

1 SPECIAL SESSION

2 H.7

3 Introduced by Representatives Stevens of Waterbury and Gonzalez of

4 Winooski

5 Referred to Committee on

6 Date:

7 Subject: Alcoholic beverages; Lottery Commission; Department of Liquor

8 Control

9 Statement of purpose of bill as introduced: This bill proposes to merge the  
10 Department of Liquor and the Liquor Control Board with the Vermont Lottery  
11 and the Lottery Commission to create the Department of Liquor and Lottery  
12 and the Board of Liquor and Lottery. This bill also proposes to repeal the  
13 prohibition on outdoor billboards and signs that advertise alcoholic beverages.

14 An act relating to creating the Department of Liquor and Lottery and the  
15 Board of Liquor and Lottery

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

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

18 § 2. DEFINITIONS

19 As used in this title:

20 \* \* \*

1           (3) “Board of Liquor and Lottery” means the board of control appointed  
2 under the provisions of chapter 5 of this title.

3           (3)(4) “Boat” means a vessel suitably equipped and operated for the  
4 transportation of passengers in interstate commerce.

5           (4)(5) “Caterer’s license” means a license issued by the ~~Liquor Control~~  
6 Board of Liquor and Lottery authorizing the holder of a first-class license or  
7 first- and third-class licenses to serve alcoholic beverages at a function located  
8 on premises other than those occupied by a first-, first- and third-, or second-  
9 class licensee to sell alcoholic beverages.

10           (5)(6) “Certificate of approval” means a license granted by the ~~Liquor~~  
11 ~~Control~~ Board of Liquor and Lottery to a manufacturer or distributor of malt  
12 beverages or vinous beverages, or both, that is not licensed under the  
13 provisions of this title, that permits the licensee to sell those beverages to  
14 holders of a packager’s or wholesale dealer’s license.

15           (6)(7) “Club” means an unincorporated association or a corporation  
16 authorized to do business in this State; that has been in existence for at least  
17 two consecutive years prior to the date of application for a license under this  
18 title and owns, hires, or leases a building or space in a building that is suitable  
19 and adequate for the reasonable and comfortable use and accommodation of its  
20 members and their guests and contains suitable and adequate kitchen and  
21 dining room space and equipment implements and facilities. A bona fide

1 unincorporated association or corporation whose officers and members consist  
2 solely of veterans of the U.S. Armed Forces, or a subordinate lodge or local  
3 chapter of any national fraternal order, ~~and which~~ that fulfills all requirements  
4 of section 229 of this title; except that it has not been in existence for at least  
5 two years; shall come within the terms of this definition six months after the  
6 completion of its organization.

7 ~~(7)~~(8) “Commercial catering license” means a license granted by the  
8 ~~Liquor Control Board~~ Board of Liquor and Lottery permitting a business licensed by  
9 the Department of Health as a commercial caterer and having a commercial  
10 kitchen facility in the home or place of business to sell alcoholic beverages at a  
11 function previously approved by the local control commissioners.

12 ~~(8)~~(9) “Commissioner of Liquor ~~Control~~ and Lottery” means the  
13 executive officer of the ~~Liquor Control Board~~ Board of Liquor and Lottery appointed  
14 under the provisions of chapter 5 of this title.

15 ~~(9)~~(10) “Control commissioners” means the commissioners of a  
16 municipality appointed under section 166 of this title.

17 (11) “Department” means the Department of Liquor and Lottery.

18 ~~(10)~~(12) “Destination resort master license” means a license granted by  
19 the ~~Liquor Control Board~~ Board of Liquor and Lottery pursuant to section 242 of this  
20 title permitting a destination resort to designate licensed caterers and  
21 commercial caterers that will be permitted to cater individual events within the

1 boundaries of the resort without being required to obtain a request-to-cater  
2 permit for each individual event. For purposes of a destination resort master  
3 license, a “destination resort” is a resort that contains at least 100 acres of land,  
4 offers at least 50 units of sleeping accommodations, offers meal and beverage  
5 service to the public for consideration, and has related sports and recreational  
6 facilities for the convenience or enjoyment of its guests. “Destination resort”  
7 does not include the University of Vermont and State Agricultural College, the  
8 Vermont State Colleges, or any other university, college, or postsecondary  
9 school.

10 ~~(11)~~(13) “Dining car” means a railroad car on which meals are prepared  
11 and served.

12 (14) “Division” means the Division of Liquor Control in the Department  
13 of Liquor and Lottery.

14 ~~(12)~~(15) “Festival permit” means a permit granted by the ~~Department~~  
15 Division of Liquor Control permitting a person to conduct an event at which  
16 malt or vinous beverages, or both, are sold by the glass to the public, provided  
17 the event is approved by the local control commissioners.

18 ~~(13)~~(16) “First-class license” means a license permitting the licensee to  
19 sell malt ~~or~~ and vinous beverages to the public for consumption only on the  
20 premises for which the license is granted.

1           ~~(14)~~(17) “Fortified wine permit” means a permit granted to a second-  
2 class licensee that permits the licensee to export and sell fortified wines to the  
3 public for consumption off the licensed premises.

4           ~~(15)~~(18) “Fortified wines” ~~mean~~ means vinous beverages, including  
5 those to which spirits have been added during manufacture, containing at least  
6 16 percent alcohol but ~~no~~ not more than 23 percent alcohol by volume at 60  
7 degrees Fahrenheit, and all vermouths containing ~~no~~ not more than 23 percent  
8 alcohol by volume at 60 degrees Fahrenheit.

9           ~~(16)~~(19) “Fourth-class license” means a license permitting a licensed  
10 manufacturer or rectifier to sell by the unopened container and distribute by the  
11 glass, with or without charge, beverages manufactured by the licensee.

12           ~~(17)~~(20) “Home-fermented beverages” means malt or vinous beverages  
13 produced at home and not for sale.

14           ~~(18)~~(21) “Hotel” has the same meaning as in 32 V.S.A. § 9202(3) and as  
15 determined by the ~~Liquor Control Board~~ of Liquor and Lottery.

16           ~~(19)~~(22) “Industrial alcohol distributor’s license” means a license  
17 granted by the ~~Liquor Control Board~~ of Liquor and Lottery that allows holders  
18 to sell pure ethyl or grain alcohol of at least 190 proof in quantities of five  
19 gallons or more directly to manufacturers, industrial users, hospitals, druggists,  
20 and institutions of learning.

1           ~~(20)~~(23) “Keg” means a reusable container capable of holding at least  
2 five gallons of malt beverage or at least two-and-one-half gallons of vinous  
3 beverage.

4           ~~(21)~~(24) “Legal age” means 21 years of age or older.

5           ~~(22)~~ “~~Liquor Control Board~~” means the board of control appointed  
6 under the provisions of chapter 5 of this title.

7           ~~(23)~~(25) “Malt beverages” means all fermented beverages of any name  
8 or description manufactured for sale from malt, wholly or in part, or from any  
9 substitute therefor, known as, among other things, beer, ale, or lager,  
10 containing not less than one percent nor more than 16 percent of alcohol by  
11 volume at 60 degrees Fahrenheit.

12           ~~(24)~~(26) “Manufacturer’s or rectifier’s license” means a license granted  
13 by the ~~Liquor Control Board~~ Board of Liquor and Lottery that permits the holder to  
14 manufacture or rectify malt beverages, vinous beverages and fortified wines, or  
15 spirits and fortified wines.

16           ~~(25)~~(27) “Minor” means an individual who has not attained 21 years  
17 of age.

18           ~~(26)~~(28) “Outside consumption permit” means a permit granted by the  
19 ~~Department~~ Division of Liquor Control allowing the holder of a first-class,  
20 first- and third-class, or fourth-class license to allow for consumption of  
21 alcoholic beverages in a delineated outside area.

1           ~~(27)~~(29) “Packager’s license” means a license granted by the ~~Liquor~~  
2           ~~Control Board~~ of Liquor and Lottery permitting a person to bottle or otherwise  
3           package alcoholic beverages for sale and to distribute and sell alcoholic  
4           beverages at wholesale in this State.

5           ~~(28)~~(30) “Person,” as applied to licensees, means an individual who is a  
6           citizen or a lawful permanent resident of the United States; a partnership  
7           composed of individuals, a majority of whom are citizens or lawful permanent  
8           residents of the United States; a corporation organized under the laws of this  
9           State or another state in which a majority of the directors are citizens or lawful  
10          permanent residents of the United States; or a limited liability company  
11          organized under the laws of this State or another state in which a majority of  
12          the members or managers are citizens or lawful permanent residents of the  
13          United States.

14          ~~(29)~~(31) “~~Request to cater~~ Request-to-cater permit” means a permit  
15          granted by the ~~Department~~ Division of Liquor Control authorizing a licensed  
16          caterer or commercial caterer to cater individual events.

17          ~~(30)~~(32) “Retail dealer” means any person who sells or furnishes malt or  
18          vinous beverages to the public.

19          ~~(31)~~(33) “Retail delivery permit” means a permit granted by the  
20          ~~Department~~ Division of Liquor Control that permits a second-class licensee to  
21          deliver malt beverages ~~or~~ and vinous beverages sold from the licensed

1 premises for consumption off the premises to an individual who is ~~at least~~ 21  
2 years of age or older at a physical address in Vermont.

3 ~~(32)~~(34) “Sampler flight” means a flight, ski, paddle, or any similar  
4 device by design or name intended to hold alcoholic beverage samples for the  
5 purpose of comparison.

6 ~~(33)~~(35) “Second-class license” means a license permitting the licensee  
7 to export ~~malt beverages or vinous beverages~~ and to sell malt beverages ~~or~~ and  
8 vinous beverages to the public for consumption off the premises for which the  
9 license is granted.

10 ~~(34)~~(36) “Special event permit” means a permit granted by the  
11 ~~Department~~ Division of Liquor Control permitting a licensed manufacturer or  
12 rectifier to sell, by the glass or by the unopened bottle, alcoholic beverages  
13 manufactured or rectified by the license holder at an event open to the public  
14 that has been approved by the local control commissioners.

15 ~~(35)~~(37) “Special venue serving permit” means a permit granted by the  
16 ~~Department~~ Division of Liquor Control permitting an art gallery, bookstore,  
17 public library, or museum to conduct an event at which malt or vinous  
18 beverages, or both, are served by the glass to the public. As used in this  
19 section, “art gallery” means a fixed establishment whose primary purpose is to  
20 exhibit or offer for sale works of art; “bookstore” means a fixed establishment  
21 whose primary purpose is to offer books for sale; “public library” has the same



1 meaning as in 22 V.S.A. § 101; and “museum” has the same meaning as in  
2 27 V.S.A. § 1151.

3 ~~(36)~~(38) “Specialty beer” means a malt beverage that contains more  
4 than eight percent alcohol and not more than 16 percent alcohol by volume at  
5 60 degrees Fahrenheit.

6 ~~(37)~~(39) “Spirits” means beverages that contain more than one percent  
7 of alcohol obtained by distillation, by chemical synthesis, or through  
8 concentration by freezing; vinous beverages containing more than 23 percent  
9 of alcohol; and malt beverages containing more than 16 percent of alcohol by  
10 volume at 60 degrees Fahrenheit.

11 ~~(38)~~(40) “Third-class license” means a license granted by the ~~Liquor~~  
12 ~~Control Board of~~ Liquor and Lottery permitting the licensee to sell spirits and  
13 fortified wines for consumption only on the premises for which the license is  
14 granted.

15 ~~(39)~~(41) “Vinous beverages” means all fermented beverages of any  
16 name or description manufactured or obtained for sale from the natural sugar  
17 content of fruits or other agricultural product, containing sugar, the alcoholic  
18 content of which is not less than one percent nor more than 16 percent by  
19 volume at 60 degrees Fahrenheit.

20 ~~(40)~~(42) “Wholesale dealer’s license” means a license granted by the  
21 ~~Liquor Control Board of~~ Liquor and Lottery permitting the holder to sell or

1 distribute malt ~~or~~ and vinous beverages to first- and second-class licensees, to  
2 educational sampling event permit holders, and to agencies of the United  
3 States.

4 Sec. 2. 7 V.S.A. § 5 is amended to read:

5 § 5. ~~DEPARTMENT~~ DIVISION OF LIQUOR CONTROL; RAFFLES FOR  
6 RIGHT TO PURCHASE RARE AND UNUSUAL PRODUCTS

7 (a) Notwithstanding any provision of 13 V.S.A. chapter 51 to the contrary,  
8 the ~~Department~~ Division of Liquor Control may conduct raffles for the right to  
9 purchase certain rare and unusual spirits and fortified wines that are acquired  
10 by the ~~Liquor Control Board~~ of Liquor and Lottery. A raffle conducted  
11 pursuant to this section shall meet the following requirements:

12 \* \* \*

13 (4) No Board member or employee of the Department of Liquor and  
14 Lottery and no immediate family member of a Board member or employee of  
15 the Department shall be permitted to enter the raffle.

16 \* \* \*

17 Sec. 3. 7 V.S.A. § 61 is amended to read:

18 § 61. RESTRICTIONS; EXCEPTIONS

19 \* \* \*

20 (b) Notwithstanding subsection (a) of this section, this chapter shall not  
21 apply to:

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(3) the furnishing, purchase, sale, barter, transportation, importation, exportation, delivery, prescription, or possession of alcohol for manufacturing, mechanical, medicinal, and scientific purposes, provided that it is done in accordance with the rules of the ~~Liquor Control Board~~ of Liquor and Lottery and licenses and permits issued by the Board of Liquor and Lottery or ~~Department~~ Division of Liquor Control as provided in this title.

Sec. 4. 7 V.S.A. § 62 is amended to read:

§ 62. HOURS OF SALE

\* \* \*

(c) The ~~Liquor Control Board~~ of Liquor and Lottery may adopt rules controlling hours of consumption and sale under this section and may extend the hours of sale by holders of first- or first- and third-class licenses on New Year's Day.

Sec. 5. 7 V.S.A. § 63 is amended to read:

§ 63. IMPORTATION OR TRANSPORTATION OF ALCOHOL;  
PROHIBITIONS; PERSONAL IMPORT LIMIT; PENALTY

(a)(1) All spirits and fortified wines imported or transported into this State shall be imported or transported by and through the ~~Liquor Control Board~~ of Liquor and Lottery. A person importing or transporting or causing to be imported or transported into this State any spirits or fortified wines, or both, in

1 violation of this section shall be imprisoned not more than one year or fined  
2 not more than \$1,000.00, or both.

3 \* \* \*

4 (b)(1) Except as provided in sections 277, 278, and 283 of this title, all malt  
5 or vinous beverages, or both, imported or transported into this State shall be  
6 imported or transported by and through the holder of a wholesale dealer's  
7 license issued by the ~~Liquor Control Board~~ of Liquor and Lottery. A person  
8 importing or transporting or causing to be imported or transported into this  
9 State any malt or vinous beverages, or both, in violation of this section shall be  
10 imprisoned not more than one year or fined not more than \$1,000.00, or both.

11 \* \* \*

12 Sec. 6. 7 V.S.A. § 64 is amended to read:

13 § 64. SALE OF MALT BEVERAGES AND VINOUS BEVERAGES IN  
14 KEGS

15 (a) A keg shall be sold by a second-class or fourth-class licensee only  
16 under the following conditions:

17 (1) The keg shall be tagged in a manner and with a label approved by  
18 the ~~Liquor Control Board~~ of Liquor and Lottery. The label shall be supplied  
19 and securely affixed to the keg by the wholesale dealer, or in the case of a  
20 second-class license issued for the premises of a licensed manufacturer or a  
21 fourth-class licensee, by the manufacturer.

1 \* \* \*

2 Sec. 7. 7 V.S.A. § 66 is amended to read:

3 § 66. HOME-FERMENTED MALT AND VINOUS BEVERAGES;  
4 TASTING EVENT

5 \* \* \*

6 (b) Home-fermented beverages produced pursuant to this section may be  
7 transported to and offered for tasting at an organized event, exhibition, or  
8 competition held for home-fermented beverages, provided all the following  
9 conditions are met:

10 (1) The sponsor provides written notice of the event to the ~~Department~~  
11 ~~no~~ Division not later than 10 days prior to the date of the event. The notice  
12 shall include a description of the delineated area in which the tastings will be  
13 offered, and in the case of a competition, the names of the judges hired by the  
14 sponsor.

15 \* \* \*

16 (3) Tastings of home-fermented beverages are offered only within the  
17 delineated area specified in the notice to the ~~Department~~ Division.

18 \* \* \*

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

20 CHAPTER 5. DEPARTMENT OF LIQUOR ~~CONTROL~~ AND LOTTERY

1       Sec. 9. 7 V.S.A. § 101 is amended to read:

2       § 101. COMPOSITION OF DEPARTMENT; COMMISSIONER OF  
3               LIQUOR ~~CONTROL AND LOTTERY~~; ~~LIQUOR CONTROL~~  
4               BOARD OF LIQUOR AND LOTTERY

5           (a)(1) ~~The Department of Liquor Control and Lottery~~, created by 3 V.S.A.  
6       § 212, shall administer the laws relating to alcoholic beverages, tobacco, and  
7       the State Lottery. It shall include the Commissioner of Liquor ~~Control and~~  
8       Lottery and the ~~Liquor Control~~ Board of Liquor and Lottery.

9           (2) The Board of Liquor and Lottery shall supervise and manage the  
10       sales of spirits and fortified wines pursuant to this title and the establishment  
11       and management of the State Lottery pursuant to 31 V.S.A. chapter 14.

12           (3)(A) The Department of Liquor and Lottery shall be under the  
13       immediate supervision and direction of the Commissioner of Liquor and  
14       Lottery.

15           (B) The Division of Liquor Control is created within the Department  
16       to administer and carry out the laws relating to alcohol and tobacco set forth in  
17       this title.

18           (C) The Division of Lottery is created within the Department to  
19       administer and carry out the laws relating to the State Lottery set forth in  
20       31 V.S.A. chapter 14.



1 Sec. 10. 7 V.S.A. § 102 is amended to read:

2 § 102. REMOVAL

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

9 Sec. 11. 7 V.S.A. § 104 is amended to read:

10 § 104. DUTIES; AUTHORITY TO RESOLVE ALLEGED VIOLATIONS

11 The Board shall supervise and manage the sale of spirits and fortified wines  
12 within the State in accordance with the provisions of this title, and through the  
13 Commissioner of ~~Liquor Control~~ Liquor and Lottery shall:

14 (1)(A) ~~See~~ Ensure that the laws relating to alcohol and alcoholic  
15 beverages are enforced, using for that purpose as much of the monies annually  
16 available to the ~~Liquor Control~~ Board of Liquor and Lottery as may be  
17 necessary.

18 (B) The ~~Liquor Control~~ Board of Liquor and Lottery and its agents  
19 and investigators shall act in this respect in collaboration with sheriffs, deputy  
20 sheriffs, constables, law enforcement officers certified as Level II or Level III  
21 pursuant to 20 V.S.A. chapter 151, and members of village and city police



1 forces, control commissioners, the Attorney General, State's Attorneys, and  
2 town and city grand jurors.

3 \* \* \*

4 (12) Review the budget for the Department submitted by the  
5 Commissioner and approve or amend it for submission to the Governor.

6 Sec. 12. 7 V.S.A. § 105 is amended to read:

7 § 105. DUTIES OF ATTORNEY GENERAL

8 The Attorney General shall collaborate with the ~~Liquor Control~~ Board of  
9 Liquor and Lottery for the enforcement of the provisions of subdivision  
10 104(1) of ~~section 104~~ of this title.

11 Sec. 13. 7 V.S.A. § 106 is amended to read:

12 § 106. COMMISSIONER OF LIQUOR ~~CONTROL~~ AND LOTTERY;

13 REPORTS; RECOMMENDATIONS

14 (a)(1) With the advice and consent of the Senate, the Governor shall  
15 appoint from among ~~no~~ not fewer than three candidates proposed by the ~~Liquor~~  
16 ~~Control~~ Board of Liquor and Lottery a Commissioner of Liquor ~~Control~~ and  
17 Lottery for a term of four years.

18 (2) The Board shall review the applicants for the position of  
19 Commissioner of Liquor ~~Control~~ and Lottery and by a vote of the majority of  
20 the members of the Board shall select candidates to propose to the Governor.  
21 The Board shall consider each applicant's administrative expertise and his or

1 her knowledge regarding the business of distributing and selling alcoholic  
2 beverages and administering the State Lottery.

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

6 Sec. 14. 7 V.S.A. § 107 is amended to read:

7 § 107. DUTIES OF COMMISSIONER OF LIQUOR ~~CONTROL~~ AND  
8 LOTTERY

9 (a) The Commissioner of Liquor and Lottery shall direct and supervise the  
10 Department of Liquor and Lottery and, subject to the direction of the Board,  
11 shall see that the laws relating to alcohol and tobacco under this title and to the  
12 State Lottery under 31 V.S.A. chapter 14 are carried out. The Commissioner  
13 shall annually prepare a budget for the Department and submit it to the Board  
14 for review pursuant to subdivision 104(12) of this chapter.

15 (b) The With respect to the laws relating to alcohol, the Commissioner of  
16 Liquor Control shall:

17 (1) In towns that vote to permit the sale of spirits and fortified wines,  
18 establish local agencies as the ~~Liquor Control~~ Board of Liquor and Lottery  
19 shall determine. However, the Board shall not be obligated to establish an  
20 agency in every town that votes to permit the sale of spirits and fortified wines.

21 \* \* \*

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

5           (5) Purchase spirits and fortified wines for and in behalf of the ~~Liquor~~  
6 ~~Control Board~~ of Liquor and Lottery; supervise their storage and distribution to  
7 local agencies, third-class licensees, and holders of fortified wine permits; and  
8 recommend rules subject to approval and adoption by the Board regarding the  
9 sale and delivery from the central liquor warehouse.

10   \* \* \*

11       Sec. 15. 7 V.S.A. § 108 is amended to read:

12       § 108. ENFORCEMENT BY BOARD; REGULATIONS; FORMS AND  
13                                REPORTS

14       The ~~Liquor Control Board~~ of Liquor and Lottery shall administer and  
15 enforce the provisions of this title; and is authorized and empowered to adopt  
16 rules and issue the necessary blanks, forms, and reports, except reports to the  
17 Commissioner of Taxes and to the Commissioner of Public Safety, as may be  
18 necessary to carry out the provisions of this title.

1 Sec. 16. 7 V.S.A. § 109 is amended to read:

2 § 109. AUDIT OF ACCOUNTS OF ~~LIQUOR CONTROL~~ BOARD OF  
3 LIQUOR AND LOTTERY

4 All accounts of the ~~Liquor Control~~ Board of Liquor and Lottery related to  
5 its activities pursuant to this title shall be audited annually by the Auditor of  
6 Accounts, and the annual report of the audit shall accompany the annual  
7 reports of the ~~Liquor Control~~ Board of Liquor and Lottery.

8 Sec. 17. 7 V.S.A. § 110 is amended to read:

9 § 110. SPECIAL BRANDS; PURCHASE BY COMMISSIONER OF  
10 LIQUOR CONTROL AND LOTTERY

11 If a person desires to purchase any class, variety, or brand of spirits or  
12 fortified wine that a local agency or fortified wine permit holder does not have  
13 in stock, the Commissioner of Liquor ~~Control~~ and Lottery shall order the  
14 product upon the payment of a reasonable deposit by the purchaser in a  
15 proportion of the approximate cost of the order as prescribed by the rules of the  
16 ~~Liquor Control~~ Board of Liquor and Lottery.

17 Sec. 18. 7 V.S.A. § 111 is amended to read:

18 § 111. TRANSFER OF LOCAL AGENCY STORE IN CONJUNCTION  
19 WITH SALE OF REAL PROPERTY OR BUSINESS

20 (a) If a proposed sale of real estate or a business in which a local agency  
21 store is located is contingent on the transfer of the agency store's contract with

1 the Board to the buyer, the seller and buyer may, prior to completing the sale,  
2 submit to the ~~Department~~ Division a request to approve the transfer of the  
3 agency store's contract to the buyer. The request shall be accompanied by any  
4 information required by the ~~Department~~ Division.

5 (b) The ~~Department~~ Division shall review the request and evaluate the  
6 buyer based on the standards for evaluating an applicant for a new agency store  
7 contract.

8 (c) Within 30 days after receiving the request and all necessary  
9 information, the ~~Department~~ Division shall complete the evaluation of the  
10 proposed transfer and notify the parties of whether the agency store's contract  
11 may be transferred to the buyer.

12 (d)(1) If the transfer is approved, the contract shall transfer to the buyer  
13 upon completion of the sale.

14 (2) If the transfer is denied, the seller may continue to operate the  
15 agency store pursuant to the existing contract with the ~~Department~~ Board.

16 Sec. 19. 7 V.S.A. § 112 is amended to read:

17 § 112. LIQUOR CONTROL ENTERPRISE FUND

18 The Liquor Control Enterprise Fund is established. It shall consist of all  
19 receipts from the sale of spirits, fortified wines, and other items by the ~~Liquor~~  
20 ~~Control Board of Liquor and Lottery~~ and ~~Department~~ Division of Liquor  
21 Control; fees paid to the ~~Department~~ Division of Liquor Control for the benefit

1 of the ~~Department~~ Division; all other amounts received by the ~~Department~~  
2 Division of Liquor Control for its benefit; and all amounts that are from time to  
3 time appropriated to the ~~Department~~ Division of Liquor Control.

4 Sec. 20. 7 V.S.A. § 113 is added to read:

5 § 113. ADMINISTRATION OF DEPARTMENT; APPORTIONMENT OF  
6 COSTS

7 The administrative and operating costs of the Department of Liquor and  
8 Lottery that are not specific to either the Division of Liquor Control or the  
9 Division of Lottery and the cost of any functions that are shared in common by  
10 the two Divisions shall be allocated to and paid from the Liquor Control  
11 Enterprise Fund and the State Lottery Fund based on generally accepted  
12 accounting principles.

13 Sec. 21. USE OF DEPARTMENTAL ADMINISTRATIVE RESOURCES;  
14 APPORTIONMENT OF COSTS; REPORT

15 On or before January 15, 2019, the Commissioner of Liquor and Lottery  
16 shall submit a written report to the House and Senate Committees on  
17 Appropriations regarding the allocation of costs to the Liquor Control  
18 Enterprise Fund and the State Lottery Fund pursuant to 7 V.S.A. § 113 and the  
19 method used for allocating those costs.

1 Sec. 22. 7 V.S.A. § 162 is amended to read:

2 § 162. REPORT

3 After any annual town meeting in which a town votes on the questions set  
4 forth in section 161 of this title, the town clerk shall report promptly the results  
5 of the vote to the ~~Liquor Control Board~~ of Liquor and Lottery, upon forms  
6 furnished by the Board.

7 Sec. 23. 7 V.S.A. § 167 is amended to read:

8 § 167. DUTIES OF LOCAL CONTROL COMMISSIONERS

9 (a) The local control commissioners shall administer the rules furnished to  
10 them by the ~~Liquor Control Board~~ of Liquor and Lottery, as necessary to carry  
11 out the purposes of this title. Except as provided in subsection (b) of this  
12 section, all applications for and forms of licenses and permits, and all rules,  
13 shall be prescribed by the ~~Liquor Control Board~~ of Liquor and Lottery, which  
14 shall prepare and issue the applications, forms, and rules.

15 \* \* \*

16 Sec. 24. 7 V.S.A. § 201 is amended to read:

17 § 201. LICENSES CONTINGENT ON TOWN VOTE

18 Licenses of the first or second class shall not be granted by the control  
19 commissioners or the ~~Liquor Control Board~~ of Liquor and Lottery to be  
20 exercised in any city or town, the voters of which vote “No” on the question of  
21 whether to permit the sale of malt beverages and vinous beverages pursuant to

1 section 161 of this title. Licenses of the third class shall not be granted by the  
2 ~~Liquor Control Board~~ of Liquor and Lottery to be exercised in any city or  
3 town, the voters of which vote “No” on the question of whether to sell fortified  
4 wines and spirits pursuant to section 161 of this title.

5 Sec. 25. 7 V.S.A. § 202 is amended to read:

6 § 202. LICENSES TO ENFORCEMENT OFFICER OR CONTROL

7 COMMISSIONER; EXCEPTIONS

8 \* \* \*

9 (b) A member of a local control commission to whom or in behalf of whom  
10 a first- or second-class license was issued by that commission shall not  
11 participate in any control commission action regarding any first- or second-  
12 class license. If a majority of the members of a local control commission is  
13 unable to participate in a control commission action regarding any first- or  
14 second-class license, that action shall be referred to the ~~Liquor Control Board~~  
15 of Liquor and Lottery for investigation and action.

16 (c) An application for a first- or second-class license by or in behalf of a  
17 member of the local control commission or a complaint or disciplinary action  
18 regarding a first- or second-class license issued by a commission on which any  
19 member is a licensee shall be referred to the ~~Liquor Control Board~~ of Liquor  
20 and Lottery for investigation and action.



1 Sec. 26. 7 V.S.A. § 203 is amended to read:

2 § 203. RESTRICTIONS; FINANCIAL INTERESTS; EMPLOYEES

3 (a)(1) Except as provided in section 271 of this title, a packager,  
4 manufacturer, or rectifier licensed in Vermont or in another state, a certificate  
5 of approval holder, or a wholesale dealer shall not have any financial interest  
6 in the business of a first-, second-, or third-class licensee, and a first-, second-,  
7 or third-class licensee ~~may~~ shall not have any financial interest in the business  
8 of a packager, manufacturer, or rectifier licensed in Vermont or in another  
9 state, a certificate of approval holder, or a wholesale dealer.

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

1 and the licensees involved. A wholesale dealer shall not be in violation of this  
2 section for delivering malt beverages to a first- or second-class licensee that is  
3 prohibited from purchasing, possessing, or selling those malt beverages under  
4 this section.

5 \* \* \*

6 Sec. 27. 7 V.S.A. § 204 is amended to read:

7 § 204. APPLICATION AND RENEWAL FEES FOR LICENSES AND  
8 PERMITS; DISPOSITION OF FEES

9 \* \* \*

10 (b) Except for fees collected for first-, second-, and third-class licenses, the  
11 fees collected pursuant to subsection (a) of this section shall be deposited in the  
12 Liquor Control Enterprise Fund. The other fees shall be 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~~ Division. The ~~Liquor Control Board~~ of Liquor and Lottery shall  
2 adopt rules regarding contracts entered into pursuant to this subdivision.

3 Sec. 28. 7 V.S.A. § 205 is amended to read:

4 § 205. TERMS OF PERMITS, LICENSES, AND CERTIFICATES

5 \* \* \*

6 (b) A permit, license, or certificate may be renewed as follows:

7 (1) A first-class or second-class license, and an outside consumption  
8 permit associated with a first-class license, may be renewed by:

9 \* \* \*

10 (C) approval of the ~~Liquor Control Board~~ of Liquor and Lottery as  
11 provided in section 221, 222, or 227 of this title.

12 (2) All other permits, licenses, and certificates may be renewed by:

13 (A) payment of the fee provided in section 204 of this title; and

14 (B) submission to the ~~Liquor Control Board~~ of Liquor and Lottery or  
15 the ~~Department~~ Division, as appropriate, of an application demonstrating that  
16 the holder satisfies all applicable rules and requirements.

17 Sec. 29. 7 V.S.A. § 206 is amended to read:

18 § 206. DISPOSAL OF FEES

19 The control commissioners shall collect all fees for first- and second-class  
20 licenses and shall pay the fees to the ~~Department~~ Division and the city and  
21 town treasurers of the respective cities and towns where the fees are collected

1 as provided in subsection 204(b) of this chapter. The portion of each fee paid  
2 to the city or town may be used as it may direct, less a fee of \$5.00 to be  
3 retained by the city or town clerk as a fee for issuing and recording the license.  
4 Except as otherwise provided in sections 274 and 275 of this title, fees for all  
5 other licenses shall be paid to the ~~Liquor Control~~ Board of Liquor and Lottery.

6 Sec. 30. 7 V.S.A. § 207 is amended to read:

7 § 207. CHANGE OF LOCATION

8 If a licensee desires to change the location of its business before the  
9 expiration of its license, the licensee may submit an application to the ~~Liquor~~  
10 ~~Control~~ Board of Liquor and Lottery, which may amend the license to cover  
11 the new premises without the payment of any additional fee.

12 Sec. 31. 7 V.S.A. § 209 is amended to read:

13 § 209. BANKRUPTCY, DEATH, AND REVOCATION

14 \* \* \*

15 (d)(1) The holder of a manufacturer's or rectifier's license may pledge or  
16 mortgage alcoholic beverages manufactured or rectified by the licensee and the  
17 pledgee or mortgagee may retain possession of the alcoholic beverages and, if  
18 the licensee defaults, may sell and dispose of the alcoholic beverages to  
19 persons to whom the licensee might lawfully sell the alcoholic beverages,  
20 subject to the same restrictions and regulations as the licensee; and to any  
21 further restriction or rules prescribed by the ~~Liquor Control~~ Board of Liquor

1 and Lottery with respect to advance notice to it of the sale and determination  
2 by it of the persons entitled to buy and the manner of the sale.

3 (2) Any sale pursuant to a default on a pledge or mortgage shall not be  
4 at public auction as required with respect to similar sales of other property, but  
5 shall be upon not less than ten days' notice to the pledgor or mortgagor and for  
6 the highest amount ~~which~~ that may be offered pursuant to the rules of the  
7 ~~Liquor Control Board of~~ Liquor and Lottery.

8 Sec. 32. 7 V.S.A. § 210 is amended to read:

9 § 210. SUSPENSION OR REVOCATION OF LICENSE OR PERMIT;

10 ADMINISTRATIVE PENALTY

11 (a)(1) The control commissioners or the ~~Liquor Control Board of~~ Liquor  
12 and Lottery shall have power to suspend or revoke any permit or license  
13 granted pursuant to this title in the event the person holding the permit or  
14 license shall at any time during the term of the permit or license conduct its  
15 business in violation of this title, the conditions pursuant to which the permit or  
16 license was granted, or any rule prescribed by the ~~Liquor Control Board of~~  
17 Liquor and Lottery.

18 (2) No revocation shall be made until the permittee or licensee has been  
19 notified and given a hearing before the ~~Liquor Control Board of~~ Liquor and  
20 Lottery, unless the permittee or licensee has been convicted by a court of  
21 competent jurisdiction of violating the provisions of this title.

1           (3) In the case of a suspension, the permittee or licensee shall be notified  
2           and given a hearing before the ~~Liquor Control Board~~ Board of Liquor and Lottery or  
3           the local control commissioners, whichever applies.

4   \* \* \*

5           (b)(1) As an alternative to and in lieu of the authority to suspend or revoke  
6           any permit or license, the ~~Liquor Control Board~~ Board of Liquor and Lottery shall  
7           also have the power to impose an administrative penalty of up to \$2,500.00 per  
8           violation against a holder of a wholesale dealer's license or a holder of a first-,  
9           second-, or third-class license for a violation of the conditions of the license or  
10          of this title or of any rule adopted by the Board.

11    \* \* \*

12          (4) For the first violation during a tobacco or alcohol compliance check  
13          during any three-year period, a licensee or permittee shall receive a warning  
14          and be required to attend a ~~Department~~ Division server training class.

15    \* \* \*

16          Sec. 33. 7 V.S.A. § 211 is amended to read:

17          § 211. HEARING OFFICER

18          (a) The Chair of the ~~Liquor Control Board~~ Board of Liquor and Lottery may  
19          appoint a hearing officer to conduct hearings pursuant to section 210 of this  
20          title. A hearing officer may be a member of the Board appointed under section  
21          210 of this title.

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Sec. 34. 7 V.S.A. § 212 is amended to read:

§ 212. COMPLAINTS AND PROSECUTIONS

The Commissioner of Liquor ~~Control~~ and Lottery or the local control commissioners shall make complaint to the State's Attorney or town grand juror of any unlawful furnishing, selling, or keeping for sale of alcohol or alcoholic beverages, and provide evidence in support of the complaint to the State's Attorney or town grand juror, who shall prosecute for the alleged violation.

Sec. 35. 7 V.S.A. § 213 is amended to read:

§ 213. LICENSEE EDUCATION

(a) A new first-class, second-class, third-class, fourth-class, or manufacturer's or rectifier's license, or common carrier certificate shall not be granted until the applicant has attended a ~~Department~~ Division of Liquor Control in-person seminar or completed the appropriate ~~Department~~ Division of Liquor Control online training program for the purpose of being informed of the Vermont laws and rules pertaining to the purchase, storage, and sale of alcoholic beverages. A corporation, partnership, or association shall designate a director, partner, or manager who shall comply with the terms of this subsection.

1           (b)(1) Every holder of a first-class, second-class, third-class, fourth-class,  
2           or manufacturer's or rectifier's license, or common carrier certificate shall  
3           complete the ~~Department~~ Division of Liquor Control in-person licensee  
4           training seminar or the appropriate ~~Department~~ Division of Liquor Control  
5           online training program at least once every two years. A corporation,  
6           partnership, or association shall designate a director, partner, or manager who  
7           shall comply with the terms of this subsection.

8           (2) A first-class, second-class, third-class, fourth-class, or  
9           manufacturer's or rectifier's license shall not be renewed unless the  
10          ~~Department's~~ Division's records show that the licensee has complied with the  
11          terms of this subsection.

12          (c)(1) Each licensee, permittee, or common carrier certificate holder shall  
13          ensure that every employee who is involved in the delivery, sale, or serving of  
14          alcoholic beverages completes a training program approved by the ~~Department~~  
15          Division of Liquor Control before the employee begins serving or selling  
16          alcoholic beverages and at least once every 24 months thereafter. Each  
17          licensee shall maintain written documentation, signed by each employee  
18          trained, of each training program conducted.

19          (2) A licensee may comply with this requirement by conducting its own  
20          training program on its premises, using information and materials furnished or  
21          approved by the ~~Department~~ Division of Liquor Control. A licensee who fails



1 to comply with the requirements of this subsection shall be subject to a  
2 suspension of the license issued under this title for ~~no~~ not less than one day.

3 (d) The following fees for ~~Department~~ Division of Liquor Control in-  
4 person or online seminars ~~will~~ shall be paid:

5 \* \* \*

6 Sec. 36. 7 V.S.A. § 214 is amended to read:

7 § 214. PROOF OF FINANCIAL RESPONSIBILITY

8 (a) Any first-, second-, or third-class licensee whose license is suspended  
9 by the local control commissioners or suspended or revoked by the ~~Liquor~~  
10 ~~Control Board~~ of Liquor and Lottery for selling or furnishing alcoholic  
11 beverages to a minor, to a person apparently under the influence of alcohol, to  
12 a person after legal serving hours, or to a person who it would be reasonable to  
13 expect would be intoxicated as a result of the amount of alcoholic beverages  
14 served to that person shall be required to furnish to the Commissioner a  
15 certificate of financial responsibility within 60 days of the commencement of  
16 the suspension or revocation or at the time of reinstatement of the license,  
17 whichever is later. Financial responsibility may be established by any one or a  
18 combination of the following: insurance, surety bond, or letter of credit.

19 Coverage shall be maintained at not less than \$25,000.00 per occurrence and  
20 \$50,000.00 aggregate per occurrence. Proof of financial responsibility shall be

1 required for license renewal for the three years following the suspension or  
2 revocation.

3 \* \* \*

4 Sec. 37. 7 V.S.A. § 221 is amended to read:

5 § 221. FIRST-CLASS LICENSES

6 (a)(1) With the approval of the ~~Liquor Control~~ Board of Liquor and  
7 Lottery, the control commissioners may grant a first-class license to a retail  
8 dealer for the premises where the dealer carries on business if the retail dealer  
9 submits an application and pays the fee provided in section 204 of this title;  
10 and satisfies the Board that the premises:

11 \* \* \*

12 (2) The ~~Liquor Control~~ Board of Liquor and Lottery may grant a first-  
13 class license to a boat or railroad dining car if the person that operates it  
14 submits an application and pays the fee provided in section 204 of this title.

15 (3) The ~~Department~~ Division shall post notice of pending applications  
16 on its website.

17 \* \* \*

18 (f)(1) A holder of a first-class license may contract with another person to  
19 prepare and dispense food on the licensed premises.

1 (2) The first-class license holder shall provide to the ~~Department~~  
2 Division written notification five business days prior to the start of the contract  
3 that includes the following information:

4 \* \* \*

5 (3) The holder of the first-class license shall notify the ~~Department~~  
6 Division within five business days of the termination of the contract to prepare  
7 and dispense food. The first-class licensee shall be responsible for controlling  
8 all conduct on the premises at all times, including in the area in which the food  
9 is prepared and stored.

10 \* \* \*

11 Sec. 38. 7 V.S.A. § 222 is amended to read:

12 § 222. SECOND-CLASS LICENSES

13 (a)(1) With the approval of the ~~Liquor Control Board~~ of Liquor and  
14 Lottery, the control commissioners may grant a second-class license to a retail  
15 dealer for the premises where the dealer carries on business if the retail dealer  
16 submits an application and pays the fee provided in section 204 of this title and  
17 satisfies the Board that the premises:

18 \* \* \*

19 (2) The ~~Department~~ Division shall post notice of pending applications  
20 on its website.

1 (b)(1) A second-class license permits the holder to export malt and vinous  
2 beverages and to sell malt and vinous beverages to the public from the licensed  
3 premises for consumption off the premises.

4 (2) The ~~Department~~ Division of Liquor Control may grant a second-  
5 class licensee a fortified wine permit pursuant to section 225 of this chapter or  
6 a retail delivery permit pursuant to section 226 of this chapter.

7 \* \* \*

8 Sec. 39. 7 V.S.A. § 223 is amended to read:

9 § 223. THIRD-CLASS LICENSES

10 (a)(1) The ~~Liquor Control~~ Board of Liquor and Lottery may grant to a  
11 person who operates a hotel, restaurant, club, boat, or railroad dining car, or  
12 who holds a manufacturer's or rectifier's license, a third-class license if the  
13 person files an application accompanied by the fee provided in section 204 of  
14 this title for the premises in which the business of the hotel, restaurant, or club  
15 is carried on or for the boat or railroad dining car.

16 \* \* \*

17 (d)(1) Except as otherwise provided in subdivision (2) of this subsection  
18 and section 271 of this title, a person who holds a third-class license shall  
19 purchase from the ~~Liquor Control~~ Board of Liquor and Lottery all spirits and  
20 fortified wines dispensed in accordance with the provisions of the third-class  
21 license and this title.

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Sec. 40. 7 V.S.A. § 224 is amended to read:

§ 224. FOURTH-CLASS LICENSES

(a) The ~~Liquor Control~~ Board of Liquor and Lottery may grant up to a combined total of ten fourth-class licenses to a manufacturer or rectifier that submits an application and the fee provided in section 204 of this title.

\* \* \*

Sec. 41. 7 V.S.A. § 225 is amended to read:

§ 225. FORTIFIED WINE PERMITS

(a)(1) The ~~Department~~ Division of Liquor Control may grant a fortified wine permit to a second-class licensee if the licensee files an application accompanied by the fee provided in section 204 of this title.

(2) The ~~Department~~ Division of Liquor Control shall issue ~~no~~ not more than 150 fortified wine permits in any single year.

(b)(1) A fortified wine permit holder may sell fortified wines to the public from the licensed premises for consumption off the premises.

(2) A fortified wine permit holder shall purchase all fortified wines to be offered for sale to the public pursuant to the permit through the ~~Liquor Control~~ Board of Liquor and Lottery at a price equal to ~~no~~ not more than 75 percent of the current retail price for the fortified wine established by the Commissioner pursuant to subdivision 107(3)(B) of this title.

1 Sec. 42. 7 V.S.A. § 226 is amended to read:

2 § 226. RETAIL DELIVERY PERMITS

3 (a)(1) The ~~Department~~ Division of Liquor Control may grant a retail  
4 delivery permit to a second-class licensee if the licensee files an application  
5 accompanied by the fee provided in section 204 of this title.

6 (2) Notwithstanding subdivision (1) of this subsection, the ~~Department~~  
7 Division of Liquor Control shall not grant a retail delivery permit in relation to  
8 a second-class license issued to a licensed manufacturer or rectifier for the  
9 manufacturer's or rectifier's premises.

10 (b) A retail delivery permit holder may deliver malt beverages ~~or~~ and  
11 vinous beverages sold from the licensed premises for consumption off the  
12 premises to an individual who is ~~at least~~ 21 years of age or older subject to the  
13 following requirements:

14 \* \* \*

15 (4) An employee of a retail delivery permit holder shall not be permitted  
16 to make deliveries of malt beverages or vinous beverages pursuant to the  
17 permit unless he or she has completed a training program approved by the  
18 ~~Department~~ Division pursuant to section 213 of this chapter.

19 \* \* \*

1 Sec. 43. 7 V.S.A. § 227 is amended to read:

2 § 227. OUTSIDE CONSUMPTION PERMITS; FIRST-, THIRD-, AND  
3 FOURTH-CLASS LICENSEES

4 Pursuant to the rules of the ~~Liquor Control~~ Board of Liquor and Lottery, the  
5 ~~Department~~ Division of Liquor Control may grant an outside consumption  
6 permit to the holder of a ~~first-~~ first-class, first- and third-class, or fourth-class  
7 license for all or part of the outside premises of the license holder if the permit  
8 is approved by the local control commissioners and the Board.

9 Sec. 44. 7 V.S.A. § 229 is amended to read:

10 § 229. CLUBS

11 \* \* \*

12 (c)(1) Before May 1 of each year, each club shall file with the ~~Liquor~~  
13 ~~Control~~ Board of Liquor and Lottery a list of the names and residences of its  
14 members and a list of its officers.

15 \* \* \*

16 (3)(A) A club may provide for a salary for members, officers, agents, or  
17 employees of the club by a vote at annual meetings by the club's members,  
18 directors, or other governing body, and shall report the salary set for the  
19 members, officers, agents, or employees to the ~~Liquor Control~~ Board of Liquor  
20 and Lottery.

21 \* \* \*

1 Sec. 45. 7 V.S.A. § 241 is amended to read:

2 § 241. CATERER'S LICENSE; COMMERCIAL CATERING LICENSE

3 (a) The ~~Liquor Control~~ Board of Liquor and Lottery may issue a caterer's  
4 license or a commercial catering license to a person who holds a first-class  
5 license or first- and third-class licenses.

6 (b) The ~~Liquor Control~~ Board of Liquor and Lottery shall adopt rules as  
7 necessary to effectuate the purposes of this section.

8 Sec. 46. 7 V.S.A. § 242 is amended to read:

9 § 242. DESTINATION RESORT MASTER LICENSES

10 (a) The ~~Liquor Control~~ Board of Liquor and Lottery may grant a  
11 destination resort master license to a person that operates a destination resort if  
12 the applicant files an application with the ~~Liquor Control~~ Board of Liquor and  
13 Lottery accompanied by the license fee provided in section 204 of this title. In  
14 addition to any information required pursuant to rules adopted by the Board,  
15 the application shall:

16 \* \* \*

17 (b) A licensee may, upon five days' notice to the ~~Department~~ Division,  
18 amend the list of licensed caterers and commercial caterers that are designated  
19 in the destination resort master license.

20 (c) The holder of the destination resort master license shall, at least two  
21 days prior to the date of the event, provide the ~~Department~~ Division and local



1 control commissioners with written notice of an event within the resort  
2 boundaries that will be catered pursuant to the master license. A licensed  
3 caterer or commercial caterer that is designated in the master license shall not  
4 be required to obtain a request-to-cater permit to cater an event occurring  
5 within the destination resort boundaries if the master licensee has provided the  
6 ~~Department~~ Division and local control commissioners with the required notice  
7 pursuant to this subsection.

8 \* \* \*

9 Sec. 47. 7 V.S.A. § 243 is amended to read:

10 § 243. REQUEST-TO-CATER PERMIT

11 (a) The ~~Department~~ Division of Liquor Control may issue a request-to-  
12 cater permit to the holder of a caterer's license or commercial caterer's license  
13 if the licensee:

14 \* \* \*

15 Sec. 48. 7 V.S.A. § 251 is amended to read:

16 § 251. EDUCATIONAL SAMPLING EVENT PERMIT

17 (a) The ~~Department~~ Division of Liquor Control may grant an educational  
18 sampling event permit to a person if:

19 (1) the event is also approved by the local control commissioners; and

20 (2) at least 15 days prior to the event, the applicant submits an

21 application to the ~~Department~~ Division in a form required by the

1 Commissioner that includes a list of the alcoholic beverages to be acquired for  
2 sampling at the event and is accompanied by the fee provided in section 204 of  
3 this title.

4 \* \* \*

5 Sec. 49. 7 V.S.A. § 252 is amended to read:

6 § 252. SPECIAL EVENT PERMITS

7 (a)(1) The ~~Department~~ Division of Liquor Control may issue a special  
8 event permit if the application is submitted to the ~~Department~~ Division of  
9 Liquor Control with the fee provided in section 204 of this title at least five  
10 days prior to the date of the event.

11 \* \* \*

12 Sec. 50. 7 V.S.A. § 253 is amended to read:

13 § 253. FESTIVAL PERMITS

14 (a) The ~~Department~~ Division of Liquor Control may grant a festival permit  
15 if the applicant has:

16 (1) received approval from the local control commissioners;

17 (2) submitted a request for a festival permit to the ~~Department~~ Division

18 in a form required by the Commissioner at least 15 days prior to the

19 festival; and

20 \* \* \*

1 Sec. 51. 7 V.S.A. § 254 is amended to read:

2 § 254. SPECIAL VENUE SERVING PERMITS

3 (a) The ~~Department~~ Division of Liquor Control may grant an art gallery,  
4 bookstore, public library, or museum a special venue serving permit if the  
5 applicant has:

6 (1) received approval from the local control commissioners;

7 (2) submitted a request for a permit to the ~~Department~~ Division in a  
8 form required by the Commissioner at least five days prior to the event; and

9 \* \* \*

10 Sec. 52. 7 V.S.A. § 255 is amended to read:

11 § 255. RETAIL ALCOHOLIC BEVERAGE TASTING PERMITS

12 (a) The ~~Department~~ Division of Liquor Control may grant a licensee a  
13 permit to conduct an alcoholic beverage tasting event as provided in subsection

14 (b) of this section if:

15 \* \* \*

16 (b) The ~~Department~~ Division may grant the following alcoholic beverage  
17 tasting permits to the following types of licensees:

18 \* \* \*

1 Sec. 53. 7 V.S.A. § 256 is amended to read:

2 § 256. PROMOTIONAL TASTINGS FOR LICENSEES

3 (a)(1) At the request of a first- or second-class licensee, a holder of a  
4 manufacturer's, rectifier's, or wholesale dealer's license may distribute without  
5 charge to the first- or second-class licensee's management and staff, provided  
6 they are of legal age and are off duty for the rest of the day, two ounces per  
7 person of vinous or malt beverages for the purpose of promoting the beverage.

8 \* \* \*

9 (3) No permit is required for a tasting pursuant to this subsection, but  
10 written notice of the event shall be provided to the ~~Department~~ Division of  
11 Liquor Control at least two days prior to the date of the tasting.

12 (b)(1) At the request of a holder of a wholesale dealer's license, a first-class  
13 licensee may dispense malt or vinous beverages for promotional purposes  
14 without charge to invited management and staff of first-, second-, or third-class  
15 licensees, provided they are of legal age.

16 \* \* \*

17 (4) No permit is required for a tasting pursuant to this subsection, but  
18 the wholesale dealer shall provide written notice of the event to the  
19 ~~Department~~ Division of Liquor Control at least 10 days prior to the date of the  
20 tasting.

1 (c)(1) Upon receipt of a first- or second-class application by the  
2 ~~Department~~ Division, a holder of a wholesale dealer's license may dispense  
3 malt or vinous beverages for promotional purposes without charge to invited  
4 management and staff of the business that has applied for a first- or second-  
5 class license, provided they are of legal age.

6 \* \* \*

7 (5) No permit is required under this subdivision, but the wholesale  
8 dealer shall provide written notice of the event to the ~~Department~~ Division at  
9 least five days prior to the date of the tasting.

10 Sec. 54. 7 V.S.A. § 258 is amended to read:

11 § 258. PROMOTIONAL RAILROAD TASTING PERMIT

12 The ~~Department~~ Division of Liquor Control may grant to a person that  
13 operates a railroad a tasting permit that permits the holder to conduct tastings  
14 of alcoholic beverages in the dining car if the person files with the ~~Department~~  
15 Division an application along with the fee provided in section 204 of this title.

16 Sec. 55. 7 V.S.A. § 259 is amended to read:

17 § 259. TASTING EVENTS; AGE AND TRAINING OF SERVERS

18 No individual who is under 18 years of age or who has not received training  
19 as required by the ~~Department~~ Division may serve alcoholic beverages at a  
20 tasting event under this subchapter.

1 Sec. 56. 7 V.S.A. § 271 is amended to read:

2 § 271. MANUFACTURER'S OR RECTIFIER'S LICENSE

3 (a) The ~~Liquor Control~~ Board of Liquor and Lottery may grant a  
4 manufacturer's or rectifier's license upon application and payment of the fee  
5 provided in section 204 of this title that permits the license holder to  
6 manufacture or rectify:

7 \* \* \*

8 (b) Except as otherwise provided in section 224 of this title and subsections  
9 (d)-(f) of this section:

10 (1) spirits and fortified wine may be manufactured for sale to the ~~Liquor~~  
11 ~~Control~~ Board of Liquor and Lottery or for export, or both; and

12 \* \* \*

13 (d)(1) The ~~Liquor Control~~ Board of Liquor and Lottery may grant to a  
14 licensed manufacturer or rectifier a first-class license or a first- and a third-  
15 class license permitting the licensee to sell alcoholic beverages to the public at  
16 an establishment located at the manufacturer's premises, provided the  
17 manufacturer or rectifier owns or has direct control over that establishment.

18 \* \* \*

19 (e) The ~~Liquor Control~~ Board of Liquor and Lottery may grant a licensed  
20 manufacturer of malt beverages a second-class license permitting the licensee

1 to sell alcoholic beverages to the public anywhere on the manufacturer's  
2 premises.

3 (f)(1) A licensed manufacturer or rectifier may serve alcoholic beverages  
4 with or without charge at an event held on the premises of the licensee or at a  
5 location on the contiguous real estate of the licensee, provided the licensee at  
6 least five days before the event gives the ~~Department~~ Division written notice of  
7 the event, including details required by the ~~Department~~ Division.

8 (2) Any beverages not manufactured by the licensee ~~and that are~~ served  
9 at the event shall be purchased on invoice from a licensed manufacturer or  
10 wholesale dealer or the ~~Liquor Control~~ Board of Liquor and Lottery.

11 Sec. 57. 7 V.S.A. § 272 is amended to read:

12 § 272. PACKAGER'S LICENSE

13 (a) The ~~Liquor Control~~ Board of Liquor and Lottery may grant a  
14 packager's license to a person if the person:

15 \* \* \*

16 (3) satisfies the Commissioner of Liquor ~~Control~~ and Lottery as to its  
17 compliance with the rules of the Board relating to the cleanliness of the  
18 applicant's facilities for storage and bottling of alcoholic beverages.

19 \* \* \*

1 Sec. 58. 7 V.S.A. § 273 is amended to read:

2 § 273. WHOLESALE DEALER'S LICENSE

3 (a) The ~~Liquor Control~~ Board of Liquor and Lottery may grant a wholesale  
4 dealer's license to a person if the person:

5 \* \* \*

6 Sec. 59. 7 V.S.A. § 274 is amended to read:

7 § 274. CERTIFICATE OF APPROVAL FOR DISTRIBUTION OF MALT  
8 OR VINOUS BEVERAGES

9 (a) The ~~Liquor Control~~ Board of Liquor and Lottery may grant to a  
10 manufacturer or distributor of malt or vinous beverages that is not licensed  
11 under the provisions of this title a certificate of approval if the manufacturer or  
12 distributor does all of the following:

13 \* \* \*

14 (3) Pays the fee provided in section 204 of this title to the ~~Department~~  
15 Division of Liquor Control by a certified check payable to the State of  
16 Vermont or another form of payment approved by the ~~Liquor Control~~ Board of  
17 Liquor and Lottery. If the Board does not grant the application, the certified  
18 check or payment shall be returned to the applicant.

19 \* \* \*

20 (d)(1) The ~~Liquor Control~~ Board of Liquor and Lottery may suspend or  
21 revoke a certificate of approval if the holder fails to comply with the rules of



1 the Board or to submit reports to the Commissioner of Taxes in accordance  
2 with all applicable laws and rules.

3 \* \* \*

4 Sec. 60. 7 V.S.A. § 275 is amended to read:

5 § 275. SOLICITOR'S LICENSE

6 (a) The ~~Liquor Control~~ Board of Liquor and Lottery may grant an  
7 individual a solicitor's license if he or she does all of the following:

8 (1) Submits an application to the ~~Liquor Control~~ Board of Liquor and  
9 Lottery on a form prescribed by the Board. The application shall include, at a  
10 minimum, the name, residence, and business address of the applicant, the name  
11 and address of the vendor or employer to be represented by the applicant, and  
12 an agreement by the applicant to comply with the rules of the Board.

13 \* \* \*

14 (3) Pays the fee provided in section 204 of this title to the ~~Department~~  
15 Division of Liquor Control by certified check made payable to the State of  
16 Vermont. The certified check shall be returned to the applicant if the Board  
17 does not grant him or her a license under this section.

18 \* \* \*

19 (c) The ~~Liquor Control~~ Board of Liquor and Lottery may suspend or revoke  
20 a solicitor's license for failure to comply with any rule of the Board or for

1 other cause. A solicitor's license shall not be revoked until the license holder  
2 has had an opportunity for a hearing following reasonable notice.

3 \* \* \*

4 Sec. 61. 7 V.S.A. § 276 is amended to read:

5 § 276. INDUSTRIAL ALCOHOL DISTRIBUTOR'S LICENSE

6 (a) The ~~Liquor Control~~ Board of Liquor and Lottery may grant an industrial  
7 alcohol distributor's license upon application and payment of the fee provided  
8 in section 204 of this title.

9 \* \* \*

10 Sec. 62. 7 V.S.A. § 277 is amended to read:

11 § 277. MALT AND VINOUS BEVERAGE CONSUMER SHIPPING

12 LICENSE

13 (a)(1) A manufacturer or rectifier of malt or vinous beverages licensed in  
14 Vermont may be granted an in-state consumer shipping license by filing with  
15 the ~~Department~~ Division of Liquor Control an application in a form required  
16 by the Commissioner accompanied by a copy of the applicant's current  
17 Vermont manufacturer's license and the fee provided in section 204 of this  
18 title.

19 (2) An in-state consumer shipping license may be renewed annually by  
20 submitting to the ~~Department~~ Division the fee provided in section 204 of this

1 title accompanied by a copy of the licensee's current Vermont manufacturer's  
2 license.

3 (b)(1) A manufacturer or rectifier of malt or vinous beverages licensed in  
4 another state that operates a brewery or winery in the United States and holds  
5 valid state and federal permits and licenses may be granted an out-of-state  
6 consumer shipping license by filing with the ~~Department~~ Division of Liquor  
7 Control an application in a form required by the Commissioner accompanied  
8 by copies of the applicant's current out-of-state manufacturer's license and the  
9 fee provided in section 204 of this title.

10 (2) An out-of-state consumer shipping license may be renewed annually  
11 by submitting to the ~~Department~~ Division the fee provided in section 204 of  
12 this title accompanied by the licensee's current out-of-state manufacturer's  
13 license.

14 \* \* \*

15 (c)(1) A consumer shipping license granted pursuant to this section shall  
16 permit the licensee to ship malt or vinous beverages produced by the licensee  
17 to private residents for personal use and not for resale.

18 \* \* \*

19 (3) The beverages shall be shipped by common carrier certified by the  
20 ~~Department~~ Division pursuant to section 280 of this subchapter. The common  
21 carrier shall comply with all the following:

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\* \* \*

Sec. 63. 7 V.S.A. § 278 is amended to read:

§ 278. VINOUS BEVERAGE RETAIL SHIPPING LICENSE

(a) A manufacturer or rectifier of vinous beverages that is licensed in ~~state~~ the State or ~~out-of-state~~ outside the State and holds valid state and federal permits and operates a winery in the United States may apply for a retail shipping license by filing with the ~~Department~~ Division of Liquor Control an application in a form required by the Commissioner accompanied by a copy of its in-state or out-of-state license and the fee provided in section 204 of this title.

(b) The retail shipping license may be renewed annually by submitting to the ~~Department~~ Division the fee provided in section 204 of this title accompanied by the licensee's current in-state or out-of-state manufacturer's license.

\* \* \*

(d) The retail shipping license holder shall provide to the ~~Department~~ Division documentation of the annual and monthly number of gallons sold.

\* \* \*

1 Sec. 64. 7 V.S.A. § 279 is amended to read:

2 § 279. CONSUMER AND RETAIL SHIPPING LICENSES; GENERAL  
3 REQUIREMENTS

4 A holder of a shipping license granted pursuant to section 277 or 278 of this  
5 subchapter shall comply with all of the following:

6 \* \* \*

7 (2) Not ship to any address in a municipality that the ~~Department~~  
8 Division of Liquor Control identifies as having voted to be “dry.”

9 \* \* \*

10 (4) Report at least twice per year to the ~~Department~~ Division if a holder  
11 of a consumer shipping license and once per year if a holder of a retail  
12 shipping license in a manner and form required by the Commissioner all the  
13 following information:

14 \* \* \*

15 (6) Permit the State Treasurer, the ~~Department~~ Division of Liquor  
16 Control, and the Department of Taxes, separately or jointly, upon request, to  
17 perform an audit of its records.

18 (7) If an out-of-state license holder, be deemed to have consented to the  
19 jurisdiction of the ~~Liquor Control Board of Liquor and Lottery, Department~~  
20 Division of Liquor Control, or any other State agency and the Vermont State  
21 courts concerning enforcement of this or other applicable laws and rules.

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\* \* \*

(9) Comply with all applicable laws and ~~Liquor Control~~ Board of Liquor and Lottery rules.

\* \* \*

Sec. 65. 7 V.S.A. § 280 is amended to read:

§ 280. COMMON CARRIERS; REQUIREMENTS

(a) A common carrier shall not deliver malt or vinous beverages pursuant to this chapter until it has complied with the training provisions in section 213 of this title and been certified by the ~~Department~~ Division of Liquor Control.

\* \* \*

Sec. 66. 7 V.S.A. § 281 is amended to read:

§ 281. PROHIBITIONS

\* \* \*

(c) For any violation of sections 277-280 of this subchapter, the ~~Liquor Control~~ Board of Liquor and Lottery may suspend or revoke a license issued under section 277 or 278 of this subchapter, in addition to any other remedies available to the Board.

1 Sec. 67. 7 V.S.A. § 282 is amended to read:

2 § 282. RULEMAKING

3 The ~~Liquor Control~~ Board of Liquor and Lottery and the Commissioner of  
4 Taxes may adopt rules and forms necessary to implement sections 277-281 of  
5 this subchapter.

6 Sec. 68. 7 V.S.A. § 283 is amended to read:

7 § 283. VINOUS BEVERAGE STORAGE AND SHIPPING LICENSE

8 (a) The ~~Liquor Control~~ Board of Liquor and Lottery may, pursuant to rules  
9 adopted by the Board, grant a vinous beverage storage and shipping license to  
10 a person that submits an application and pays the fee provided in section 204  
11 of this title.

12 \* \* \*

13 Sec. 69. 7 V.S.A. § 422 is amended to read:

14 § 422. TAX ON SPIRITS AND FORTIFIED WINES

15 (a) A tax is assessed on the gross revenue from the sale of spirits and  
16 fortified wines in the State of Vermont by the ~~Liquor Control~~ Board of Liquor  
17 and Lottery or the retail sale of spirits and fortified wines in Vermont by a  
18 manufacturer or rectifier of spirits or fortified wines, in accordance with the  
19 provisions of this title. The tax shall be at the following rates based on the  
20 gross revenue of the retail sales by the seller in the current year:

21 \* \* \*

1 Sec. 70. 7 V.S.A. § 423 is amended to read:

2 § 423. RULES

3 (a) The ~~Liquor Control~~ Board of Liquor and Lottery shall adopt rules as it  
4 deems necessary for the proper administration and collection of the tax  
5 imposed under section 422 of this title.

6 \* \* \*

7 Sec. 71. 7 V.S.A. § 424 is amended to read:

8 § 424. COLLECTION

9 The ~~Liquor Control~~ Board of Liquor and Lottery shall collect the tax  
10 imposed under section 422 of this title. The taxes collected on sales by the  
11 ~~Liquor Control~~ Board of Liquor and Lottery shall be paid weekly to the State  
12 Treasurer, and the taxes collected on sales by a manufacturer or rectifier shall  
13 be paid quarterly to the State Treasurer.

14 Sec. 72. 7 V.S.A. § 503 is amended to read:

15 § 503. SATISFACTION OF JUDGMENT; REVOCATION OF LICENSE

16 If a licensee fails to satisfy a judgment entered under section 501 of this title  
17 for 30 days after the judgment is entered, the local control commissioners or  
18 the ~~Liquor Control~~ Board of Liquor and Lottery shall revoke its license. A  
19 license shall not be granted to a person against whom a judgment has been  
20 recovered until the judgment is satisfied.



1 Sec. 73. 7 V.S.A. § 561 is amended to read:

2 § 561. AUTHORITY OF LIQUOR CONTROL INVESTIGATORS;

3 ARREST FOR UNLAWFULLY MANUFACTURING,

4 POSSESSING, OR TRANSPORTING ALCOHOLIC BEVERAGES;

5 SEIZURE OF PROPERTY

6 (a) The Director of ~~the Enforcement Division of~~ for the Department  
7 Division of Liquor Control and investigators employed by the ~~Liquor Control~~  
8 Board of Liquor and Lottery or by the ~~Department~~ Division of Liquor Control  
9 shall be certified as Level III law enforcement officers by the Vermont  
10 Criminal Justice Training Council and shall have the same powers and  
11 immunities as those conferred on the State Police by 20 V.S.A. § 1914.

12 (b) The Commissioner of Liquor ~~Control and Lottery~~, the Director of ~~the~~  
13 ~~Enforcement Division of~~ for the Department Division of Liquor Control, an  
14 investigator employed by the ~~Liquor Control~~ Board of Liquor and Lottery or  
15 by the ~~Department~~ Division of Liquor Control, or any other law enforcement  
16 officer may arrest or take into custody pursuant to the Vermont Rules of  
17 Criminal Procedure a person whom he or she finds in the act of manufacturing  
18 alcohol or possessing a still or other apparatus for the manufacture of alcohol;  
19 unlawfully selling, bartering, possessing, furnishing, or transporting alcohol; or  
20 unlawfully selling, furnishing, or transporting alcoholic beverages, and shall  
21 seize the alcohol, vessels, and implements of sale and the stills or other

1 apparatus for the manufacture of alcohol in the possession of the person. He or  
2 she may also seize and take into custody any property described in this section.

3 Sec. 74. 7 V.S.A. § 562 is amended to read:

4 § 562. SEARCH WARRANTS

5 (a) If a State's Attorney, the Commissioner of Liquor ~~Control~~ and Lottery,  
6 an investigator duly acting for the ~~Liquor Control~~ Board of Liquor and Lottery,  
7 a control commissioner, or a town grand juror makes a complaint under oath or  
8 affirmation to a judge of the Criminal Division of the Superior Court that he or  
9 she or they have reason to believe that alcoholic beverages or alcohol ~~are~~ is  
10 kept or deposited for sale or distribution contrary to law, or that alcohol is  
11 manufactured or possessed contrary to law, in any kind of vehicle, ~~air or water~~  
12 ~~craft~~ aircraft, watercraft, or other conveyance, or a dwelling house, railway car,  
13 ~~or~~ building, or place in the county, the judge shall issue a warrant to search the  
14 premises described in the complaint.

15 \* \* \*

16 Sec. 75. 7 V.S.A. § 567 is amended to read:

17 § 567. FORFEITURE OF SEIZED PROPERTY

18 \* \* \*

19 (b) Alcoholic beverages, alcohol, or other property that is adjudged  
20 forfeited and condemned under this section shall be turned over to the  
21 Commissioner of Liquor ~~Control~~ and Lottery for the benefit of the State.

1 Sec. 76. 7 V.S.A. § 588 is amended to read:

2 § 588. FEES OF SHERIFF, CONSTABLE, OR POLICE OFFICER

3 When a sheriff, constable, or police officer makes a search under this title  
4 pursuant to a warrant, he or she shall receive a fee for the search,  
5 reimbursement for mileage at the rate set pursuant to 32 V.S.A. § 1267, and the  
6 sum that he or she actually paid out for necessary assistance, if:

7 (1) the Commissioner of Liquor ~~Control~~ and Lottery deems the amount  
8 to be reasonable; and

9 (2) the officer declares under oath that the money was expended as  
10 claimed, and, if applicable, states the name of his or her assistant and the  
11 amount paid for the assistance.

12 Sec. 77. 7 V.S.A. § 590 is amended to read:

13 § 590. ~~LIQUOR CONTROL BOARD~~ OF LIQUOR AND LOTTERY;

14 RULES

15 The ~~Liquor Control~~ Board of Liquor and Lottery shall adopt rules as  
16 necessary to effectuate the purposes of section 589 of this title.

17 Sec. 78. 7 V.S.A. § 659 is amended to read:

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

19 (a) The county sheriffs, sheriff's deputies, constables, officers or members  
20 of the village or city police, State Police, and investigators of the ~~Liquor~~  
21 ~~Control~~ Board of Liquor and Lottery shall have the authority and duty to see

1 ensure that the provisions of this title and the rules adopted by the ~~Liquor~~  
2 ~~Control~~ Board of Liquor and Lottery pursuant to this title are enforced within  
3 their respective jurisdictions. Any officer who willfully refuses or neglects to  
4 perform the duties imposed upon him or her by this section shall be fined not  
5 more than \$500.00 or imprisoned not more than 90 days, or both.

6 \* \* \*

7 Sec. 79. 7 V.S.A. § 660 is amended to read:

8 § 660. ADVERTISING

9 (a) ~~A person shall not display on~~ Any outside billboards or signs ~~erected on~~  
10 ~~the highway any that contain an~~ advertisement of ~~any kind~~ relating to alcoholic  
11 beverages, or indicate where alcoholic beverages may be procured shall  
12 comply with the requirements of 10 V.S.A. chapter 21. A person who violates  
13 any provision of this section shall be fined not more than \$100.00 nor less than  
14 \$10.00, for each offense, and a conviction for a violation shall be cause for  
15 revoking the person's license issued under this title.

16 \* \* \*

17 Sec. 80. 7 V.S.A. § 661 is amended to read:

18 § 661. VIOLATIONS OF TITLE

19 (a)(1) A person that furnishes, sells, or keeps with intent to sell, or bottles  
20 or prepares for sale any alcoholic beverages, except as authorized by this title,  
21 or sells, barter, transports, imports, exports, delivers, prescribes, furnishes, or

1 possesses alcohol, except as authorized by the ~~Liquor Control~~ Board of Liquor  
2 and Lottery, or that unlawfully manufactures alcohol or possesses a still or  
3 other apparatus for the manufacture of alcohol shall be imprisoned not more  
4 than 12 months nor less than three months or fined not more than \$1,000.00  
5 nor less than \$100.00, or both.

6 \* \* \*

7 (b) A person that willfully violates a provision of this title for which no  
8 other penalty is prescribed or that willfully violates a rule of the ~~Liquor Control~~  
9 Board of Liquor and Lottery shall be imprisoned not more than three months  
10 nor less than one month or fined not more than \$200.00 nor less than \$50.00,  
11 or both.

12 \* \* \*

13 Sec. 81. 7 V.S.A. § 701 is amended to read:

14 § 701. DEFINITIONS

15 As used in this chapter:

16 (1) "Certificate of approval" means an authorization by the ~~Liquor~~  
17 ~~Control~~ Board of Liquor and Lottery pursuant to section 274 of this title to a  
18 manufacturer or distributor of malt beverages or vinous beverages, or both, not  
19 licensed under the provisions of this title, to sell those beverages to holders of a  
20 packager's or wholesale dealer's license issued by the Board pursuant to  
21 section 272 or 273 of this title.

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Sec. 82. 7 V.S.A. § 1001 is amended to read:

§ 1001. DEFINITIONS

As used in this chapter:

(1) “Board” means the ~~Liquor Control~~ Board of Liquor and Lottery.

(2) “Commissioner” means the Commissioner of Liquor ~~Control~~ and Lottery.

\* \* \*

(5) “Tobacco license” means a license issued by the ~~Department~~ Division of Liquor Control under this chapter permitting the licensee to engage in the retail sale of tobacco products or locate a vending machine on the premises identified in the license.

\* \* \*

Sec. 83. 7 V.S.A. § 1002 is amended to read:

§ 1002. LICENSE REQUIRED; APPLICATION; FEE; ISSUANCE

(a)(1) No person shall engage in the retail sale of tobacco products, tobacco substitutes, or tobacco paraphernalia in his or her place of business without a tobacco license obtained from the ~~Department~~ Division of Liquor Control.

(2) No person shall engage in the retail sale of tobacco substitutes without also obtaining a tobacco substitute endorsement from the ~~Department~~ Division of Liquor Control.

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\* \* \*

(d)(1) For a license or endorsement required under this section, a person shall apply to the legislative body of the municipality and shall pay the following fees:

(A) to the ~~Department~~ Division of Liquor Control, the applicable liquor license fee provided in section 204 of this title for a liquor license and a tobacco license;

(B) to the legislative body of the municipality, a fee of \$110.00 for a tobacco license or renewal; and

(C) to the legislative body of the municipality, a fee of \$50.00 for a tobacco substitute endorsement as provided in subdivision (a)(2) of this section.

(2) The municipal clerk shall forward the application to the ~~Department~~ Division, and the ~~Department~~ Division shall issue the tobacco license and the tobacco substitute endorsement, as applicable, and shall forward all fees to the Commissioner for deposit in the Liquor Control Enterprise Fund.

\* \* \*

Sec. 84. 7 V.S.A. § 1002a is amended to read:

§ 1002a. LICENSEE EDUCATION

(a) An applicant for a tobacco license that does not hold a liquor license issued under this title shall be granted a tobacco license pursuant to section

1 1002 of this title only after the applicant has attended a ~~Department~~ Division of  
2 Liquor Control in-person seminar or completed the appropriate ~~Department~~  
3 Division of Liquor Control online training program for the purpose of being  
4 informed about the Vermont tobacco laws pertaining to the purchase, storage,  
5 and sale of tobacco products. A corporation, partnership, or association shall  
6 designate a director, partner, or manager to comply with the requirements of  
7 this subsection.

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

10 (1) Complete the ~~Department's~~ Division's in-person or online  
11 enforcement seminar at least once every two years. A corporation, partnership,  
12 or association shall designate a director, partner, or manager to comply with  
13 this subdivision.

14 (2) Ensure that every employee involved in the sale of tobacco products  
15 completes a ~~Department~~ Division of Liquor Control in-person or online  
16 training program or other training programs approved by the ~~Department~~  
17 Division before the employee begins selling or providing tobacco products,  
18 and at least once every 24 months thereafter. A licensee may comply with this  
19 subdivision by conducting its own training program on its premises using  
20 information and materials furnished by the ~~Department~~ Division of Liquor  
21 Control. A licensee that fails to comply with the requirements of this



1 subsection shall be subject to suspension of its tobacco license for ~~no~~ not less  
2 than one day.

3 (3) Fees for ~~Department~~ Division of Liquor Control in-person and  
4 online seminars for tobacco only shall be \$10.00 per person.

5 Sec. 85. 7 V.S.A. § 1007 is amended to read:

6 § 1007. FURNISHING TOBACCO TO PERSONS UNDER 18 YEARS OF  
7 AGE; REPORT

8 \* \* \*

9 (b)(1) The ~~Department~~ Division of Liquor Control shall conduct or contract  
10 for compliance tests of tobacco licensees as frequently and as comprehensively  
11 as necessary to ensure consistent statewide compliance with the prohibition on  
12 sales to persons under 18 years of age of at least 90 percent for buyers who are  
13 16 or 17 years of age. An individual under 18 years of age participating in a  
14 compliance test shall not be in violation of section 1005 of this title.

15 \* \* \*

16 (3) The ~~Department~~ Division shall report to the House Committee on  
17 General, Housing and Military Affairs, the Senate Committee on Economic  
18 Development, Housing and General Affairs, and the Tobacco Evaluation and  
19 Review Board annually, on or before January 15, the methodology and results  
20 of compliance tests conducted during the previous year. The provisions of

1 2 V.S.A. § 20(d) (expiration of required reports) shall not apply to the required  
2 report to be made under this ~~subsection~~ subdivision.

3 Sec. 86. 7 V.S.A. § 1008 is amended to read:

4 § 1008. RULEMAKING

5 The ~~Liquor Control Board~~ of Liquor and Lottery shall adopt rules for the  
6 administration and enforcement of this chapter.

7 Sec. 87. 7 V.S.A. § 1011 is amended to read:

8 § 1011. COMMERCIAL CIGARETTE ROLLING MACHINES

9 \* \* \*

10 (b) A person who knowingly violates subsection (a) of this section shall be  
11 subject to the following civil penalties:

12 \* \* \*

13 (2) A civil penalty of up to \$50,000.00 in any action brought by the  
14 Department of Taxes, the ~~Department~~ Division of Liquor Control, or the  
15 Attorney General.

16 \* \* \*

17 Sec. 88. 29 V.S.A. § 902 is amended to read:

18 § 902. DUTIES OF COMMISSIONER OF BUILDINGS AND GENERAL  
19 SERVICES

20 \* \* \*

21 (f) The Commissioner of Buildings and General Services may also:

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(4) receive, warehouse, manage, and distribute all State property and commodities, except alcoholic beverages purchased by the ~~Liquor Control~~ Board of Liquor and Lottery; and all surplus federal property and commodities;

\* \* \*

(i) Notwithstanding subsection (a) of this section, all alcoholic beverages sold by the ~~Liquor Control~~ Board of Liquor and Lottery shall be purchased by the Board as set forth in 7 V.S.A. §§ 104 and 107.

Sec. 89. REPEALS

31 V.S.A. §§ 651 (State Lottery Commission), 652 (organization), and 653 (compensation) are repealed.

Sec. 90. 31 V.S.A. § 654 is redesignated and amended to read:

§ ~~654~~ 651. POWERS AND DUTIES OF BOARD OF LIQUOR AND LOTTERY

The ~~Commission~~ Board of Liquor and Lottery shall adopt rules pursuant to 3 V.S.A. chapter 25, governing the establishment and operation of the State Lottery. The rules may include the following:

\* \* \*

(7) Lottery product sales locations, which may include State agency liquor stores; private business establishments, except establishments holding first- or first- and third-class licenses pursuant to Title 7; fraternal, religious,

1 and volunteer organizations; town clerks' offices; and State fairs, race tracks,  
2 and other sporting arenas.

3 \* \* \*

4 (11) Apportionment of total revenues, within limits hereinafter  
5 specified, accruing to the State Lottery Fund among:

6 (A) the payment of prizes to winning ticket holders;

7 (B) the payment of all costs incurred in the creation, operation, and  
8 administration of the ~~lottery~~ State Lottery, including compensation of the  
9 ~~Commission Board, Director~~ Commissioner of Liquor and Lottery, employees  
10 of the Department of Liquor and Lottery, consultants, and contractors; and  
11 other necessary expenses;

12 (C) the repayment of monies advanced to the State Lottery Fund for  
13 initial funding of the ~~lottery~~ State Lottery;

14 \* \* \*

15 Sec. 91. 31 V.S.A. § 654a is redesignated and amended to read:

16 § ~~654a~~ 652. MULTIJURISDICTIONAL LOTTERY GAME GAMES

17 (a)(1) In addition to the Tri-State Lotto Compact provided for in  
18 subchapter 2 of this chapter, and the other authority to operate lotteries  
19 contained in this chapter, the ~~Commission Board of Liquor and Lottery~~ is  
20 authorized to negotiate and contract with ~~up to~~ not more than four  
21 multijurisdictional lotteries to offer and provide multijurisdictional lottery

1 games. The ~~Commission~~ Board may join any multijurisdictional lottery that  
2 provides indemnification for its standing committee members, officers,  
3 directors, employees, and agents.

4 (2)(A) The ~~Commission~~ Board shall adopt rules under 3 V.S.A.  
5 chapter 25 procedures pursuant to 3 V.S.A. § 835 to govern the establishment  
6 and operation of any multijurisdictional lottery game authorized by this  
7 section. For each procedure proposed to be adopted or amended pursuant to  
8 this section, the Board shall publish the proposal on the Department of Liquor  
9 and Lottery's website, provide notice of the proposal to all persons licensed to  
10 sell lottery tickets, provide not less than 30 days for public comment on the  
11 proposal, and hold not less than two public hearings at which members of the  
12 public may seek additional information or submit oral or written comments on  
13 the proposal.

14 (B) The Board of Liquor and Lottery shall not be required to initiate  
15 rulemaking pursuant to 3 V.S.A. § 831(c) in relation to a procedure adopted  
16 pursuant to this section.

17 (C) A procedure adopted pursuant to this section shall have the force  
18 of law and be binding on all persons who play or sell the multijurisdictional  
19 lottery game.

20 \* \* \*

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~~ Board of Liquor and Lottery  
5 shall be responsible for implementing ~~such~~ the provisions under this section,  
6 rather than the Tri-State Lotto Commission.

7 Sec. 92. ADOPTION OF PROCEDURES; REPEAL OF RULES

8 On or before September 15, 2018, the Board of Liquor and Lottery shall  
9 adopt procedures governing the operation of all multijurisdictional lottery  
10 games offered pursuant to 31 V.S.A. § 654a. Upon the adoption of procedures  
11 governing the operation of a multijurisdictional lottery game, any rules adopted  
12 pursuant to 3 V.S.A. chapter 25 in relation to that game shall be deemed to be  
13 repealed.

14 Sec. 93. 31 V.S.A. § 655 is redesignated and amended to read:

15 § ~~655~~ 653. LICENSE FEES

16 A license fee shall be charged for each sales license granted to a person for  
17 the purpose of selling lottery tickets at the time the person is first granted a  
18 license. The fee shall be fixed by the ~~Commission~~ Board of Liquor and  
19 Lottery, but no license fee in excess of \$50.00 may be charged.

1 Sec. 94. 31 V.S.A. § 656 is redesignated and amended to read:

2 § ~~656~~ 654. INTERSTATE LOTTERY; CONSULTANT; MANAGEMENT

3 (a) The ~~Commission~~ Board of Liquor and Lottery may develop and operate  
4 a lottery or the State may enter into a contractual agreement with another state  
5 or states to provide for the operation of the ~~lottery~~ Lottery. Approval of the  
6 Joint Fiscal Committee and the Governor shall be required for such contractual  
7 agreements with other states.

8 (b) If no interstate contract is entered into, the ~~Commission~~ Board shall  
9 obtain the service of an experienced lottery design and implementation  
10 consultant. The fee for the consultant may be fixed or may be based upon a  
11 percentage of gross receipts realized from the ~~lottery~~ Lottery.

12 (c) The ~~Commission~~ Board may enter into a facilities management type of  
13 agreement for operation of the ~~lottery~~ Lottery by a third party.

14 Sec. 95. 31 V.S.A. § 657 is redesignated and amended to read:

15 § ~~657~~ 655. ~~DIRECTOR AND DUTIES OF THE COMMISSIONER~~

16 (a) The State Lottery shall be under the immediate supervision and  
17 direction of a ~~Lottery Director~~ the Commissioner of Liquor and Lottery. ~~The~~  
18 ~~Director shall devote his or her entire time and attention to the duties of his or~~  
19 ~~her office and shall not be engaged in any other profession or occupation. The~~  
20 ~~Office of Director of the State Lottery is an executive position and shall not be~~

1 ~~included in the plan of classification of State employees, notwithstanding~~  
2 ~~3 V.S.A. § 310(a).~~

3 (b) The ~~Director~~ Commissioner shall:

4 (1) ~~supervise~~ Supervise and administer the operation of the ~~lottery~~  
5 Lottery within the rules adopted by the ~~Commission;~~ Board of Liquor and  
6 Lottery.

7 (2) ~~subject~~ Subject to the approval of the ~~Commission~~ Board, enter into  
8 ~~such contracts as may be required~~ necessary for the proper creation,  
9 administration, operation, modification, and promotion of the ~~lottery~~ State  
10 Lottery or any part thereof of the Lottery. These contracts shall not be  
11 assignable;.

12 (3) ~~license~~ License sales agents and suspend or revoke any license in  
13 accordance with the provisions of this chapter and the rules of the  
14 ~~Commission;~~ Board.

15 (4) ~~act~~ Act as Secretary to the ~~Commission~~ Board, but as a nonvoting  
16 member of the ~~Commission;~~ Board.

17 (5) ~~employ such~~ Employ professional and secretarial staff as ~~may be~~  
18 ~~required~~ necessary to carry out the functions of the ~~Commission~~ Division of  
19 the Lottery. 3 V.S.A. chapter 13 shall apply to employees of the ~~Commission;~~  
20 ~~and~~ Division.



1           (6) ~~annually~~ Anually prepare a budget and submit it to the ~~Commission~~  
2 Board.

3           Sec. 96. 31 V.S.A. § 658 is redesignated and amended to read:

4           § ~~658~~ 656. STATE LOTTERY FUND

5           (a) There is hereby created in the State Treasury a separate fund to be  
6 known as the State Lottery Fund. ~~This fund~~ The Fund shall consist of all  
7 revenues received from the Treasurer for initial funding, from sale of lottery  
8 tickets, from license fees, and from all other money credited or transferred  
9 from any other fund or source pursuant to law. The monies in the State Lottery  
10 Fund shall be disbursed pursuant to subdivision ~~654(11)~~ 651(11) of this title,  
11 and shall be disbursed by the Treasurer on warrants issued by the  
12 Commissioner of Finance and Management, when authorized by the  
13 Commissioner of Liquor and Lottery Director and approved by the  
14 Commissioner of Finance and Management.

15           (b) Expenditures for administrative and overhead expenses of the operation  
16 of the ~~lottery~~ State Lottery, except agent and bank commissions, shall be paid  
17 from ~~lottery~~ Lottery receipts from an appropriation authorized for that purpose.  
18 Agent commissions shall be set by the ~~Lottery Commission~~ Board of Liquor  
19 and Lottery and ~~may~~ shall not exceed 6.25 percent of gross receipts and bank  
20 commissions ~~may~~ shall not exceed ~~1~~ one percent of gross receipts. Once the  
21 draw game results become official, the payment of any commission on any

1 draw game ticket that wins at least \$10,000.00 shall be made through the  
2 normal course of processing payments to lottery agents, regardless of whether  
3 the winning ticket is claimed.

4 (c) ~~No~~ Not less than 50 percent of gross receipts shall be paid out as prizes.

5 (d) Annuities for lottery winners shall be purchased by the State Treasurer.

6 The State Treasurer shall make all investments of State Lottery Fund monies.

7 Sec. 97. 31 V.S.A. § 659 is redesignated and amended to read:

8 § ~~659~~ 657. REPORT OF THE COMMISSION BOARD

9 The ~~Commission~~ Board of Liquor and Lottery shall make an annual report  
10 to the Governor and to the General Assembly on or before the 10th day of  
11 January in each year, ~~including therein~~. The report shall include an account of  
12 ~~it's~~ the Board's actions; and the receipts derived under the provisions of this  
13 chapter, the practical effects of the application ~~thereof~~ of the proceeds of the  
14 Lottery, and any recommendation for legislation ~~which that~~ the Commission  
15 Board deems advisable.

16 Sec. 98. 31 V.S.A. § 660 is redesignated and amended to read:

17 § ~~660~~ 658. POST-AUDITS POSTAUDITS

18 All ~~lottery~~ State Lottery accounts and transactions of the ~~Lottery~~  
19 ~~Commission~~ Board of Liquor and Lottery shall be subject to annual ~~post-audits~~  
20 postaudits conducted by independent auditors retained by the ~~Commission~~

1 Board for this purpose. The ~~Commission~~ Board may order ~~such~~ other audits as  
2 it deems necessary and desirable.

3 Sec. 99. 31 V.S.A. § 661 is redesignated and amended to read:

4 § ~~661~~ 659. SALES AND PURCHASE OF LOTTERY TICKETS

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

7 \* \* \*

8 (4) No member of the ~~Commission~~ Board of Liquor and Lottery or  
9 employee of the ~~Commission~~ Department of Liquor and Lottery, or ~~members~~  
10 member of their his or her immediate household, may claim or receive prize  
11 money ~~hereunder~~ under this chapter.

12 Sec. 100. 31 V.S.A. § 662 is redesignated to read:

13 § ~~662~~ 660. UNCLAIMED PRIZE MONEY

14 Sec. 101. 31 V.S.A. § 663 is redesignated to read:

15 § ~~663~~ 661. STATE GAMING LAWS INAPPLICABLE AS TO LOTTERY

16 Sec. 102. 31 V.S.A. § 665 is redesignated to read:

17 § ~~665~~ 662. PENALTIES

18 Sec. 103. 31 V.S.A. § 666 is redesignated to read:

19 § ~~666~~ 663. PUBLICATION OF ODDS

1 Sec. 104. 31 V.S.A. § 667 is redesignated and amended to read:

2 § ~~667~~ 664. FISCAL COMMITTEE REVIEW

3 \* \* \*

4 (b) This section shall not apply in the event the ~~Commission~~ Board of  
5 Liquor and Lottery enters into a facilities management agreement pursuant to  
6 the provisions of subsection ~~656(e)~~ 654(c) of this title.

7 Sec. 105. 31 V.S.A. § 674 is amended to read:

8 § 674. PROCEDURES AND CONDITIONS GOVERNING THE  
9 TRI-STATE LOTTERY-ARTICLE II

10 \* \* \*

11 Q. The Vermont Board of Liquor and Lottery ~~Commission~~ shall be  
12 immune from:

13 \* \* \*

14 Sec. 106. 3 V.S.A. § 212 is amended to read:

15 § 212. DEPARTMENTS CREATED

16 The following administrative departments are hereby created, through the  
17 instrumentality of which the Governor, under the Constitution, shall exercise  
18 such functions as are by law assigned to each department respectively:

19 \* \* \*

20 (14) The Department of Liquor ~~Control~~ and Lottery

21 \* \* \*

1 Sec. 107. 32 V.S.A. § 1010 is amended to read:

2 § 1010. MEMBERS OF CERTAIN BOARDS

3 (a) Except for those members serving ex officio or otherwise regularly  
4 employed by the State, the compensation of the members of the following  
5 Boards shall be \$50.00 per diem:

6 \* \* \*

7 (7) ~~Liquor Control Board~~ Board of Liquor and Lottery

8 \* \* \*

9 Sec. 108. BOARD OF LIQUOR AND LOTTERY; DEPARTMENT OF  
10 LIQUOR AND LOTTERY; POWERS AND DUTIES

11 On July 1, 2018:

12 (1)(A) The Board of Liquor and Lottery shall assume all the powers,  
13 duties, rights, and responsibilities of the Liquor Control Board and the Lottery  
14 Commission.

15 (B) The rules of the Liquor Control Board and the Lottery  
16 Commission in effect on July 1, 2018 shall be the rules of the Board of Liquor  
17 and Lottery until they are amended or repealed.

18 (2)(A) The Department of Liquor and Lottery shall assume all the  
19 powers, duties, rights, and responsibilities of the Department of Liquor Control  
20 and the State Lottery.

1           (B) All positions and appropriations of the Department of Liquor  
2           Control and the State Lottery shall be transferred to the Department of Liquor  
3           and Lottery.

4           (3)(A) The Commissioner of Liquor Control shall become the  
5           Commissioner of Liquor and Lottery.

6           (B) The Commissioner of Liquor and Lottery shall assume all the  
7           powers, duties, rights, and responsibilities of the Commissioner of Liquor  
8           Control and the Director of the State Lottery.

9           Sec. 109. LEGISLATIVE COUNCIL; PREPARATION OF A DRAFT BILL

10           On or before January 15, 2019, the Office of Legislative Council shall  
11           prepare and submit a draft bill to the House Committees on General, Housing,  
12           and Military Affairs and on Government Operations and the Senate  
13           Committees on Economic Development, Housing and General Affairs and on  
14           Government Operations that makes statutory amendments of a technical nature  
15           and identifies all statutory sections that the General Assembly may need to  
16           amend substantively to effect the intent of this act.

17           Sec. 110. COMMISSIONER OF LIQUOR AND LOTTERY; CURRENT  
18           TERM; APPOINTMENT OF SUCCESSOR

19           The Commissioner of Liquor and Lottery in office on July 1, 2018 shall be  
20           deemed to have commenced a four-year term pursuant to 7 V.S.A. § 106(a)(1)  
21           on February 1, 2016. The Commissioner shall serve until the end of the four-

1 year term or until a successor is appointed as provided pursuant to 7 V.S.A.  
2 § 106. Notwithstanding any provision of 3 V.S.A. § 2004 or 7 V.S.A. § 106(b)  
3 to the contrary, during this current term, the Governor may remove the  
4 Commissioner for cause after notice and a hearing.

5 Sec. 111. REPEAL

6 2016 Acts and Resolves No. 144, Sec. 20 is repealed.

7 Sec. 112. DEPARTMENT OF LIQUOR AND LOTTERY; ANNUAL  
8 REPORTS

9 The Commissioner of Liquor and Lottery and the Board of Liquor and  
10 Lottery shall report annually on or before January 15 of 2019, 2020, and 2021  
11 to the House Committees on Corrections and Institutions, on Government  
12 Operations, and on General, Housing, and Military Affairs and the Senate  
13 Committees on Economic Development, Housing and General Affairs, on  
14 Government Operations, and on Institutions regarding the Department of  
15 Liquor and Lottery's success in carrying out the functions of the former  
16 Department of Liquor Control and the State Lottery. The report shall  
17 specifically identify any improvements in efficiency and customer service  
18 levels, as well as any savings or additional costs, that have resulted from the  
19 merger of the two entities. The report shall also provide detailed information  
20 regarding the Department's progress with respect to securing a facility that will  
21 meet its office and warehouse needs. In addition, the report shall include any

1 recommendations for legislative action that may be necessary to effect the  
2 intent of this act.

3 Sec. 113. TRANSITION

4 (a)(1) The Commissioner of Liquor Control, in consultation with the  
5 Secretary of Administration, the Commissioner of Finance and Management,  
6 the Commissioner of Human Resources, the Director of the Lottery, the Liquor  
7 Control Board, and the Lottery Commission, shall take any action necessary to  
8 enable the merger of the Department of Liquor Control and the Liquor Control  
9 Board with the State Lottery and the Lottery Commission to form the  
10 Department of Liquor and Lottery and the Board of Liquor and Lottery on  
11 July 1, 2018.

12 (2) The Secretary of Administration, the Commissioner of Finance and  
13 Management, the Commissioner of Human Resources, the Director of the  
14 Lottery, the Liquor Control Board, and the Lottery Commission shall  
15 cooperate with the Commissioner and provide any necessary assistance to  
16 enable the merger of the Department of Liquor Control and the Liquor Control  
17 Board with the State Lottery and the Lottery Commission on July 1, 2018.

18 (b)(1) The Governor shall appoint, with the advice and consent of the  
19 Senate, five members from the Liquor Control Board and the Lottery  
20 Commission to form the Board of Liquor and Lottery on July 1, 2018.



1           (2) The Governor shall not appoint more than three members from either  
2           the Liquor Control Board or the Lottery Commission to serve on the Board of  
3           Liquor and Lottery.

4           (3) The Governor shall designate one of the appointees to serve as the  
5           Chair of the Board.

6           (4) Notwithstanding 7 V.S.A. § 101, the Governor shall designate two  
7           members of the Board whose terms shall expire on January 31, 2021 and three  
8           members whose terms shall expire on January 31, 2023.

9           Sec. 114. LOTTERY AGENT SALES PRACTICES; INTEGRITY;

10                   REVIEW; REPORT

11           (a) The Commissioner of Liquor and Lottery shall conduct a review of:

12                   (1) lottery prize winners by agency location to determine whether a  
13                   disproportionate number of winning tickets sold by each lottery agent was  
14                   purchased by the owner or of an employee of the agent, or by an immediate  
15                   family member of the owner or of an employee of the agent; and

16                   (2) the sales, fraud prevention, and security practices of each lottery  
17                   agent to determine whether those practices are sufficient to preserve the  
18                   integrity of the Lottery and to avoid the occurrence or appearance of  
19                   illegitimate winnings by the owner or an employee of the agent, or by an  
20                   immediate family member of the owner or an employee of the agent.

1        (b) On or before October 1, 2018, the Commissioner shall submit a written  
2        report on the findings of the review conducted pursuant to subsection (a) of  
3        this section to the Joint Fiscal Committee. The report shall include a  
4        recommendation regarding whether a lottery sales agent, the owner or  
5        employee of a sales agent, and the members of the immediate household of a  
6        sales agent or owner or employee of a sales agent should be prohibited from  
7        purchasing lottery tickets from the agent's licensed sales location.

8        Sec. 115. EFFECTIVE DATES

9        (a) This section and Secs. 108 and 113 shall take effect on passage.

10       (b) The remaining sections of this act shall take effect on July 1, 2018.