of this section and the penalties for violation of these provisions.
20 The licensee shall retain the form for 90 days after return of the keg.

21 * * *

1 § 66. MALT AND VINOUS BEVERAGE SHIPPING LICENSE; ~~IN-STATE~~
2 IN-STATE; OUT-OF-STATE, PROHIBITIONS; PENALTIES

3 * * *

4 (e) A holder of any shipping license granted pursuant to this section shall:

5 * * *

6 (9) comply with all ~~Liquor Control Board~~ Department of Liquor Control
7 laws and regulations; and

8 * * *

9 (j) For any violation of this section, the ~~Liquor Control Board~~
10 Commissioner may suspend or revoke a license issued under this section,
11 among all other remedies available to the ~~Board~~ Commissioner.

12 * * *

13 § 68. VINOUS BEVERAGE STORAGE AND SHIPPING LICENSE

14 The ~~liquor control board~~ Commissioner may grant to a person who operates
15 a climate-controlled storage facility in which vinous beverages owned by
16 another person are stored for a fee a license that allows the licensee to store
17 and transport vinous beverages on which all applicable taxes already have been
18 paid. A vinous beverage storage facility may also accept shipments from any
19 licensed in-state or out-of-state vinous manufacturer that has an in-state or
20 out-of-state consumer shipping license pursuant to section 66 of this title.
21 Vinous beverages stored may be transported only for shipment to the owner of

1 the beverages or to another licensed vinous beverage storage facility, and the
2 beverages shall be shipped only by common carrier in compliance with
3 subsection 66(f) of this title. The licensee shall pay a fee pursuant to
4 subdivision 231(a)(20) of this title. A license under this section shall be issued
5 pursuant to rules adopted by the ~~board~~ Commissioner. A person granted a
6 license pursuant to this section may not sell or resell any vinous beverages
7 stored at the storage facility.

8 Sec. 5. 7 V.S.A. chapter 5 is amended to read:

9 CHAPTER 5. DEPARTMENT OF LIQUOR CONTROL

10 § 101. COMPOSITION OF DEPARTMENT; COMMISSIONER OF
11 LIQUOR CONTROL; ~~LIQUOR CONTROL BOARD~~

12 (a) The Department of Liquor Control, created by 3 V.S.A. § 212, shall
13 ~~include~~ be part of the Agency of Controlled Substances and be administered by
14 the Commissioner of Liquor Control and with the advice of the Liquor Control
15 Board.

16 (b) The Liquor Control Board shall consist of five persons, not more than
17 three members of which shall belong to the same political party. ~~Biennially~~
18 Annually, with the advice and consent of the Senate, the Governor the
19 Secretary, with the approval of the Governor, shall appoint a person as a
20 member of such the Board for a staggered five-year term, whose. Each
21 member's term of office shall commence on February 1 of the year in which

1 ~~such appointment is made~~ he or she is appointed. The ~~Governor~~ Secretary
2 shall biennially designate a member of ~~such~~ the Board to be its Chair.

3 § 102. REMOVAL

4 After notice and hearing, the ~~governor~~ Secretary may remove a member of
5 the ~~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 Secretary shall appoint a person to fill the unexpired term.

9 § 103. MEETINGS

10 The Board shall hold such meetings as may be required for the performance
11 of its duties. The times and places for such meetings shall be designated by the
12 Chair of the Board. ~~Such~~ The Chair shall call a meeting upon the written
13 request of any two members and upon the written request of the ~~Governor~~
14 Secretary.

15 § 104. DUTIES; AUTHORITY TO RESOLVE ALLEGED VIOLATIONS

16 The ~~Board~~ Secretary of Controlled Substances shall have supervision and
17 management of the sale of ~~spirituous liquors~~ spirits within the State in
18 accordance with the provisions of this title, and through the Commissioner of
19 Liquor Control shall:

20 (1) See that the laws relating to intoxicating liquor and to the
21 manufacture, sale, transportation, barter, furnishing, importation, exportation,

1 delivery, prescription, and possession of malt and vinous beverages, ~~spirituous~~
2 ~~liquors~~ spirits and alcohol by licensees and others are enforced, using for that
3 purpose such of the monies annually available to the ~~Liquor Control Board~~
4 Department as may be necessary. However, the ~~Liquor Control Board~~
5 Department and its agents ~~and inspectors~~ shall act in this respect in
6 collaboration with the Department of Public Safety and its law enforcement
7 officers, sheriffs, deputy sheriffs, constables, officers, and members of village
8 and city police forces, control commissioners, the Attorney General, ~~state's~~
9 ~~attorneys~~ State's Attorneys, and town and city grand jurors. When the ~~Board~~
10 Department acts to enforce any section of this title or any administrative rule or
11 regulation relating to sale to minors, its investigation on the alleged violation
12 shall be forwarded to the Attorney General or the appropriate ~~state's attorney~~
13 State's Attorney whether or not there is an administrative finding of
14 wrongdoing. Nothing in this section shall be deemed to affect the
15 responsibility or duties of such enforcement officers or agencies with respect to
16 the enforcement of such laws. The Commissioner or his or her designee is
17 authorized to prosecute administrative matters under this section and shall have
18 the authority to enter into direct negotiations with a licensee to reach a
19 proposed resolution or settlement of an alleged violation, ~~subject to Board~~
20 ~~approval~~, or dismissal with or without prejudice.

21

* * *

1 (5) Make and ~~promulgate~~ adopt regulations necessary for the execution
2 of ~~its~~ his or her powers and duties and of the powers and duties of all persons
3 under ~~its~~ his or her supervision and control.

4 (6) Employ such assistants, ~~inspectors, and other officers~~ as ~~it~~ he or she
5 deems necessary, subject to the approval of the Governor.

6 * * *

7 § 105. DUTIES OF ATTORNEY GENERAL

8 The ~~attorney general~~ Attorney General shall collaborate with the ~~liquor~~
9 ~~control board~~ Commissioner of Liquor Control and the Commissioner of
10 Public Safety for the enforcement of the provisions of subdivision ~~(4)~~ of
11 ~~section 104~~ 104(1) of this title.

12 § 106. COMMISSIONER OF LIQUOR CONTROL; REPORTS;

13 RECOMMENDATIONS

14 ~~The board shall employ~~ The Substance Control Board shall appoint an
15 executive officer; who ~~shall be the secretary of the board and~~ shall be called
16 the ~~commissioner of liquor control~~ Commissioner of Liquor Control and shall
17 be the Secretary of the Liquor Control Board. The ~~commissioner~~
18 Commissioner shall be appointed for an indefinite period and shall be subject
19 to removal ~~upon the majority vote of the entire board~~ by the Secretary. At
20 such times and in such detail as the ~~board~~ Secretary directs, the ~~commissioner~~
21 Commissioner shall make reports to the ~~board~~ Secretary and the Substance

1 Control Board concerning the liquor distribution system of the ~~state~~ State,
2 together with such recommendations as he or she deems proper for the
3 promotion of the general good of the ~~state~~ State.

4 § 107. DUTIES OF COMMISSIONER OF LIQUOR CONTROL

5 ~~The commissioner of liquor control~~ Commissioner of Liquor Control shall:

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

13 (2) Make regulations subject to the approval of the ~~board~~ Secretary
14 governing the hours during which such agencies shall be open for the sale of
15 ~~spirituous liquors~~ spirits, and governing the qualifications ~~and~~, department, and
16 salaries of the agencies' employees ~~therein and the salaries thereof~~.

17 (3) Make regulations subject to the approval of the ~~board~~ Secretary
18 governing the prices at which ~~spirituous liquors~~ spirits shall be sold in such
19 agencies, and the method of delivery ~~thereof~~, and the quantities of ~~spirituous~~
20 liquors spirits to be sold to any one person at any one time.

1 § 109. AUDIT OF ACCOUNTS ~~OF LIQUOR CONTROL BOARD~~

2 All accounts of the ~~liquor control board~~ Department shall be audited
3 annually by the ~~auditor of accounts~~ Auditor of Accounts, and the annual report
4 of such audit shall accompany the annual reports of ~~such liquor control board~~
5 the Department.

6 § 110. SPECIAL BRANDS; PURCHASE BY COMMISSIONER ~~OF~~
7 LIQUOR CONTROL

8 If any person shall desire to purchase any class, variety, or brand of
9 ~~spirituous liquors~~ spirits which any local agency does not have in stock, the
10 ~~commissioner of liquor control~~ Commissioner shall order the same through the
11 ~~commissioner of buildings and general services~~ Commissioner of Buildings
12 and General Services upon the payment of a reasonable deposit by the
13 purchaser in such proportion of the approximate cost of the order as shall be
14 prescribed by the regulations of the ~~liquor control board~~ Department.

15 * * *

16 § 112. LIQUOR CONTROL FUND

17 The ~~liquor control fund~~ Liquor Control Fund is hereby established. It shall
18 consist of all receipts from the sale of spirits and other items by the ~~department~~
19 ~~of liquor control~~ Department; fees paid to the ~~department of liquor control~~
20 Department for the benefit of the ~~department~~ Department; all other amounts
21 received by the ~~department of liquor control~~ Department for its benefit; and all

1 amounts ~~which that~~ are from time to time appropriated to the ~~department of~~
2 ~~liquor control~~ Department.

3 Sec. 6. 7 V.S.A. chapter 7 is amended to read:

4 CHAPTER 7. MUNICIPAL CONTROL

5 § 162. REPORT

6 After any annual town meeting wherein the town votes on the questions set
7 forth in section 161 of this title, the clerk of the town shall report promptly the
8 results of the vote to the ~~liquor control board~~ Commissioner, upon forms
9 furnished by the ~~board~~ Commissioner.

10 * * *

11 § 167. DUTIES OF LOCAL CONTROL COMMISSIONERS

12 (a) The local control commissioners shall administer such rules and
13 regulations, which shall be furnished them by the ~~liquor control board~~
14 Commissioner, as shall be necessary to carry out the purposes of this title.
15 Except as provided in subsection (b) of this section, all forms of licenses and
16 permits ~~and, all applications therefor~~ for licenses and permits, and all rules and
17 regulations shall be prescribed by the ~~liquor control board~~ Commissioner,
18 ~~which who~~ shall prepare and issue such forms, rules, and regulations.

19 * * *

1 Sec. 7. 7 V.S.A. chapter 9 is amended as follows:

2 CHAPTER 9. LICENSING

3 § 221. LICENSES CONTINGENT ON TOWN VOTE; RESTRICTIONS AS
4 TO DANCING PAVILIONS

5 Licenses of the first or second class shall not be granted by the control
6 commissioners or the ~~liquor control board~~ Commissioner to be exercised in
7 any city or town, the voters of which vote “No” to the question: “Shall license
8 be granted for the sale of malt and vinous beverages?” Licenses of the third
9 class shall not be granted by the ~~liquor control board~~ Commissioner to be
10 exercised in any city or town, the voters of which vote “No” to the question:
11 “Shall ~~spirituous liquors~~ spirits be sold in this town?” Licenses of the third
12 class shall not be granted to any open air or wayside dancing pavilions.

13 § 222. FIRST- AND SECOND-CLASS LICENSES, GRANTING OF; SALE
14 TO MINORS; CONTRACTING FOR FOOD SERVICE

15 With the approval of the ~~Liquor Control Board~~ Commissioner, the control
16 commissioners may grant to a retail dealer for the premises where the dealer
17 carries on business the following:

18 (1) Upon making application and paying the license fee provided in
19 section 231 of this title, a first-class license which authorizes the dealer to sell
20 malt and vinous beverages for consumption only on those premises, and upon
21 satisfying the ~~Liquor Control Board~~ Commissioner that the premises are

1 leased, rented, or owned by the retail dealer and are devoted primarily to
2 dispensing meals to the public, except clubs and cabarets, and that the premises
3 have adequate and sanitary space and equipment for preparing and serving
4 meals. The term “public” includes patrons of hotels, boarding houses,
5 restaurants, dining cars, and similar places where meals are served. A retail
6 dealer carrying on business in more than one place shall acquire a first-class
7 license for each place where the retail dealer sells malt and vinous beverages.
8 No malt or vinous beverages shall be sold by a first-class licensee to a minor.
9 Partially consumed bottles of vinous beverages or specialty beers that were
10 purchased with a meal may be removed from first-class licensed premises
11 provided the beverages are recapped or resealed.

12 (2) Upon making application and paying the license fee provided in
13 section 231 of this title, a second-class license for the premises where such
14 dealer shall carry on the business which shall authorize such dealer to export
15 malt and vinous beverages and to sell malt and vinous beverages to the public
16 from such premises for consumption off the premises and upon satisfying the
17 ~~Board~~ Commissioner that such premises are leased, rented, or owned by such
18 retail dealers and are safe, sanitary, and a proper place from which to sell malt
19 and vinous beverages. A retail dealer carrying on business in more than one
20 place shall be required to acquire a second-class license for each place where

1 he or she shall so sell malt and vinous beverages. No malt or vinous beverages
2 shall be sold by a second-class licensee to a minor.

3 * * *

4 § 223. LICENSES TO ENFORCEMENT OFFICER OR CONTROL BOARD
5 MEMBER; EXCEPTIONS

6 No license of any class shall be granted to any ~~enforcement~~ officer of the
7 Controlled Substances Enforcement Division or to any person acting in the
8 officer's behalf. A member of a local control board to whom or in behalf of
9 whom a ~~first- or second-class~~ first- or second-class license was issued by that
10 board shall not participate in any ~~control~~ action of that board ~~action~~ regarding
11 any ~~first- or second-class~~ first- or second-class license. If a majority of the
12 members of a local control board is unable to participate in a ~~control~~ an action
13 of that board ~~action~~ regarding any ~~first- or second-class~~ first- or second-class
14 license, that action shall be referred to the ~~state liquor control board~~
15 Commissioner for investigation and action. An application for a ~~first- or second~~
16 ~~class~~ first- or second-class license by or in behalf of a member of the local
17 control board or a complaint or disciplinary action regarding a ~~first- or second~~
18 ~~class~~ first- or second-class license issued by a local control board on which any
19 member is a licensee shall be referred to the ~~state liquor control board~~
20 Commissioner for investigation and action.

1 § 224. ~~THIRD-CLASS~~ THIRD-CLASS LICENSES; OPEN CONTAINERS

2 (a) The ~~liquor control board~~ Commissioner may grant to a person who
3 operates a hotel, restaurant, cabaret, or club a license of the third class if the
4 person files an application accompanied by the license fee as provided in
5 section 231 of this title for the premises in which the business of the hotel,
6 restaurant, cabaret, or club is carried on. The holder of a ~~third-class~~ third-class
7 license may sell ~~spirituous liquors~~ spirits for consumption only on the premises
8 covered by the license. The applicant for a ~~third-class~~ third-class license shall
9 satisfy the ~~liquor control board~~ Commissioner that the applicant is the bona
10 fide owner or lessee of the premises and that the premises are operated for the
11 purpose covered by the license.

12 * * *

13 (c) A person who holds a ~~third-class~~ third-class license shall purchase from
14 the ~~liquor control board~~ Department all ~~spirituous liquors~~ spirits dispensed in
15 accordance with the provisions of the ~~third-class~~ third-class license and this
16 title.

17 § 225. EDUCATIONAL SAMPLING EVENT PERMIT

18 (a) The ~~liquor control board~~ Commissioner may grant an educational
19 sampling event permit to a person to conduct an event that is open to the public
20 and at which malt beverages, vinous beverages, or ~~spirituous liquors~~ spirits, or
21 all three are served only for the purposes of marketing and educational

1 sampling, provided the event is also approved by the local licensing authority.
2 At least 15 days prior to the event, an applicant shall submit an application to
3 the ~~department~~ Department in a form required by the ~~department~~
4 Commissioner. The application shall include a list of the alcoholic beverages
5 to be acquired for sampling at the event, and the application shall be
6 accompanied by a fee in the amount required pursuant to section 231 of this
7 title. No more than four educational sampling event permits shall be issued
8 annually to the same person. An educational sampling event permit shall be
9 valid for no more than four consecutive days. The permit holder shall ~~assure~~
10 ensure all the following:

11 * * *

12 (b) An educational sampling event permit holder:

13 (1) May receive shipments directly from a manufacturer, bottler,
14 certificate of approval holder, wholesale dealer, or importer licensed in
15 Vermont or that provides evidence of licensure in another state or foreign
16 country satisfactory to the ~~board~~ Commissioner.

17 (2) May transport malt beverages, vinous beverages, and ~~spirituous~~
18 ~~liquors~~ spirits to the event site, and those beverages may be served at the event
19 by the permit holder or the holder's employees, volunteers, or representatives
20 of a manufacturer, bottler, or importer participating in the event, provided they
21 meet the server age and training requirements under this chapter.

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(d) Taxes for the alcoholic beverages served at the event shall be paid as follows:

(3) ~~Spirituuous liquors~~ Spirits: \$19.80 per gallon served.

§ 226. BOTTLERS' LICENSE

The ~~liquor control board~~ Commissioner may grant to a bottler a license to bottle and sell malt and vinous beverages received by such bottler in bulk upon application of such bottler and the payment of the license fee as provided in section 231 of this title and upon satisfying the ~~commissioner of liquor control~~ Commissioner as to the compliance with the rules and regulations ~~of the liquor control board~~ adopted by the Secretary relating to the cleanliness of the storage and bottling of the malt and vinous beverages.

§ 227. WHOLESALE DEALER'S LICENSE

The ~~liquor control board~~ Commissioner may grant to a wholesale dealer a license to distribute or sell malt and vinous beverages upon application of ~~such~~ the wholesale dealer and the payment of the license fee as provided in section 231 of this title and upon satisfying the ~~liquor control board~~ Commissioner as to his or her qualifications as a wholesale dealer. In no event shall a wholesale dealer's license permit carrying on business allowed by a retail dealer's ~~first~~ class first-class license or ~~second class~~ second-class license.

1 § 228. DINING CARS AND BOATS; ~~FIRST OR THIRD CLASS~~
2 FIRST- OR THIRD-CLASS LICENSE; PURCHASE OF LIQUORS
3 OUTSIDE STATE; PROMOTIONAL RAILROAD TASTING
4 PERMIT

5 (a) The ~~liquor control board~~ Commissioner may grant to a person that
6 operates a boat or dining car engaged in interstate commerce a license of the
7 first class or third class upon the application and payment of the license fee as
8 provided in section 231 of this title. A person that operates a dining car or boat
9 engaged in interstate commerce may procure ~~spirituous liquors~~ spirits outside
10 the ~~state~~ State of Vermont.

11 (b) The ~~liquor control board~~ Commissioner may grant to a person that
12 operates a railroad a tasting permit that permits the holder to conduct tastings
13 of Vermont-produced alcoholic beverages in the dining car, provided the
14 person files with the ~~department~~ Department an application along with the
15 permit fee required pursuant to subdivision 231(a)(21) of this title.

16 § 229. NUMBER OF LICENSES ALLOWED

17 Unless specially authorized by the ~~board~~ Commissioner, it shall be unlawful
18 for a person to hold more than one ~~first class~~ first-class license or more than
19 one ~~second class~~ second-class license at the same time or a ~~first class~~ first-class
20 license and a ~~second class~~ second-class license, or a ~~second class~~ second-class
21 license and a ~~third class~~ third-class license at the same time, or a bottler's

1 license or wholesale dealer's license and a license of any other class at the
2 same time. However, nothing herein shall be construed to prevent a person
3 holding a bottler's license and a wholesale dealer's license at the same time
4 provided such person pays both the license fees as provided in section 231 of
5 this title.

6 * * *

7 § 231. FEES FOR LICENSES AND PERMITS; DISPOSITION OF FEES

8 * * *

9 (b) Except for fees collected for ~~first~~ first-, second-, and third-class
10 licenses, the fees collected pursuant to subsection (a) of this section shall be
11 deposited in the Liquor Control Enterprise Fund. The other fees shall be
12 distributed as follows:

13 * * *

14 (2) First- and second-class license fees: At least 50 percent of first-class
15 and second-class license fees shall go to the respective municipalities in which
16 the licensed premises are located, and the remaining percentage of those fees
17 shall go to the Liquor Control Enterprise Fund. A municipality may retain
18 more than 50 percent of the fees that the municipality collected for first- and
19 second-class licenses to the extent that the municipality has assumed
20 responsibility for enforcement of those licenses pursuant to a contract with the

1 Department. The ~~Department~~ Commissioner shall adopt rules regarding
2 contracts entered into pursuant to this subdivision.

3 § 232. TERMS OF PERMITS AND LICENSES

4 All permits and licenses shall expire midnight, April 30, of each year and,
5 upon the payment of a new fee, may be renewed by the control commissioners
6 with the approval of the ~~liquor control board~~ Commissioner as provided in
7 section 222 of this title, provided the licensee is entitled thereto.

8 § 233. DISPOSAL OF FEES

9 The control commissioners shall collect all fees for retailers' licenses of the
10 ~~first first-~~ and ~~second-class~~ second-class and shall pay ~~such the~~ fees to the city
11 and town treasurers of the respective cities and towns where ~~such the~~ fees are
12 collected to be used as ~~such the~~ cities and towns may direct, less a fee of \$5.00
13 to be retained by the city or town clerk as a fee for issuing ~~such the~~ license and
14 recording the same. Fees for all other licenses shall be paid to the ~~liquor~~
15 ~~control board~~ Department.

16 § 234. CHANGE OF LOCATION

17 In case any licensee desires to change the location of his or her business
18 before the expiration of his license, upon proper application, the ~~liquor control~~
19 ~~board~~ Commissioner may amend his or her license to cover the new premises
20 without the payment of any additional fee.

1 § 235. BANKRUPTCY, DEATH AND REVOCATION

2 If a licensee becomes bankrupt or dies before the expiration of his or her
3 license or permit, his or her trustee, executor, or administrator may sell the
4 ~~intoxicating liquors which~~ alcohol that came into his or her possession to a
5 holder of a license of the same class. If a license or permit is revoked under
6 the provisions of this title, after such revocation, the licensee may sell the
7 ~~intoxicating liquors~~ alcohol in his or her possession at the time of such
8 revocation to a holder of a license of the same class. All sales under this
9 section shall be accompanied by immediate and actual delivery and shall be
10 made within 30 days after such bankruptcy, death, or revocation. However,
11 upon application of the executor or administrator of a deceased licensee, the
12 ~~board~~ Commissioner may transfer the license or permit of the decedent to such
13 executor or administrator without payment of any additional fee, and the
14 executor or administrator may then carry on the business of the decedent under
15 the license or permit until the expiration thereof. The holder of a
16 manufacturer's or rectifier's license may pledge or mortgage intoxicating
17 liquor manufactured or rectified by such licensee and such pledgee or
18 mortgagee may retain possession of such liquor and after condition broken,
19 may sell and dispose to persons to whom the licensee might lawfully sell such
20 liquors, subject to the same restrictions and regulations as such licensee, and to
21 such further restriction and regulation as may be prescribed by the ~~liquor~~

1 ~~control board~~ Commissioner with respect to notice to ~~it~~ be provided to the
2 Department in advance of such sale and determination by ~~it~~ the Commissioner
3 of the persons entitled to buy and the manner of such sale. Any sale under
4 such pledge or mortgage shall not be at public auction as required with respect
5 to like sales of other property, but shall be upon not less than ten days' notice
6 to the pledgor or mortgagor and for the highest amount which may be offered
7 under the regulations of ~~such liquor control board as aforesaid~~ the Department.

8 § 236. SUSPENSION OR REVOCATION OF LICENSE OR PERMIT;

9 ADMINISTRATIVE PENALTY

10 (a) The control commissioners or the ~~liquor control board~~ Commissioner
11 shall have power to suspend or revoke any permit or license granted pursuant
12 to this title in the event the person holding such permit or license shall at any
13 time during the term thereof so conduct his or her business as to be in violation
14 of this title, the conditions pursuant to which such permit or license was
15 granted or of any rule or regulation prescribed by the ~~liquor control board~~
16 Commissioner. No revocation shall be made until the permittee or licensee
17 shall be notified and be given a hearing before the ~~liquor control board~~
18 Commissioner, unless such permittee or licensee shall have been convicted by
19 a court of competent jurisdiction of violating the provisions of this title. In the
20 case of a suspension, the permittee or licensee shall be notified and given a
21 hearing before the ~~liquor control board~~ Commissioner or the local governing

1 body, whichever applies. A tobacco license may not be suspended or revoked
2 for a first-time violation. Suspension or revocation of a tobacco license shall
3 not affect any liquor license held by the licensee.

4 (b) As an alternative to and in lieu of the authority to suspend or revoke
5 any permit or license, the ~~liquor control board~~ Commissioner shall also have
6 the power to impose an administrative penalty of up to \$2,500.00 per violation
7 against a holder of a wholesale dealer's license or a holder of a ~~first-, second- or~~
8 ~~third-class~~ first-, second-, or third-class license for a violation of the conditions
9 under which the license was issued or of this title or of any rule or regulation
10 adopted by the ~~board~~ Commissioner. The administrative penalty may be
11 imposed after a hearing before the ~~board~~ Commissioner or after the licensee
12 has been convicted by a court of competent jurisdiction of violating the
13 provisions of this title. The ~~board~~ Commissioner may also impose an
14 administrative penalty under this subsection against a holder of a tobacco
15 license for up to \$100.00 for a first violation and up to \$1,000.00 for
16 subsequent violations. For the first violation during a tobacco or alcohol
17 compliance check during any three-year period, a licensee shall receive a
18 warning and be required to attend a ~~department~~ Department server training
19 class.

20 (c) For suspension or revocation proceedings involving a tobacco license or
21 the imposition of an administrative penalty against a tobacco licensee under

1 this section, the ~~commissioner~~ Commissioner, a ~~board~~ member of the Liquor
2 Control Board designated by the ~~chair~~ Commissioner, or a hearing officer
3 designated by the ~~chair~~ Commissioner pursuant to section 236a of this title
4 may conduct the hearing and render a decision.

5 (d) The ~~board~~ Commissioner shall subpoena any person in this ~~state~~ State
6 to appear for a hearing or for a deposition in the same manner as prescribed for
7 judicial procedures. Sheriffs and witnesses shall receive the same fees for the
8 service of process and attendance at a hearing before the ~~board~~ Commissioner
9 as are paid in ~~superior court~~ the Superior Court.

10 § 236a. HEARING OFFICER

11 (a) The ~~chair of the board~~ Commissioner may appoint a hearing officer to
12 conduct hearings pursuant to section 236 of this title. A hearing officer may be
13 a member of the ~~board~~ Liquor Control Board appointed under section 236 of
14 this title.

15 (b) The hearing officer may administer oaths in all cases, so far as the
16 exercise of that power is properly incidental to the performance of the hearing
17 officer's duty ~~or that of the board~~. A hearing officer may hold any hearing in
18 any matter within the jurisdiction of the ~~board~~ Commissioner.

19 (c) The hearing officer shall make findings of fact in writing to the ~~board~~
20 Commissioner in the form of a proposal for decision. A copy of the proposal
21 for decision shall be served upon the parties pursuant to 3 V.S.A. § 811.

1 Judgment on the hearing officer's proposal for decision shall be rendered by a
2 ~~majority of the board~~ the Commissioner.

3 (d) At least 10 days prior to a hearing before the ~~board~~ Commissioner, the
4 hearing officer shall give written notice of the time and place of the hearing to
5 all parties in the case ~~and shall indicate the name and title of the person~~
6 ~~designated to conduct the hearing~~.

7 (e) The ~~chair~~ Commissioner may appoint a hearing officer to hear and
8 finally determine any complaint involving a tobacco license. In such a case the
9 hearing officer may impose administrative penalties as provided in subsection
10 236(b) of this title.

11 * * *

12 § 238. CATERER'S LICENSE, GRANTING OF; SALE TO MINORS

13 (a) The ~~Liquor Control Board~~ Commissioner may issue a caterer's license
14 only to those persons who hold a current first-class license or current first- and
15 third-class licenses for a restaurant or hotel premises.

16 (b) The ~~Board~~ Commissioner may issue a commercial catering license only
17 to those persons who hold a first-class license or current first- and third-class
18 licenses.

19 (c) The ~~Liquor Control Board~~ Commissioner shall ~~promulgate~~ adopt rules
20 or regulations as ~~it~~ he or she deems necessary to effectuate the purposes of this
21 section.

1 (d) No malt or vinous beverages or ~~spirituous liquors~~ spirits shall be sold or
2 served to a minor by a holder of a caterer's license.

3 (e) Notwithstanding the provisions of subsection (a) of this section, the
4 ~~Liquor Control Board~~ Commissioner may issue a caterer's license to a licensed
5 manufacturer or rectifier who holds a current first-class license.

6 § 238a. OUTSIDE CONSUMPTION PERMITS; ~~FIRST, THIRD, AND~~
7 ~~FOURTH CLASS~~ FIRST-, THIRD-, AND FOURTH-CLASS
8 LICENSEES

9 Pursuant to regulations ~~of the Liquor Control Board~~ adopted by the
10 Commissioner, an outside consumption permit may be granted to the holder of
11 a first- or first- and third-class licenses for all or part of the outside premises of
12 a golf course or to the holder of a fourth-class license for all or part of the
13 outside premises of the license holder, provided that such permit is first
14 obtained from the local control commissioners and approved by the ~~Board~~
15 Commissioner.

16 § 239. LICENSEE EDUCATION

17 (a) A new first-class, second-class, third-class, fourth-class, or farmer's
18 market license shall not be granted until the applicant has met with a liquor
19 control ~~investigator~~ or training specialist for the purpose of being informed of
20 the Vermont liquor laws, rules, and regulations pertaining to the purchase,
21 storage, and sale of ~~alcohol~~ alcoholic beverages. A corporation, partnership, or

1 association shall designate a director, partner, or manager who shall comply
2 with the terms of this subsection.

3 § 240. PROOF OF FINANCIAL RESPONSIBILITY

4 (a) Any ~~first, second or third class~~ first-, second-, or third-class liquor
5 licensee whose license is suspended by the local control commissioners or
6 suspended or revoked by the ~~liquor control board~~ Commissioner for selling or
7 furnishing ~~intoxicating liquor~~ alcohol to a minor, to a person apparently under
8 the influence of ~~intoxicating liquor~~ alcohol, to a person after legal serving
9 hours, or to a person whom it would be reasonable to expect would be
10 intoxicated as a result of the amount of ~~liquor~~ alcohol served to that person,
11 shall be required to furnish to the ~~liquor control department~~ Department a
12 certificate of financial responsibility within 60 days of the commencement of
13 the suspension or revocation or at the time of reinstatement of the license,
14 whichever is later. Financial responsibility may be established by any one or a
15 combination of the following: insurance, surety bond, or letter of credit.
16 Coverage shall be maintained at not less than \$25,000.00 per occurrence and
17 \$50,000.00 aggregate per occurrence. Proof of financial responsibility shall be
18 required for license renewal for the three years following the suspension or
19 revocation.

20 * * *

1 Sec. 8. 7 V.S.A. chapter 11 is amended as follows:

2 CHAPTER 11. CERTIFICATES OF APPROVAL

3 § 301. DISTRIBUTION OF MALT OR VINOUS BEVERAGES;

4 CERTIFICATE OF APPROVAL

5 The ~~liquor control board~~ Commissioner may grant to a manufacturer or
6 distributor of malt and vinous beverages, not licensed under the provisions of
7 this title, a certificate of approval which authorizes the manufacturer or
8 distributor to sell or export such beverages either to holders of bottlers' or
9 wholesale dealers' licenses issued by the ~~board~~ Commissioner under the
10 provisions of section 226 or 227 of this title.

11 § 302. APPLICATION

12 Application for such certificate of approval shall be made upon a form
13 prescribed and furnished by the ~~liquor control board~~ Commissioner of Liquor
14 Control, containing agreements to comply with the regulations of the ~~board~~
15 Department and to file with the ~~commissioner of taxes~~ Commissioner of
16 Taxes, on or before the 20th day of each month, a report under oath, on a form
17 prescribed and furnished by the ~~commissioner of taxes~~ Commissioner of
18 Taxes, showing the quantity of malt or vinous beverages sold or delivered by
19 such manufacturer or distributor during the preceding calendar month to each
20 holder of such bottler's or wholesale dealer's license, and containing such

1 further information as the ~~board~~ Commissioner of Liquor Control may deem
2 necessary.

3 § 303. FEE

4 The fee for a certificate of approval for malt beverages or for vinous
5 beverages shall be as provided in section 231 of this title and shall be collected
6 by the ~~department of liquor control~~ Department of Liquor Control. Such
7 certificate shall expire at midnight April 30 of each year and shall be
8 renewable on application therefor and payment of the fee. A certified check
9 payable to the ~~state~~ State of Vermont shall accompany the application, and
10 shall be returned to the applicant in case the ~~board~~ Commissioner fails to grant
11 the certificate.

12 § 304. SUSPENSION OR REVOCATION

13 The ~~liquor control board~~ Commissioner shall have power to suspend or
14 revoke any such certificate of approval in the event the holder thereof shall fail
15 to comply with any regulation of the ~~board~~ Department or to submit reports to
16 the ~~commissioner of taxes~~ Commissioner of Taxes in accordance with the
17 agreements contained in such application for such certificate. No such
18 certificate shall be revoked unless the holder thereof shall have had an
19 opportunity to be heard after reasonable notice. Notice of any such revocation
20 or suspension shall be sent to each holder of a bottler's or wholesaler's license
21 prior to the effective date thereof.

1 § 305. PURCHASE OR IMPORTATION WITHOUT CERTIFICATE

2 PROHIBITED

3 A holder of a bottler's or a wholesale dealer's license issued under the
4 provisions of section 226 or 227 of this title shall not purchase within or
5 without the ~~state~~ State, or import or cause to be imported into the ~~state~~ State of
6 Vermont, any malt or vinous beverages unless the person, partnership,
7 manufacturer, association or corporation, or distributor from which such
8 beverages are obtained by him then holds a valid certificate of approval issued
9 by the ~~Liquor Control Board~~ Commissioner under the provisions of this title or a
10 valid bottler's license.

11 * * *

12 Sec. 9. 7 V.S.A. chapter 13 is amended as follows:

13 CHAPTER 13. SOLICITOR'S LICENSE

14 § 361. GRANTING OF LICENSE; SOLICITATION OF ORDERS

15 The ~~Liquor Control Board~~ Commissioner may grant to a natural person a
16 solicitor's license, which shall authorize such person to solicit orders for and
17 promote the sale of malt or vinous beverages by canvassing or interviewing
18 holders of licenses issued under the provisions of this title.

19 § 362. APPLICATION; UNDERTAKING; RECOMMENDATION

20 Application for a license shall be made in writing, signed by the applicant,
21 to the ~~Liquor Control Board~~ Commissioner on a form prescribed by the ~~Board~~

1 Commissioner, containing the name, residence, and business address of the
2 applicant, the name and address of the vendor to be represented by the
3 applicant, and an undertaking by the applicant to comply with the regulations
4 of the ~~Board~~ Department. The application shall have appended thereto a
5 recommendation of the applicant as being qualified to hold the license, signed
6 by such vendor.

7 § 363. FEE

8 The fee for a solicitor's license shall be as provided in section 231 of this
9 title and shall be collected by the Department of Liquor Control. A certified
10 check payable to the State of Vermont shall accompany the application and
11 shall be returned to the applicant in case the ~~Board~~ Commissioner fails to grant
12 the license.

13 § 364. SUSPENSION OR REVOCATION

14 The ~~Liquor Control Board~~ Commissioner shall have power to suspend or
15 revoke any such solicitor's license for failure to comply with any regulation of
16 the ~~Board~~ Department or for other cause. The certificate shall not be revoked
17 unless the holder thereof shall have had an opportunity to be heard after
18 reasonable notice.

19 * * *

1 Sec. 10. 7 V.S.A. chapter 15 is amended to read:

2 CHAPTER 15. TAXES

3 § 421. TAX ON MALT AND VINOUS BEVERAGES

4 (a) Every bottler and wholesaler shall pay to the Commissioner of Taxes
5 the sum of 26 and one-half cents per gallon for every gallon or its equivalent of
6 malt beverage containing not more than six percent of alcohol by volume at 60
7 degrees Fahrenheit sold by them to retailers in the State and the sum of 55
8 cents per gallon for each gallon of malt beverage containing more than six
9 percent of alcohol by volume at 60 degrees Fahrenheit and each gallon of
10 vinous beverages sold by them to retailers in the ~~state~~ State and shall also pay
11 to the ~~Liquor Control Board~~ Department all fees for bottler's and wholesaler's
12 licenses. A manufacturer or rectifier of malt or vinous beverages shall pay the
13 taxes required by this subsection to the Commissioner of Taxes for all malt and
14 vinous beverages manufactured or rectified by them and sold at retail.

15 * * *

16 § 422. TAX ON ~~SPRITUOUS LIQUOR~~ SPIRITS

17 (a) A tax is assessed on the gross revenue on the retail sale of ~~spiruous~~
18 ~~liquors~~ spirits in the State of Vermont, including fortified wine, sold by the
19 ~~Liquor Control Board~~ Department or sold by a manufacturer or rectifier of
20 ~~spiruous liquors~~ spirits in accordance with the provisions of this title. The tax

1 shall be at the following rates based on the gross revenue of the retail sales by
2 the seller in the current year:

3 * * *

4 § 423. REGULATIONS

5 The ~~tax commissioner~~ Commissioner of Taxes and the ~~liquor control board~~
6 Commissioner of Liquor Control shall ~~make such~~ adopt rules and regulations
7 as they deem necessary for the proper administration and collection of the tax
8 imposed under section 422 of this title.

9 § 424. COLLECTION

10 The ~~liquor control board~~ Department shall collect the tax imposed under
11 section 422 of this title from the purchaser ~~thereof~~ of the spirits. The taxes ~~so~~
12 collected pursuant to this section shall be paid weekly to the ~~state treasurer~~
13 State Treasurer.

14 * * *

15 Sec. 11. 7 V.S.A. § 503 is amended to read:

16 § 503. SATISFACTION OF JUDGMENT; REVOCATION OF LICENSE

17 If a judgment recovered against a licensee ~~under the provisions of~~ pursuant
18 to section 501 of this title remains unsatisfied for 30 days after ~~the entry~~
19 ~~thereof~~ judgment is entered, the ~~board of local~~ control commissioners or the
20 ~~liquor control board~~ Commissioner shall revoke ~~his~~ the licensee's license. A
21 license shall not be granted to a person against whom ~~such~~ a judgment

1 pursuant to section 501 of this title has been recovered, until the ~~same~~
2 judgment is satisfied.

3 Sec. 12. 20 V.S.A. chapter 119 is added to read:

4 CHAPTER 119. CONTROLLED SUBSTANCES

5 ENFORCEMENT DIVISION

6 § 2101. CONTROLLED SUBSTANCES ENFORCEMENT DIVISION;

7 CREATION

8 The Controlled Substances Enforcement Division is created within the
9 Department of Public Safety to investigate and enforce violations of Title 7
10 and 18 V.S.A. chapter 86. The Division shall be headed by a director who
11 shall be exempt from the classified service and who shall be appointed by the
12 Commissioner of Public Safety.

13 Sec. 13. 7 V.S.A. chapter 19 is amended to read:

14 CHAPTER 19. ENFORCEMENT

15 § 561. AUTHORITY OF LIQUOR CONTROL INVESTIGATORS;

16 ARREST FOR UNLAWFULLY MANUFACTURING,

17 POSSESSING, OR TRANSPORTING ALCOHOLIC BEVERAGES;

18 SEIZURE OF PROPERTY

19 (a) The Director of the ~~Enforcement Division of the Department of Liquor~~
20 ~~Control~~ Controlled Substances Enforcement Division of the Department of
21 Public Safety and investigators employed by the ~~Liquor Control Board~~

1 Department of Public Safety or by the ~~Department of Liquor Control~~
2 Controlled Substances Enforcement Division shall be certified as ~~full-time~~
3 Level III law enforcement officers by the Vermont Criminal Justice Training
4 Council and shall have the same powers and immunities as those conferred on
5 the State Police by 20 V.S.A. § 1914.

6 (b) The Commissioner of ~~Liquor Control~~ Public Safety, the Director of the
7 ~~Enforcement Division of the Department of Liquor Control~~ Controlled
8 Substances Enforcement Division of the Department of Public Safety or an
9 investigator employed by the ~~Liquor Control Board~~ Department of Public
10 Safety or by the ~~Department of Liquor Control~~ Controlled Substances
11 Enforcement Division and any other law enforcement officer may arrest or
12 take into custody pursuant to the Vermont Rules of Criminal Procedure, a
13 person whom he or she finds in the act of manufacturing alcohol or possessing
14 a still, or other apparatus for the manufacture of alcohol, or unlawfully selling,
15 bartering, possessing, furnishing, or transporting alcohol, or unlawfully selling,
16 furnishing, or transporting ~~spirituous liquor, or malt and~~ spirits, malt
17 beverages, or vinous beverages, and shall seize the ~~liquors,~~ alcohol, vessels and
18 implements of sale, and the stills or other apparatus for the manufacture of
19 alcohol in the possession of the person. He or she may also seize and take into
20 custody any property described in this section.

1 § 563. SEARCH WARRANTS

2 If a ~~state's attorney~~ State's Attorney, the ~~commissioner of liquor control~~
3 Commissioner of Public Safety, or an inspector duly acting for the ~~liquor~~
4 ~~control board~~ Department of Public Safety, or a control commissioner or a
5 town grand juror or two reputable citizens of the county, make complaint under
6 oath or affirmation, before a judge of a ~~criminal division of the superior court~~
7 the Criminal Division of the Superior Court, that he or she or they have reason
8 to believe that ~~malt or vinous beverages or spirituous liquor~~ malt beverages,
9 vinous beverages, spirits, or alcohol are kept or deposited for sale or
10 distribution contrary to law, or that alcohol is manufactured or possessed
11 contrary to law, in a dwelling house, store, shop, steamboat, or ~~water craft~~
12 watercraft of any kind, depot, railway car, motor vehicle or land or air carriage
13 of any kind, warehouse or other building or place in the county, the judge shall
14 issue a warrant to search the premises described in the complaint. If the ~~liquor~~
15 alcohol is found therein under circumstances warranting the belief that it is
16 intended for sale or distribution contrary to law, or if the alcohol is found
17 therein under circumstances warranting the belief that it is unlawfully
18 manufactured or possessed, or if any still, or any other apparatus for the
19 manufacture of alcohol is found therein, the officer shall seize and convey the
20 same to some place of security, and keep it until final action is had thereon.

21 * * *

1 § 571. SEARCH OF VEHICLE OR CRAFT WITHOUT WARRANT

2 If a sheriff, deputy sheriff, constable, police officer, ~~commissioner of liquor~~
3 ~~control~~ the Commissioner of Public Safety or an inspector duly acting for the
4 ~~liquor control board~~ the Department of Public Safety, or ~~state police~~ State
5 Police has reason to believe and does believe, that a person is engaged in the
6 act of smuggling, delivering, or transporting, in violation of law, malt or
7 vinous beverages, ~~spirituous liquors~~ spirits, or alcohol in any wagon, buggy,
8 automobile, motor vehicle, air or ~~water-craft~~ watercraft, or other vehicle, he or
9 she shall search for and seize without warrant, the malt or vinous beverages,
10 ~~spirituous liquors~~ spirits, or alcohol found therein being smuggled, delivered,
11 or transported contrary to law. Whenever malt or vinous beverages or
12 ~~spirituous liquors~~, spirits, or alcohol, transported unlawfully or alcohol
13 possessed illegally shall be seized by such officer, he or she shall take
14 possession of the vehicle, team, automobile, boat, air or ~~water-craft~~ watercraft,
15 or other conveyance and shall arrest the person in charge ~~thereof~~ of it.

16 * * *

17 § 603. ~~LIQUOR CONTROL BOARD;~~ RULES

18 The ~~liquor control board~~ Commissioner shall make rules and regulations
19 necessary to effectuate the purposes of section 602 of this title.

1 Sec. 14. 7 V.S.A. chapter 21 is amended to read:

2 CHAPTER 21. PENALTIES

3 * * *

4 § 659. REFUSAL OR NEGLECT OF OFFICERS TO PERFORM DUTIES

5 The sheriffs of the several counties and their deputies, constables, officers
6 or members of the village or city police, ~~state police~~ State Police, and
7 inspectors of the ~~liquor control board~~ Department of Public Safety are hereby
8 empowered, and it is hereby made their duty to see that the provisions of this
9 title and the rules and regulations ~~made as authorized~~ adopted by the ~~liquor~~
10 ~~control board herein provided for~~ Commissioner of Liquor Control are
11 enforced within their respective jurisdictions. Any such officer who ~~wilfully~~
12 willfully refuses or neglects to perform the duties imposed upon him or her by
13 this section shall be fined not more than \$500.00 or imprisoned not more than
14 90 days, or both. A control commissioner, ~~state's attorney~~ State's Attorney, or
15 town grand juror who ~~wilfully~~ willfully refuses or neglects to investigate a
16 complaint for a violation of this chapter, when accompanied by evidence in
17 support thereof, shall be fined \$300.00.

18 * * *

19 § 667. VIOLATIONS OF TITLE

20 (a) A person, partnership, association, or corporation who furnishes, sells,
21 exposes or keeps with intent to sell, bottles or prepares for sale any malt or

1 beverages, vinous beverages, or spirits, except as authorized by this title, or
2 sells, barter, transports, imports, exports, delivers, prescribes, furnishes, or
3 possesses alcohol, except as authorized by the ~~liquor control board~~
4 Commissioner, or who manufactures alcohol or possesses a still or other
5 apparatus for the manufacture of alcohol shall be imprisoned not more than
6 12 months, nor less than three months or fined not more than \$1,000.00, nor
7 less than \$100.00, or both. For a subsequent conviction thereof within one
8 year, such person, partnership, association, or corporation shall be imprisoned
9 not more than three years nor less than six months or fined not more than
10 \$2,000.00 nor less than \$500.00, or both.

11 (b) A person, partnership, association, or corporation, who ~~wilfully~~
12 willfully violates a provision of this title for which no other penalty is
13 prescribed or who ~~wilfully~~ willfully violates a provision of the regulations of
14 the ~~liquor control board~~ Department, shall be imprisoned not more than three
15 months nor less than one month or fined not more than \$200.00 nor less than
16 \$50.00, or both.

17 * * *

18 Sec. 15. 7 V.S.A. § 701 is amended as follows:

19 § 701. DEFINITIONS

20 As used in this chapter, and unless otherwise required by the context:

1 (1) "Certificate of approval" shall mean an authorization by the ~~liquor~~
2 ~~control board~~ Commissioner to a manufacturer or distributor of malt or vinous
3 beverages, or both not licensed under the provisions of this title, to sell such
4 beverages either to holders of bottlers or wholesale dealers licenses issued by
5 the ~~board~~ Commissioner under the provisions of section 226 or 227 of this
6 title.

7 * * *

8 Sec. 16. 7 V.S.A. chapter 25 is amended as follows:

9 CHAPTER 25. RATHSKELLERS

10 * * *

11 § 803. LIABILITY; LIABILITY INSURANCE FOR STATE COLLEGES
12 AND UNIVERSITIES

13 * * *

14 (b) No license shall be granted to a ~~state~~ State college or university until the
15 applicant has demonstrated to the ~~state liquor control board~~ Commissioner that
16 the college or university has in effect a general liability policy providing
17 coverage of no less than \$2,000,000.00, such policy to afford coverage for acts
18 and omissions relative to the sale and distribution of alcoholic beverages and
19 operation of premises under this chapter, including coverage for liability
20 arising under section 501 of this title.

21 * * *

1 § 805. AUDIT OF OPERATIONS

2 On or before February 28 of each year, each ~~state~~ State college and
3 university licensed under this chapter shall submit a financial report on its
4 operations under this chapter to the ~~liquor control board~~ Commissioner.

5 * * *

6 § 807. RULES AND REGULATIONS; ~~PROMULGATION~~ ADOPTION

7 The ~~liquor control board~~ Commissioner shall ~~promulgate~~ adopt rules or
8 regulations as ~~if~~ he or she deems necessary to effectuate the purposes of this
9 chapter.

10 Sec. 17. 7 V.S.A. chapter 40 is amended as follows:

11 CHAPTER 40. TOBACCO PRODUCTS

12 § 1001. DEFINITIONS

13 As used in this chapter:

14 (1) ~~“Board”~~ “Secretary” means the ~~Liquor Control Board~~ Secretary of
15 Controlled Substances.

16 * * *

17 § 1002. LICENSE REQUIRED; APPLICATION; FEE; ISSUANCE

18 * * *

19 (b) The ~~Board~~ Commissioner shall prepare and issue tobacco license forms
20 and applications. These shall be incorporated into the liquor license forms and
21 applications prepared and issued under this title. The licenses issued under this

1 section shall be entitled “LIQUOR LICENSE,” “LIQUOR-TOBACCO
2 LICENSE,” or “TOBACCO LICENSE,” as applicable. The ~~Board~~
3 Commissioner shall also provide simple instructions for licensees designed to
4 assist them in complying with the provisions of this chapter.

5 * * *

6 § 1002a. LICENSEE EDUCATION

7 (a) An applicant for a tobacco license that does not hold a liquor license
8 issued under this title shall be granted a tobacco license pursuant to section
9 1002 of this title only after the applicant has met with a liquor control
10 ~~investigator~~ training specialist for the purpose of being informed about the
11 Vermont tobacco laws pertaining to the purchase, storage, and sale of tobacco
12 products. A corporation, partnership, or association shall designate a director,
13 partner or manager to comply with the requirements of this subsection.

14 (b) The holder of a tobacco license that does not also hold a liquor license
15 issued pursuant to this title for the same premises shall:

16 (1) Complete the ~~department's enforcement~~ Department's training
17 seminar at least once every three years. A corporation, partnership, or
18 association shall designate a director, partner, or manager to comply with this
19 subdivision.

20 (2) Ensure that every employee involved in the sale of tobacco products
21 completes a training program approved by the ~~department of liquor control~~

1 Department of Liquor Control before the employee begins selling or providing
2 tobacco products; and at least once every 24 months thereafter. A licensee
3 may comply with this subdivision by conducting its own training program on
4 its premises using information and materials furnished by the ~~department of~~
5 ~~liquor control~~ Department of Liquor Control. A licensee who fails to comply
6 with the requirements of this subsection shall be subject to suspension of the
7 tobacco license for no less than one day.

8 * * *

9 § 1006. POSTING OF SIGNS

10 (a) A person licensed under this chapter shall post in a conspicuous place
11 on the premises identified in the tobacco license a warning sign stating that the
12 sale of tobacco products, tobacco substitutes, and tobacco paraphernalia to
13 minors is prohibited. The ~~Board~~ Commissioner shall prepare the sign and
14 make it available with the license forms issued under this chapter. The sign
15 may include information about the health effects of tobacco and tobacco
16 cessation services. The ~~Board~~ Commissioner, in consultation with a
17 representative of the licensees when appropriate, is authorized to change the
18 design of the sign as needed to maintain its effectiveness.

19 * * *

1 § 1008. RULEMAKING

2 The ~~board~~ Commissioner shall adopt rules for the administration and
3 enforcement of this chapter.

4 * * *

5 Sec. 18. 26 V.S.A. chapter 93 is amended to read:

6 CHAPTER 93. MOTOR VEHICLE RACING

7 § 4801. DEFINITIONS

8 As used in this chapter:

9 (1) ~~“Director”~~ “Secretary” means the ~~director of the office of~~
10 ~~professional regulation~~ Secretary of Controlled Substances.

11 * * *

12 (5) ~~“Office”~~ “Agency” means the ~~office of professional regulation~~
13 Agency of Controlled Substances.

14 * * *

15 (8) “Regulation,” unless otherwise specified, means a regulation or rule
16 or amendment, revision, or repeal of a regulation or rule adopted by the
17 ~~commission~~ Secretary.

18 * * *

19 § 4802. PERMIT REQUIRED

20 (a) No person shall conduct or hold any race, without first acquiring a
21 permit from the ~~director~~ Secretary and from the selectboard of the municipality

1 where the race is to be held. Permits duly signed and certified to by the
2 selectboard and ~~director~~ Secretary shall be filed with the clerk in the
3 municipality where the race is to be held.

4 * * *

5 § 4803. ~~DIRECTOR~~ SECRETARY; DUTIES

6 (a) The ~~director~~ Secretary shall:

7 * * *

8 (b) The ~~director~~ Secretary may adopt rules necessary to perform his or her
9 duties under this chapter and shall establish safety standards for protection of
10 the public pursuant to the provisions of this chapter. The ~~director~~ Secretary
11 shall seek the advice of the advisor appointees in drafting and adopting those
12 rules.

13 § 4804. ADVISOR APPOINTEES

14 (a) The ~~secretary of state~~ Secretary shall appoint three advisors for five-
15 year terms to serve at the ~~secretary's~~ Secretary's pleasure in matters relating to
16 motor vehicle racing.

17 (b) The ~~director~~ Secretary shall seek the advice of the advisors in carrying
18 out the provisions of this chapter.

19 § 4805. CONTENTS AND CONDITIONS OF PERMITS

20 A separate permit shall be required for each location of a race. Each
21 application shall be submitted in writing on a form furnished by the ~~director~~

1 Secretary, accompanied by payment of a fee required by this chapter, prior to a
2 race or scramble. The application shall include: the name and address of the
3 permittee; a description of the location where the race is to be held; the days
4 and hours on which the race is to be held; details of the way in which the safety
5 standards set out in section 4811 of this ~~title~~ chapter and in rule are to be
6 implemented; the number of spectators anticipated; the service and
7 accommodations to be provided by the permittee during the race; and other
8 information as may be required by the ~~director~~ Secretary. A permittee shall
9 only be authorized to hold the type of race for which the permittee's specific
10 tracks and locations have been inspected and approved.

11 § 4807. RENEWALS

12 * * *

13 (b) Biennially, the ~~director~~ Secretary shall forward a renewal form to each
14 permit holder. Upon receipt of the completed form and the renewal fee, the
15 ~~director~~ Secretary shall issue a new permit.

16 * * *

17 § 4808. PROOF OF INSURANCE REQUIRED

18 Permittees shall file with the ~~director~~ Secretary and the clerk of the
19 municipality issuing a permit a liability insurance certificate showing a current
20 policy covering bodily injury with limits of not less than \$500,000.00 per

1 individual and ~~\$2 million~~ \$2,000,000.00 per event and property damage with
2 limits of not less than ~~\$2 million~~ \$2,000,000.00.

3 § 4809. REGULATIONS UNDER WHICH A RACE MAY BE
4 CONDUCTED

5 The ~~director~~ Secretary shall adopt and publish, and from time to time may
6 alter, amend, or repeal, safety rules pertaining to racing and track standards.
7 The safety standards set forth in section 4811 of this title shall be minimum
8 standards only, and the ~~director~~ Secretary may prescribe additional or more
9 stringent safety rules as circumstances may require.

10 § 4810. INSPECTION AND SUSPENSION

11 The ~~director~~ Secretary or his or her designees may inspect race facilities
12 before or during any race and may suspend a permit immediately for failure to
13 comply with this chapter or with any administrative rule or any of the
14 conditions under which the permit was issued.

15 § 4811. SAFETY STANDARDS

16 Minimum safety standards for the conduct of any race covered by this
17 chapter are established as follows:

18 * * *

19 (5) The enforcement of all track safety standards shall be under the
20 jurisdiction of the ~~Director~~ Secretary and the Department of Public Safety and
21 the cost of enforcement shall be paid by the permittee.

1 (6) Any rules adopted by the ~~Director~~ Secretary or permittee for the
2 protection of life, health, and property shall be posted in a conspicuous place at
3 all times.

4 § 4812. POLICE PROTECTION

5 Adequate police protection within the grounds and the vicinity of a race and
6 the adjacent public highways shall be provided by the permittee as required by
7 the ~~director~~ Secretary. Expenses for police protection shall be borne by the
8 permittee, and no funds shall be expended from the appropriation of the
9 ~~department of public safety~~ Department of Public Safety for that protection.

10 Sec. 19. 31 V.S.A. chapter 13 is amended to read:

11 CHAPTER 13. HORSE RACING

12 * * *

13 § 601a. DEFINITION

14 As used in this chapter, “Secretary” means the Secretary of Controlled
15 Substances.

16 § 602. ~~RACING COMMISSION~~

17 ~~(a) There is hereby created a racing commission consisting of three~~
18 ~~persons. Upon passage of this chapter, the governor shall appoint, with the~~
19 ~~advice and consent of the senate, three members of the commission, not more~~
20 ~~than two members of which shall belong to the same political party, and one~~
21 ~~member to be an official of an agricultural fair, one to hold office until~~

1 February 1, 1961, one to hold office until February 1, 1963 and one to hold
2 office until February 1, 1965.

3 (b) ~~The governor shall biennially, with the advice and consent of the~~
4 ~~senate, appoint a person as a member of the commission for the term of six~~
5 ~~years, commencing February 1 of the year in which the appointment is made.~~
6 ~~The governor biennially shall designate a member of the commission to be its~~
7 ~~chairman.~~

8 (c) ~~Each member of the commission shall receive \$15.00 a day and~~
9 ~~expenses for time actually spent in the performance of the duties of his or her~~
10 ~~office. No member of the commission shall have any pecuniary interest in any~~
11 ~~racing or in the sale of pari-mutuel pools, nor shall any official employees,~~
12 ~~secretary, deputy, officer, representative employee or counsel participate in~~
13 ~~any pari-mutuel pool. [Repealed.]~~

14 § 603. ASSISTANTS AND EMPLOYEES, DUTIES

15 The ~~commission~~ Secretary may employ such assistants and employees as ~~it~~
16 ~~he or she~~ may consider necessary to carry out the provisions of this chapter, fix
17 their compensation, and specify the duties to be performed by them. However,
18 the ~~commission~~ Secretary shall not appoint to any position under ~~its~~ his or her
19 jurisdiction any member of the General Assembly, while the General
20 Assembly is in session.

1 § 604. ~~SEMI-ANNUAL MEETINGS~~

2 ~~The racing commission shall hold semi-annual meetings upon 15 days²~~
3 ~~notice in two newspapers which combined have a general circulation~~
4 ~~throughout the state. The commission may hold other meetings at such times~~
5 ~~and places as it determines upon reasonable public notice. All meetings shall~~
6 ~~be open to the public as provided in 1 V.S.A. sections 311-314. [Repealed.]~~

7 § 605. RULES AND REGULATIONS

8 The ~~commission~~ Secretary shall ~~make~~ adopt rules and regulations for the
9 holding, conducting, operating, and simulcasting of all running or harness
10 horse or harness pony races or meets at which pari-mutuel pools are sold
11 pursuant to the provisions of this chapter, and shall cause to be fingerprinted,
12 under the direction of the ~~department of public safety~~ Department of Public
13 Safety, any and all persons working at or in connection with the operation of
14 such horse races; or meets, including grooms, jockeys, and drivers.

15 § 605a. LICENSES; REGISTRATIONS

16 The following applicable licenses and registrations shall be required by the
17 ~~commission~~ Secretary from all persons participating in racing on the grounds
18 of an association.

19 * * *

1 § 606. HEARINGS

2 (a) The ~~commission~~ Secretary may conduct hearings at which all matters
3 pertaining to the administration of ~~the affairs of the commission~~ this chapter
4 and all activities conducted under its ~~jurisdiction~~ provisions may be
5 investigated and determined. ~~By its chairman, it~~ The Secretary may issue
6 subpoenas for the attendance of witnesses at its hearings. ~~Any member of the~~
7 ~~commission~~ The Secretary may administer oaths and affirmations and may
8 examine witnesses.

9 (b) A person who disobeys a subpoena of the ~~commission~~ Secretary, gives
10 false testimony, or presents false evidence ~~to the commission~~ shall be
11 penalized according to law.

12 (c) The ~~commission~~ Secretary may investigate as to the ownership and
13 control, direct or indirect, of any licensee. Any expense incurred by the
14 ~~commission~~ Secretary in so investigating shall be at the expense of the licensee
15 or applicant for a license.

16 § 607. LICENSES REQUIRED; SUNDAY RACING

17 No person, association, or corporation shall conduct, hold, or operate any
18 running or harness race or meet at which pari-mutuel pools are sold without
19 license from the ~~commission~~ Secretary. No pari-mutuel running or harness
20 race shall be held on Sunday between the hours of 12:00 midnight and
21 1:00 p.m. The ~~commission~~ Secretary shall not issue a license for holding a

1 race meet on Sunday in any town until the town has approved the issuance of
2 ~~said~~ the license by majority vote of those present and voting at a duly warned
3 annual or special town meeting.

4 § 608. APPLICATION; BOND

5 Fair associations or corporations which now conduct annual agricultural
6 fairs in Vermont, or Vermont corporations who wish to conduct extended race
7 meetings, ~~with a percentage as designated for the benefit of state stipend fund,~~
8 shall be eligible to apply for a license. An eligible association or corporation
9 desiring to hold a running or harness horse race or meet for public exhibition at
10 which pari-mutuel pools are to be sold, shall apply to the ~~commission~~
11 Secretary to do so. Every fair association, or corporation conducting horse
12 racing or meets at which pari-mutuel pools are to be sold under license from
13 the ~~commission~~ Secretary created herein shall give a bond in a sum not to
14 exceed \$75,000.00 as shall be determined by the ~~commission~~ Secretary, with
15 good and sufficient surety or sureties, conditioned upon the faithful
16 performance of its duties and obligations to the ~~state~~ State of Vermont as
17 prescribed herein.

18 § 609. FORMS; FEES

19 Applications for licenses shall be filed upon forms prescribed by the
20 ~~commission~~ Secretary and shall be accompanied by the required license fee.
21 The fee for such license shall be \$20.00 for each period of six days or fraction

1 thereof. The application shall be signed and sworn to by the person or the
2 executive officer of the association or corporation and shall contain the
3 following information:

4 * * *

5 (7) Such other information as the ~~commission~~ Secretary may require but
6 not limited in character or detail by subdivisions (1) through (6) of this section.

7 § 610. ISSUANCE, CONTENTS; REVOCATION

8 (a) If the ~~commission~~ Secretary is satisfied that all the provisions of this
9 chapter and the rules and regulations prescribed have been and will be
10 complied with by the applicant, ~~it~~ he or she may issue a license which shall
11 expire on the ~~31~~ 31st day of December. The license shall set forth the name of
12 the licensee, the place where the races or race meets are to be held, and the
13 time and number of days during which racing may be conducted by the
14 licensee. It shall not be transferable or assignable.

15 (b) The ~~commission~~ Secretary may revoke any license for good cause after
16 reasonable notice and hearing. The license of any corporation shall
17 automatically cease upon the change in ownership, legal or equitable, of
18 50 percent or more of the voting stock of the corporation and the corporation
19 shall not hold a running or harness horse race or meet for a public exhibition
20 without a new license.

1 (c) The ~~commission~~ Secretary may at any time for cause require the
2 removal of any employee or official employed by a licensee. Failure to
3 remove an employee or official when so required shall constitute cause for
4 revoking the license of the employer.

5 § 611. PERMITTED USE OF CERTAIN PHARMACEUTICALS

6 Under rules adopted by the ~~commission~~ Secretary under section 605 of this
7 title, the diuretic drug “lasix” and the anti-inflammatory drug “butazolidine”
8 may be administered to horses competing in horse racing authorized and
9 regulated under this chapter.

10 § 612. AUDITS

11 The ~~Commission~~ Secretary shall procure an audit report of the activities of
12 each track for every calendar year by the ~~1st~~ first day of February following,
13 prepared by a firm of certified public accountants which is not employed by
14 the licensee.

15 * * *

16 § 614. PENALTY

17 (a) Any person, association, or corporation holding, conducting, or
18 simulcasting a pari-mutuel horse race or aiding or abetting the same, without a
19 license from the ~~commission~~ Secretary, shall be fined not more than \$1,000.00
20 or imprisoned not more than one year, or both. Any person, association, or
21 corporation violating any rules or regulations of the ~~commission~~ Secretary

1 shall be fined not more than \$500.00 or imprisoned not more than six months,
2 or both.

3 * * *

4 § 615. PARI-MUTUEL POOLS

5 (a) Within the enclosure of any race track where ~~is held~~ a race or race meet
6 licensed and conducted under this chapter is held, and within the enclosure of
7 any place wherein a licensee licensed under this chapter to hold and conduct
8 races or race meets is authorized by the ~~commission~~ Secretary to simulcast
9 races or race meets, but not elsewhere, the sale of pari-mutuel pools by the
10 licensee is permitted and authorized under such regulations as may be
11 prescribed by the ~~commission~~ Secretary. Commissions on the flat racing pool
12 shall not exceed 18 percent of each dollar wagered except commissions on the
13 flat racing pool from racing conducted on Sundays shall not exceed 19 percent
14 of each dollar wagered. Except for ~~state~~ State agricultural fair associations,
15 commissions on the harness racing pools shall not exceed 19 percent of each
16 dollar wagered except commissions on the harness racing pools from racing
17 conducted on Sundays shall not exceed 20 percent of each dollar wagered and
18 commissions on each harness racing trifecta pool shall not exceed 25 percent.
19 For ~~state~~ State agricultural fair associations, commissions on the harness racing
20 pools shall not exceed 20 percent of each dollar wagered on win, place, and
21 show wagering and commissions on all other forms of wagering shall not

1 exceed 25 percent. Commissions on the simulcast racing pools shall not
2 exceed 20 percent of each dollar wagered on win, place, and show wagering
3 and shall not exceed 25 percent of each dollar wagered on all other forms of
4 wagering from racing or simulcasting conducted on all days.

5 * * *

6 (c) From the pari-mutuel pool the ~~racing commission established pursuant~~
7 ~~to section 602 of this title~~ Secretary shall receive the percentage stated below
8 and the licensee shall retain the balance of the pari-mutuel pool commission:

9 * * *

10 (5) During any calendar year the number of programs which the licensee
11 is licensed by the ~~commission~~ Secretary to conduct shall determine the amount
12 of the payments to be made under this section to the ~~racing commission~~
13 ~~established pursuant to section 602 of this title~~ Secretary. If, in any year, the
14 licensee fails to conduct the full number of licensed programs, any payment
15 shortage shall be reimbursed immediately as due. The ~~commission~~ Secretary
16 has the duty and authority to make prompt orders, as necessary, to ~~assure~~
17 ensure reimbursement. The funds received by the ~~racing commission~~
18 Secretary shall be managed pursuant to 32 V.S.A. chapter 7, subchapter 5 ~~of~~
19 ~~chapter 7 of Title 32~~, and shall be available to the ~~racing commission~~ Secretary
20 to offset the costs of providing ~~its~~ the Agency's services.

1 § 616. PAYMENT

2 Payment under section 615 of this title shall be made to the ~~commission~~
3 Secretary not later than seven days after each race and shall be accompanied by
4 a report under oath showing the total of all the contributions to pari-mutuel
5 pools covered by the report and such other information as the ~~commission~~
6 Secretary may require.

7 * * *

8 § 618. UNCLAIMED TICKET MONEY

9 On or before the first Monday in December of each year, every person,
10 association, or corporation conducting or simulcasting a race or race meet
11 hereunder shall pay to the ~~state treasurer~~ State Treasurer all ~~moneys~~ monies
12 collected during the year for pari-mutuel tickets which have not been
13 redeemed. The ~~moneys~~ monies shall be retained by the ~~state treasurer~~ State
14 Treasurer and he or she shall pay the amount due on any ticket to the holder
15 thereof upon an order from the ~~commission~~ Secretary. After the expiration of
16 two years any such ~~moneys~~ monies still in the custody of the ~~state treasurer~~
17 State Treasurer shall become a part of the racing fund of the ~~state~~ State.

18 § 619. PARI-MUTUEL EMPLOYEES

19 All pari-mutuel concessions shall employ at least 85 percent Vermont
20 residents unless special permission is granted by the ~~commission~~ Secretary but

1 in no event shall they employ persons who at the time of employment are duly
2 elected members of the Vermont ~~general assembly~~ General Assembly.

3 * * *

4 § 621. BREEDING OF HORSES

5 The ~~commission~~ Secretary shall encourage and promote the improvement of
6 the breeding of horses in Vermont. ~~He or she~~ may accept donations of
7 thoroughbred, standard-bred, or other well-bred stallions by licensees or others
8 to the ~~state~~ State for this purpose. ~~He or she~~ may cooperate with the
9 ~~university~~ University of Vermont in furthering this program.

10 § 622. TOWN VOTE; APPROVAL, REVOCATION

11 (a) A license shall not be issued by the ~~commission~~ Secretary under this
12 chapter for holding a race meet in any town until the town, at an annual or
13 special meeting called for the purpose, has, by majority vote of those present
14 and voting, approved the issuance of licenses under this chapter in the town.

15 The ~~commission~~ Secretary may issue a license for holding greyhound race
16 meets without any additional voting approval by the town, in any town which
17 has, prior to April 1, 1974, approved the issuance of licenses for horse race
18 meets.

19 (b) Upon petition by 25 percent of the voters of a town in which racing is
20 or may be conducted under license of the ~~commission~~ Secretary, alleging cause
21 for suspension of a license, the ~~commission~~ Secretary may suspend the license

1 for the holding of races or meets pending hearing on the petition. If upon
2 hearing ~~it~~ the Secretary finds cause exists, ~~it~~ the Secretary shall suspend the
3 license for a period not to exceed one year.

4 § 623. RACING DATES

5 The ~~racing commission~~ Secretary shall be responsible for all racing dates
6 but shall not assign dates for race meets at which pari-mutuel wagering is
7 conducted at the same time as an agricultural fair at which horse racing was
8 conducted during at least three years of the last 10 years immediately before
9 the passage of 1959 Acts and Resolves No. 259 ~~of the Acts of 1959~~ if the
10 agricultural fair is located within 50 miles of the race track at which
11 pari-mutuel racing is to be conducted, unless the ~~commission~~ Secretary finds
12 there is no conflict between that race track and the agricultural fair.

13 § 624. RACE OFFICIALS

14 There shall be at least one representative and such other assistants ~~or~~
15 ~~employees of the commission~~, as the ~~commission~~ Secretary shall determine,
16 present to supervise each running or harness horse race or meet conducted
17 under this chapter.

18 § 625. DEVICES REQUIRED

19 Every licensee conducting horse racing under this chapter shall use for each
20 race such devices as the ~~commission~~ Secretary may designate to be used to
21 determine the respective positions of the first three contestants finishing.

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* * *

§ 627. DEFICITS; ASSESSMENTS

(a) Annually as of June 30, if, after comparing ~~all racing commission the~~ Agency's total expenditures to the total amount of fees paid to the ~~commission~~ Secretary under sections 615 and 618 of this title, there remains a deficit, then the ~~commission~~ Secretary shall, on or before August 14 next, assess all licensees under section 610 of this title, except agricultural fair licensees, an amount sufficient to cover the deficiency. These assessments shall be on an equitable and practicable basis as established by the ~~commission~~ Secretary by regulation.

(b) If any such licensee shall fail to remit payment for the expense apportionment billed by the ~~commission~~ Secretary, its license may be revoked or suspended for a period of not less than one year.

(c) In addition to the authority granted in subsection (b) of this section, the ~~commission~~ Secretary shall have ~~such~~ the same authority to collect assessments levied under this section as granted to the ~~commissioner of taxes~~ Commissioner of Taxes to enforce and collect the tax on income under 32 V.S.A. chapter 151 ~~of Title 32~~.

§ 630. DISPOSITION OF REVENUES

All fees, fines, unredeemed ticket funds, and other revenues collected under sections 601 through 627 of this title, except section 620, shall be credited to

1 the Vermont ~~rac~~ing special fund Racing Special Fund, established and
2 managed pursuant to 32 V.S.A. chapter 7, subchapter 5 ~~of chapter 7 of~~
3 ~~Title 32~~, and shall be available to the ~~rac~~ing ~~commission~~ Secretary to offset the
4 cost of providing ~~it's the~~ Agency's services.

5 Sec. 20. 31 V.S.A. chapter 14 is amended to read:

6 CHAPTER 14. STATE LOTTERY

7 § 651. STATE LOTTERY COMMISSION

8 (a) There is created a ~~lottery commission which~~ Lottery Commission as a
9 division of the Agency of Controlled Substances that shall be responsible for
10 the establishment and management of ~~a state lottery~~ the State Lottery.

11 (b) The ~~commission~~ Commission shall consist of five members who shall
12 be appointed by the ~~governor~~ Secretary, ~~with the advice and consent of the~~
13 ~~senate~~ subject to the approval of the Governor. A member may be removed by
14 the ~~governor~~ Secretary. ~~A member appointed by the governor when the~~
15 ~~general assembly is not in session shall be subject to approval by the senate at~~
16 ~~its next regular, special, or adjourned session.~~ Members shall be appointed for
17 three year terms. Any vacancy shall be filled by appointment for the unexpired
18 term. The members shall serve until their successors are appointed and
19 qualified. No member of the ~~commission~~ Commission shall have any
20 pecuniary interest in any licensee, licensed under the provisions of this chapter
21 to conduct a lottery, nor shall any member of the ~~commission~~ Commission

1 have a pecuniary interest in any contract awarded pursuant to this subchapter.
2 No more than three members of the ~~commission~~ Commission may be members
3 of the same political party.

4 § 652. ORGANIZATION

5 (a) The ~~governor~~ Secretary shall select one member of the ~~commission~~
6 Commission to be ~~chairman~~ the chair.

7 (b) ~~The commission shall, biennially, subject to the approval of the~~
8 ~~governor, appoint a director.~~

9 (c) ~~The governor shall annually submit a budget to the general assembly.~~

10 § 653. COMPENSATION

11 Each member of the ~~commission~~ Commission shall receive \$30.00 a day
12 and necessary expenses for time actually spent in the performance of the duties
13 of his or her office as a member of the Lottery Commission. In no event shall
14 the total of the per diems paid to any member of the ~~commission~~ Commission
15 pursuant to this section exceed \$3,000.00 in any calendar year.

16 § 654. POWERS AND DUTIES

17 The ~~commission~~ Commission, subject to the direction and approval of the
18 Secretary, shall ~~promulgate~~ adopt rules pursuant to 3 V.S.A. chapter 25 of Title
19 3, governing the establishment and operation of the ~~state lottery~~ State Lottery.

20 The rules may include, ~~but shall not be limited to~~, the following:

21 * * *

1 (11) Apportionment of total revenues, within limits hereinafter
2 specified, accruing to the ~~state lottery fund~~ State Lottery Fund among:

3 * * *

4 (B) the payment of all costs incurred in the creation, operation, and
5 administration of the ~~lottery~~ Lottery, including ~~but not limited to~~ compensation
6 of the ~~commission, director~~ Director, employees, consultants, contractors, and
7 other necessary expenses;

8 * * *

9 § 654a. MULTI JURISDICTIONAL LOTTERY GAME

10 (a) In addition to the Tri-State Lotto Compact provided for in subchapter 2
11 of this chapter, and the other authority to operate lotteries contained in this
12 chapter, the ~~commission~~ Commission, subject to the direction and approval of
13 the Secretary, is authorized to negotiate and contract with up to four
14 multijurisdictional lotteries to offer and provide multijurisdictional lottery
15 games. The ~~commission~~ Commission may join any multijurisdictional lottery
16 that provides indemnification for its standing committee members, officers,
17 directors, employees, and agents. The ~~commission~~ Commission, subject to the
18 direction and approval of the Secretary, shall adopt rules under 3 V.S.A.
19 chapter 25 of Title 3 to govern the establishment and operation of any
20 multijurisdictional lottery game authorized by this section.

21 * * *

1 (c) The provisions of subdivisions 674L.1.1A through 674L.1.1I of this
2 title shall apply to the payment of prizes to a person other than a winner for
3 prizes awarded under any multijurisdictional lottery authorized by this section,
4 except that the ~~Vermont lottery commission~~ Vermont Lottery Commission
5 shall be responsible for implementing such provisions under this section, rather
6 than the Tri-State Lotto Commission.

7 § 655. LICENSE FEES

8 A license fee shall be charged for each sales license granted to a person for
9 the purpose of selling lottery tickets at the time the person is first granted a
10 license. The fee shall be fixed by the ~~Commission~~ Secretary, but no license fee
11 in excess of \$50.00 may be charged.

12 § 656. INTERSTATE LOTTERY; CONSULTANT; MANAGEMENT

13 (a) The ~~commission~~ Commission, subject to the direction and approval of
14 the Secretary, may develop and operate a lottery or the ~~state~~ State may enter
15 into a contractual agreement with another state or states to provide for the
16 operation of the lottery. Approval of the ~~joint fiscal committee~~ Joint Fiscal
17 Committee and the ~~governor~~ Governor shall be required for such contractual
18 agreements with other states.

19 (b) If no interstate contract is entered into, the ~~commission~~ Commission,
20 subject to the direction and approval of the Secretary, shall obtain the service
21 of an experienced lottery design and implementation consultant. The fee for

1 the consultant may be fixed or may be based upon a percentage of gross
2 receipts realized from the ~~lottery~~ Lottery.

3 (c) The ~~commission~~ Commission, subject to the direction and approval of
4 the Secretary, may enter into a facilities management type of agreement for
5 operation of the lottery by a third party.

6 § 657. DIRECTOR AND DUTIES

7 (a) The ~~state lottery~~ State Lottery shall be under the immediate supervision
8 and direction of a ~~lottery director~~ Lottery Director. The ~~director~~ Director shall
9 devote his or her entire time and attention to the duties of his or her office and
10 shall not be engaged in any other profession or occupation. The ~~office of~~
11 ~~director of the state lottery~~ Office of Director of the State Lottery is an
12 executive position and shall not be included in the plan of classification of ~~state~~
13 State employees, notwithstanding ~~subsection (a) of section 310 of Title 3~~
14 3 V.S.A. § 310(a).

15 (b) The ~~director~~ Director shall:

16 (1) Supervise and administer the operation of the lottery within the rules
17 adopted by the ~~commission~~; Commission.

18 (2) Subject to the approval of the ~~commission~~ Commission, enter into
19 such contracts as may be required for the proper creation, administration,
20 operation, modification, and promotion of the ~~lottery~~ Lottery or any part
21 thereof. These contracts shall not be assignable;

1 (3) License sales agents and suspend or revoke any license in
2 accordance with the provisions of this chapter and the rules ~~of the commission;~~
3 adopted by the Commission.

4 (4) Act as ~~secretary to the commission~~ Secretary to the Commission, but
5 as a nonvoting member of the ~~commission~~ Commission.

6 (5) Employ such professional and secretarial staff as may be required to
7 carry out the functions of the ~~commission~~ Commission. ~~Chapter 13 of Title~~
8 3 V.S.A. chapter 13 shall apply to employees of the ~~commission and;~~
9 Commission.

10 (6) Annually prepare a budget and submit it to the ~~commission~~
11 Commission and the Secretary.

12 § 658. STATE LOTTERY FUND

13 (a) There is hereby created in the State Treasury a separate fund to be
14 known as the State Lottery Fund. This ~~fund~~ Fund shall consist of all revenues
15 received from the Treasurer for initial funding, from sale of lottery tickets,
16 from license fees, and from all other money credited or transferred from any
17 other fund or source pursuant to law. The monies in the State Lottery Fund
18 shall be disbursed pursuant to subdivision 654(11) of this title, and shall be
19 disbursed by the Treasurer on warrants issued by the Commissioner of Finance
20 and Management, when authorized by the Lottery Director and approved by
21 the Commissioner.

1 (b) Expenditures for administrative and overhead expenses of the operation
2 of the ~~lottery~~ Lottery, except agent and bank commissions, shall be paid from
3 lottery receipts from an appropriation authorized for that purpose. Agent
4 commissions shall be set by the Lottery Commission, subject to the direction
5 and approval of the Secretary, and may not exceed 6.25 percent of gross
6 receipts and bank commissions may not exceed one percent of gross receipts.
7 Once the draw game results become official, the payment of any commission
8 on any draw game ticket that wins at least \$10,000.00 shall be made through
9 the normal course of processing payments to lottery agents, regardless of
10 whether the winning ticket is claimed.

11 * * *

12 § 659. ~~REPORT OF THE COMMISSION~~

13 The ~~commission~~ Secretary shall make an annual report to the ~~governor~~
14 Governor and to the ~~general assembly~~ General Assembly on or before the 10th
15 day of January in each year, including ~~therein~~ an account of its actions, receipts
16 derived under the provisions of this chapter, the practical effects of the
17 application thereof, and any recommendation for legislation which the
18 ~~commission~~ Secretary deems advisable.

19 § 660. ~~POST-AUDITS~~ POSTAUDITS

20 All lottery accounts and transactions of the ~~lottery commission~~ State Lottery
21 shall be subject to annual ~~post-audits~~ postaudits conducted by independent

1 auditors retained by the ~~commission~~ Secretary for this purpose, with the
2 approval of the ~~auditor of accounts~~ Auditor of Accounts, as provided in
3 ~~subdivision 32 V.S.A. § 163(9) of Title 32.~~ The ~~commission~~ Secretary may
4 order such other audits as ~~it~~ he or she deems necessary and desirable.

5 § 661. SALES AND PURCHASE OF LOTTERY TICKETS

6 The following acts relating to the purchase and sale of lottery tickets are
7 prohibited:

8 * * *

9 (4) No member of the ~~commission~~ Substance Control Board or the
10 Lottery Commission, or employee of the ~~commission~~ Commission, or members
11 of ~~their~~ his or her immediate household, may claim or receive prize money
12 hereunder.

13 * * *

14 § 667. FISCAL COMMITTEE REVIEW

15 * * *

16 (b) This section shall not apply in the event the ~~commission~~ Commission
17 enters into a facilities management agreement pursuant to the provisions of
18 subsection 656(c) of this title.

19 * * *

1 Sec. 21. 31 V.S.A. chapter 21 is amended to read:

2 CHAPTER 21. BOXING

3 § 1101. DEFINITIONS

4 As used in this chapter:

5 * * *

6 (3) ~~“Director”~~ “Secretary” means the ~~Director of the Office of~~
7 ~~Professional Regulation~~ Secretary of Controlled Substances.

8 * * *

9 (13) “Agency” means the Agency of Controlled Substances.

10 § 1102. ~~DIRECTOR;~~ POWERS; DUTIES

11 (a) The ~~Director~~ Secretary shall have jurisdiction over professional boxing
12 matches. The ~~Director’s~~ Secretary’s power to supervise professional boxing
13 matches includes the power to suspend a match immediately if there is a
14 serious and immediate danger to the public, boxers, promoters, or participants.

15 (b)(1) Except as provided in this subsection, the ~~Director~~ Secretary shall
16 not have jurisdiction over amateur boxing matches. Amateur boxing matches
17 shall be conducted according to the rules of United States Amateur Boxing,
18 Inc., the national governing body for amateur boxing of the United States
19 Olympic Committee or its successor as the nationally designated governing
20 body for amateur boxing. However, upon a finding that the health and safety
21 of the boxers and participants in an amateur match are not being sufficiently

1 safeguarded, the ~~Director~~ Secretary shall assume jurisdiction over and
2 supervisory responsibility for the match. The ~~Director's~~ Secretary's decision
3 may be appealed to the ~~administrative law officer appointed under 3 V.S.A.~~
4 ~~§ 129~~ the Civil Division of the Superior Court within 10 days of the date the
5 finding is issued. If the ~~Director~~ Secretary assumes jurisdiction under this
6 subsection, the match shall continue to be conducted in accordance with the
7 rules of United States Amateur Boxing, Inc.

8 * * *

9 (c) The ~~Director~~ Secretary shall:

10 * * *

11 (4) receive applications for registration, grant registration under this
12 chapter, renew registrations, and deny, revoke, suspend, reinstate, or condition
13 registrations ~~as directed by an administrative law officer;~~

14 (5) ~~refer all complaints and disciplinary matters to an administrative law~~
15 ~~officer appointed under 3 V.S.A. § 129. [Repealed.]~~

16 (d) The ~~Director~~ Secretary may adopt rules necessary to perform his or her
17 duties under this chapter. The uniform rules of the Association of Boxing
18 Commissions as adopted on June 6, 1998, and as amended from time to time,
19 shall apply to professional boxing matches conducted under this chapter to the
20 extent those rules address matters not covered by rules adopted by the ~~Director~~
21 Secretary.

1 § 1103. ADVISOR APPOINTEES

2 (a) The ~~secretary of state~~ Secretary shall appoint two persons to serve as
3 advisors in matters related to boxing. One advisor shall be a person with at
4 least three years' experience with boxing, and one shall be a medical doctor.
5 The advisor appointees shall be appointed for staggered five-year terms and
6 shall serve at the pleasure of the ~~secretary~~ Secretary.

7 (b) The ~~Director~~ Secretary shall seek the advice of the advisors appointed
8 under this section in carrying out the provisions of this chapter. The advisors
9 shall be entitled to compensation and necessary expenses in the amount
10 provided in ~~section 32 V.S.A. § 1010 of Title 32~~ for attendance at any meeting
11 called by the ~~Director~~ Secretary for this purpose.

12 (c) For purposes of the federal Professional Boxing Safety Act of 1995, as
13 amended, the ~~Director~~ Secretary and the advisor appointees shall be deemed to
14 be the Vermont ~~state boxing commission~~ State Boxing Commission.

15 § 1104. PROFESSIONAL BOXER REGISTRATION; MATCH

16 REGISTRATION

17 * * *

18 (b) A professional boxer who is a resident of this ~~state~~ State or a resident of
19 another state or country without a boxing commission may obtain a national
20 boxing registry identification card by registering with the ~~office of professional~~
21 ~~regulation~~ Agency. The registration application shall be in the form prescribed

1 by the ~~Director~~ Secretary and shall include any information required by the
2 ~~Director~~ Secretary in order to verify the applicant's identity. The application
3 shall be accompanied by the required fee.

4 (c) The ~~Director~~ Secretary shall issue a photo identification card to each
5 boxer registered under this section. The card shall contain the personal
6 identification number assigned to that boxer by the ~~national boxing registry~~
7 Secretary. Registrations may be renewed every two years upon payment of the
8 required fee.

9 (d) Before each professional boxing match and no later than the weigh-in,
10 each boxer shall present the photo identification card issued under this section
11 to the ~~Director~~ Secretary's agent who shall verify the identification card and
12 check it against the records of the ~~national boxer registry~~ Secretary before a
13 boxer shall be allowed to participate in the match. A boxer who fails to
14 present a valid identification card shall not be allowed to participate in the
15 match.

16 (e) The ~~Director~~ Secretary shall establish procedures for evaluating the
17 records of professional boxers and, when appropriate, for denying
18 authorization to participate in a match.

19 * * *

1 § 1105. PROMOTERS; REGISTRATION; BOND REQUIREMENT

2 (a) A person shall not act as a promoter in this ~~state~~ State unless he or she
3 is registered with the ~~office of professional regulation~~ Agency. The
4 application shall be made on forms provided by the ~~Director~~ Secretary and
5 shall be filed at least 14 days prior to the date of the intended professional
6 boxing match.

7 * * *

8 § 1106. PARTICIPANTS; REGISTRATION

9 A person shall not act as a participant in this ~~state~~ State unless he or she is
10 registered with the ~~office of professional regulation~~ Agency. The application
11 shall be made on forms provided by the ~~Director~~ Secretary and shall be filed at
12 least 14 days prior to the date the applicant first intends to act as a participant
13 in this ~~state~~ State. Registrations may be renewed every two years upon
14 payment of the required fee.

15 * * *

16 § 1108. MATCHES; SPECIAL PROVISIONS

17 (a) The ~~Director~~ Secretary shall designate one or more individuals who
18 shall act as boxing inspectors for professional boxing matches and, at the
19 discretion of the ~~Director~~ Secretary, at amateur boxing matches to ~~insure~~
20 ensure that boxing laws and rules are strictly observed. Boxing inspectors
21 shall have all the powers of the ~~Director~~ Secretary with regard to regulation of

1 a match. Inspectors shall have free access to the dressing rooms of the boxers
2 and shall be present at the weigh-in.

3 (b) Before a professional match, the promoter shall ~~insure~~ ensure that each
4 boxer is examined by a health care provider for the purpose of certifying that
5 the boxer is physically fit to compete safely. Copies of the health care
6 provider's certificate shall be filed with the ~~Director~~ Secretary prior to the
7 match. In addition, at any time prior to a professional match, the ~~Director~~
8 Secretary may require that a boxer undergo a physical examination, which may
9 include neurological tests and procedures.

10 (c) A health care provider approved by the ~~Director~~ Secretary must be
11 continuously present at ringside during every professional boxing match to
12 observe the physical condition of the boxers. The health care provider shall
13 advise the referee on the condition of the boxers.

14 * * *

15 § 1109. FEES

16 * * *

17 (b) If the ~~Director~~ Secretary exercises jurisdiction over an amateur match
18 under section 122 of this title, the person that organized, held, advertised, or
19 otherwise conducted the match shall pay a fee of \$500.00.

1 § 1110. REPORTS TO BE FILED; PROFESSIONAL BOXING

2 (a) Within 24 hours of the conclusion of a professional match (excluding
3 weekends or national holidays), the promoter or designee shall file a written
4 report with the ~~Director~~ Secretary, on a form prescribed by the ~~Director~~
5 Secretary, indicating the specific result of each match and any problems
6 encountered in the running of the event.

7 ~~(b) Within 48 hours of the conclusion of the professional match (excluding~~
8 ~~weekends or national holidays), the Director or designee shall report the results~~
9 ~~of the match to the national boxer registry or registries as designated by the~~
10 ~~Association of Boxing Commissions.~~

11 ~~(c) Within 48 hours of any final disciplinary action against a boxer,~~
12 ~~promoter or manager (excluding weekends or national holidays), the Director~~
13 ~~or designee shall report any final disciplinary action taken against a promoter,~~
14 ~~boxer or manager to the national boxer registry or registries as designated by~~
15 ~~the Association of Boxing Commissions.~~

16 § 1111. REPORT TO BE FILED; AMATEUR BOXING

17 No more than seven days after the conclusion of an amateur boxing match,
18 the United States Amateur Boxing, Inc. representative shall file a report with
19 the ~~Director~~ Secretary certifying complete compliance with the rules of USA
20 Boxing, summarizing the results of the event, and detailing any problems
21 encountered during the event.

1 § 1112. GROUNDS FOR DISCIPLINARY ACTIONS

2 (a) An applicant or a registrant shall be subject to disciplinary action for the
3 conduct listed in this section ~~and in 3 V.S.A. § 129a:~~

4 * * *

5 (b) After hearing, and upon a finding of wrongdoing, the ~~administrative~~
6 ~~law officer appointed under subsection 129(j) of Title 3~~ Secretary may take
7 disciplinary action against a registrant or an applicant.

8 § 1113. TAX ON PROFESSIONAL BOXING CONTESTS

9 Any person holding or conducting a professional boxing match shall notify
10 the ~~Director~~ Secretary not less than five days in advance of the holding of the
11 match, and after the match is concluded shall immediately pay to the ~~Director~~
12 Secretary a sum, designated as a gate tax, which shall be an amount equal to
13 five percent of the gross receipts, exclusive of any federal tax thereon. ~~Gate~~
14 The gate tax shall be deposited in the professional regulatory fee fund Boxing
15 Special Fund and used to carry out the provisions of this chapter. Payments
16 required by this section shall be accompanied by reports in the form required
17 by the ~~Director~~ Secretary. All tickets of admission to a professional boxing
18 match shall bear clearly the purchase price on the face of the ticket.

19 § 1114. BOXING SPECIAL FUND

20 There is created a Boxing Special Fund which shall be a special fund
21 established and managed pursuant to 32 V.S.A. chapter 7, subchapter 5 and

1 administered by the Secretary. The Boxing Special Fund shall consist of funds
2 from any fees paid pursuant to section 1109 of this chapter and any gate taxes
3 paid pursuant to section 1113 of this chapter. The Boxing Special Fund may
4 be expended by the Secretary to carry out the provisions of this chapter.

5 Sec. 22. 32 V.S.A. chapter 239 is amended to read:

6 CHAPTER 239. GAMES OF CHANCE

7 § 10201. DEFINITIONS

8 As used in this chapter:

9 * * *

10 (2) ~~“Commissioner” means the Commissioner of Taxes~~ “Secretary”
11 means the Secretary of Controlled Substances.

12 * * *

13 § 10202. LICENSE REQUIRED

14 (a) Manufacture. Break-open tickets sold in Vermont shall be
15 manufactured only by a person licensed by the ~~Commissioner~~ Secretary. A
16 licensed manufacturer shall sell break-open tickets only to distributors licensed
17 under this chapter, and a distributor licensed under this chapter shall purchase
18 break-open tickets only from a manufacturer licensed under this chapter.

19 (b) Distribution. A distributor who sells or distributes break-open tickets
20 for resale in Vermont shall be licensed by the ~~Commissioner~~ Secretary and
21 also shall be:

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§ 10203. DISTRIBUTION; RETAIL PURCHASE AND SALE

* * *

(c) ~~No~~ A person, other than a licensed distributor, shall not distribute a box of break-open tickets, ~~and no person shall distribute a box of break-open tickets,~~ unless the box bears indicia as required by the ~~Commissioner~~ Secretary. ~~No~~ A person shall not distribute or sell a break-open ticket at retail unless the ticket bears a unique serial number.

(d) A distributor licensed under this chapter may sell break-open tickets only to nonprofit organizations as defined in subdivision 10201(5) of this title, except that a person other than a licensed distributor may sell such tickets to a licensed distributor upon written approval of the ~~Commissioner~~ Secretary.

* * *

§ 10204. LICENSE REQUIREMENTS; FEES

(a) Upon application and payment of the fee, the ~~Commissioner~~ Secretary may issue the following licenses to qualified applicants:

- (1) Manufacturer annual license \$3,000.00
- (2) Distributor annual license 2,000.00

* * *

1 § 10205. RECORDS; REPORT

2 (a) Each distributor and manufacturer licensed under this chapter shall
3 maintain records and books relating to the distribution and sale of break-open
4 tickets and to any other expenditure required by the ~~Commissioner~~ Secretary.

5 A licensee shall make its records and books available to the ~~Commissioner~~
6 Secretary for auditing.

7 (b) Each licensed distributor shall file with the ~~Commissioner~~ Secretary on
8 the same schedule as the distributor files sales tax returns the following
9 information for the preceding reporting period:

10 (1) The names of organizations to which boxes of break-open tickets
11 were sold.

12 (2) The number of boxes of break-open tickets sold to each
13 organization.

14 (3) The ticket denomination and serial numbers of tickets for each box.

15 (c) Records and reports filed under this section shall be subject to the
16 provisions of ~~32 V.S.A. §~~ section 3102 of this title.

17 (d) The ~~Commissioner of Taxes~~ Secretary shall provide the records and
18 reports filed under this section to the Attorney General, upon request,
19 notwithstanding the provisions of section 3102 of this title.

1 § 10206. RULES

2 The ~~Department of Taxes~~ Agency of Controlled Substances shall regulate
3 the licensing and reporting requirements of manufacturers and distributors of
4 break-open tickets under this chapter. The ~~Commissioner~~ Secretary shall adopt
5 rules for licensure and indicia for boxes of break-open tickets.

6 § 10207. ENFORCEMENT

7 * * *

8 (c) In addition to the criminal penalties provided under subsections (a) and
9 (b) of this section, any person who violates a provision of this chapter shall be
10 subject to one or more of the following penalties:

11 (1) ~~Revocation~~ revocation or suspension by the ~~Commissioner~~ Secretary
12 of a license granted pursuant to this chapter; or

13 (2) ~~Confiscation~~ confiscation of break-open tickets or confiscation of the
14 revenues derived from the sale of those tickets, or both.

15 § 10208. APPEALS

16 Any licensee aggrieved by an action taken under subsection 10207(c) of this
17 chapter and any person aggrieved by the ~~Commissioner's~~ Secretary's refusal to
18 issue or renew a license under this chapter may appeal in writing to the
19 ~~Commissioner~~ Secretary for review of such action. The ~~Commissioner~~
20 Secretary shall ~~thereafter~~ grant a hearing subject to the provisions of 3 V.S.A.
21 chapter 25 upon the matter and notify the aggrieved person in writing of his or

1 her determination. The ~~Commissioner's~~ Secretary's determination may be
2 appealed within 30 days to the ~~Washington Superior Court or the Superior~~
3 ~~Court of Civil Division of the Superior Court in Washington County or in the~~
4 county in which the taxpayer resides or has a place of business.

5 § 10209. RULEMAKING

6 The ~~Commissioner of Liquor Control~~ Secretary shall adopt rules for the
7 maintenance of records relating to the distribution and sale of break-open
8 tickets and for record keeping relating to the remittance of net proceeds from
9 sales of break-open tickets to the intended eligible charitable recipients. The
10 rules shall permit no proceeds to be retained by the operators of for-profit bars
11 except for:

- 12 (1) the actual cost of the break-open tickets;
- 13 (2) the prizes awarded; and
- 14 (3) any sales tax due on the sale of break-open tickets under chapter 233
15 of this title.

16 Sec. 23. 32 V.S.A. § 602 is amended as follows:

17 § 602. DEFINITIONS

18 As used in this subchapter:

19 * * *

- 20 (2) "Fee":

21 * * *

1 (B) The following charges are exempt from the provisions of this
2 subchapter:

3 * * *

4 (ii) A charge established by the ~~Liquor Control Board~~
5 Commissioner of Liquor Control as provided by Title 7.

6 * * *

7 Sec. 24. EFFECTIVE DATE

8 This act shall take effect on July 1, 2015.