

1 H.571

2 Introduced by Representatives Stevens of Waterbury and Harrison of

3 Chittenden

4 Referred to Committee on

5 Date:

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

7 Control; lottery

8 Statement of purpose of bill as introduced: This bill proposes to merge the

9 Department of Liquor and the Liquor Control Board with the Vermont Lottery

10 and the Lottery Commission to create the Department of Liquor and Lottery

11 and the Board of Liquor and Lottery.

12 An act relating to creating the Department of Liquor and Lottery and the  
13 Board of Liquor and Lottery

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

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

16 § 2. DEFINITIONS

17 As used in this title:

18 \* \* \*

19 (3) “Board of Liquor and Lottery” means the board of control appointed

20 under the provisions of chapter 5 of this title.

1           ~~(3)~~(4) “Boat” means a vessel suitably equipped and operated for the  
2 transportation of passengers in interstate commerce.

3           ~~(4)~~(5) “Caterer’s license” means a license issued by the ~~Liquor Control~~  
4 Board of Liquor and Lottery authorizing the holder of a first-class license or  
5 first- and third-class licenses to serve alcoholic beverages at a function located  
6 on premises other than those occupied by a first-, first- and third-, or second-  
7 class licensee to sell alcoholic beverages.

8           ~~(5)~~(6) “Certificate of approval” means a license granted by the ~~Liquor~~  
9 ~~Control Board~~ of Liquor and Lottery to a manufacturer or distributor of malt  
10 beverages or vinous beverages, or both, that is not licensed under the  
11 provisions of this title, that permits the licensee to sell those beverages to  
12 holders of a packager’s or wholesale dealer’s license.

13           ~~(6)~~(7) “Club” means an unincorporated association or a corporation  
14 authorized to do business in this State, that has been in existence for at least  
15 two consecutive years prior to the date of application for a license under this  
16 title and owns, hires, or leases a building or space in a building that is suitable  
17 and adequate for the reasonable and comfortable use and accommodation of its  
18 members and their guests and contains suitable and adequate kitchen and  
19 dining room space and equipment implements and facilities. A bona fide  
20 unincorporated association or corporation whose officers and members consist  
21 solely of veterans of the U.S. Armed Forces or a subordinate lodge or local

1 chapter of any national fraternal order, and ~~which~~ that fulfills all requirements  
2 of section 229 of this title, except that it has not been in existence for at least  
3 two years, shall come within the terms of this definition six months after the  
4 completion of its organization.

5 ~~(7)~~(8) “Commercial catering license” means a license granted by the  
6 ~~Liquor Control Board~~ of Liquor and Lottery permitting a business licensed by  
7 the Department of Health as a commercial caterer and having a commercial  
8 kitchen facility in the home or place of business to sell alcoholic beverages at a  
9 function previously approved by the local control commissioners.

10 ~~(8)~~(9) “Commissioner of ~~Liquor Control~~ and Lottery” means the  
11 executive officer of the ~~Liquor Control Board~~ of Liquor and Lottery appointed  
12 under the provisions of chapter 5 of this title.

13 ~~(9)~~(10) “Control commissioners” means the commissioners of a  
14 municipality appointed under section 166 of this title.

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

16 ~~(10)~~(12) “Destination resort master license” means a license granted by  
17 the ~~Liquor Control Board~~ of Liquor and Lottery pursuant to section 242 of this  
18 title permitting a destination resort to designate licensed caterers and  
19 commercial caterers that will be permitted to cater individual events within the  
20 boundaries of the resort without being required to obtain a request-to-cater  
21 permit for each individual event. For purposes of a destination resort master

1 license, a “destination resort” is a resort that contains at least 100 acres of land,  
2 offers at least 50 units of sleeping accommodations, offers meal and beverage  
3 service to the public for consideration, and has related sports and recreational  
4 facilities for the convenience or enjoyment of its guests. “Destination resort”  
5 does not include the University of Vermont, the Vermont State Colleges, or  
6 any other university, college, or postsecondary school.

7 ~~(11)~~(13) “Dining car” means a railroad car on which meals are prepared  
8 and served.

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

11 ~~(12)~~(15) “Festival permit” means a permit granted by the ~~Department~~  
12 Division of Liquor Control permitting a person to conduct an event at which  
13 malt or vinous beverages, or both, are sold by the glass to the public, provided  
14 the event is approved by the local control commissioners.

15 ~~(13)~~(16) “First-class license” means a license permitting the licensee to  
16 sell malt or vinous beverages to the public for consumption only on the  
17 premises for which the license is granted.

18 ~~(14)~~(17) “Fortified wine permit” means a permit granted to a second-  
19 class licensee that permits the licensee to export and sell fortified wines to the  
20 public for consumption off the licensed premises.

21 ~~(15)~~(18) “Fortified wines” ~~mean~~ means vinous beverages, including

1 those to which spirits have been added during manufacture, containing at least  
2 16 percent alcohol but ~~no~~ not more than 23 percent alcohol by volume at 60  
3 degrees Fahrenheit, and all vermouths containing ~~no~~ not more than 23 percent  
4 alcohol by volume at 60 degrees Fahrenheit.

5 ~~(16)~~(19) “Fourth-class license” means a license permitting a licensed  
6 manufacturer or rectifier to sell by the unopened container and distribute by  
7 the glass, with or without charge, beverages manufactured by the licensee.

8 ~~(17)~~(20) “Home-fermented beverages” means malt or vinous beverages  
9 produced at home and not for sale.

10 ~~(18)~~(21) “Hotel” has the same meaning as in 32 V.S.A. § 9202(3) and as  
11 determined by the ~~Liquor Control Board~~ of Liquor and Lottery.

12 ~~(19)~~(22) “Industrial alcohol distributor’s license” means a license  
13 granted by the ~~Liquor Control Board~~ of Liquor and Lottery that allows holders  
14 to sell pure ethyl or grain alcohol of at least 190 proof in quantities of five  
15 gallons or more directly to manufacturers, industrial users, hospitals, druggists,  
16 and institutions of learning.

17 ~~(20)~~(23) “Keg” means a reusable container capable of holding at least  
18 five gallons of malt beverage or at least two-and-one-half gallons of vinous  
19 beverage.

20 ~~(21)~~(24) “Legal age” means 21 years of age or older.

21 ~~(22)~~ “~~Liquor Control Board~~” means ~~the board of control appointed~~

1 under the provisions of chapter 5 of this title.

2 (23)(25) “Malt beverages” means all fermented beverages of any name  
3 or description manufactured for sale from malt, wholly or in part, or from any  
4 substitute therefor, known as, among other things, beer, ale, or lager,  
5 containing not less than one percent nor more than 16 percent of alcohol by  
6 volume at 60 degrees Fahrenheit.

7 (24)(26) “Manufacturer’s or rectifier’s license” means a license granted  
8 by the ~~Liquor Control Board~~ of Liquor and Lottery that permits the holder to  
9 manufacture or rectify malt beverages, vinous beverages and fortified wines,  
10 or spirits and fortified wines.

11 (25)(27) “Minor” means an individual who has not attained 21 years  
12 of age.

13 (26)(28) “Outside consumption permit” means a permit granted by the  
14 ~~Department~~ Division of Liquor Control allowing the holder of a first-class,  
15 first- and third-class, or fourth-class license to allow for consumption of  
16 alcoholic beverages in a delineated outside area.

17 (27)(29) “Packager’s license” means a license granted by the ~~Liquor~~  
18 ~~Control Board~~ of Liquor and Lottery permitting a person to bottle or otherwise  
19 package alcoholic beverages for sale and to distribute and sell alcoholic  
20 beverages at wholesale in this State.

21 (28)(30) “Person,” as applied to licensees, means an individual who is a

1 citizen or a lawful permanent resident of the United States; a partnership  
2 composed of individuals, a majority of whom are citizens or lawful permanent  
3 residents of the United States; a corporation organized under the laws of this  
4 State or another state in which a majority of the directors are citizens or lawful  
5 permanent residents of the United States; or a limited liability company  
6 organized under the laws of this State or another state in which a majority of  
7 the members or managers are citizens or lawful permanent residents of the  
8 United States.

9 ~~(29)~~(31) “~~Request to cater~~ Request-to-cater permit” means a permit  
10 granted by the ~~Department~~ Division of Liquor Control authorizing a licensed  
11 caterer or commercial caterer to cater individual events.

12 ~~(30)~~(32) “Retail dealer” means any person who sells or furnishes malt  
13 or vinous beverages to the public.

14 ~~(31)~~(33) “Retail delivery permit” means a permit granted by the  
15 ~~Department~~ Division of Liquor Control that permits a second-class licensee to  
16 deliver malt beverages or vinous beverages sold from the licensed premises for  
17 consumption off the premises to an individual who is at least 21 years of age  
18 or older at a physical address in Vermont.

19 ~~(32)~~(34) “Sampler flight” means a flight, ski, paddle, or any similar  
20 device by design or name intended to hold alcoholic beverage samples for the  
21 purpose of comparison.

1           ~~(33)~~(35) “Second-class license” means a license permitting the licensee  
2 to export malt beverages or vinous beverages and to sell malt beverages or  
3 vinous beverages to the public for consumption off the premises for which the  
4 license is granted.

5           ~~(34)~~(36) “Special event permit” means a permit granted by the  
6 ~~Department~~ Division of Liquor Control permitting a licensed manufacturer or  
7 rectifier to sell, by the glass or by the unopened bottle, alcoholic beverages  
8 manufactured or rectified by the license holder at an event open to the public  
9 that has been approved by the local control commissioners.

10           ~~(35)~~(37) “Special venue serving permit” means a permit granted by the  
11 ~~Department~~ Division of Liquor Control permitting an art gallery, bookstore,  
12 public library, or museum to conduct an event at which malt or vinous  
13 beverages, or both, are served by the glass to the public. As used in this  
14 section, “art gallery” means a fixed establishment whose primary purpose is to  
15 exhibit or offer for sale works of art; “bookstore” means a fixed establishment  
16 whose primary purpose is to offer books for sale; “public library” has the same  
17 meaning as in 22 V.S.A. § 101; and “museum” has the same meaning as in  
18 27 V.S.A. § 1151.

19           ~~(36)~~(38) “Specialty beer” means a malt beverage that contains more  
20 than eight percent alcohol and not more than 16 percent alcohol by volume at  
21 60 degrees Fahrenheit.



1           (37)(39) “Spirits” means beverages that contain more than one percent  
2           of alcohol obtained by distillation, by chemical synthesis, or through  
3           concentration by freezing; vinous beverages containing more than 23 percent  
4           of alcohol; and malt beverages containing more than 16 percent of alcohol by  
5           volume at 60 degrees Fahrenheit.

6           (38)(40) “Third-class license” means a license granted by the ~~Liquor~~  
7           ~~Control Board of~~ Liquor and Lottery permitting the licensee to sell spirits and  
8           fortified wines for consumption only on the premises for which the license is  
9           granted.

10           (39)(41) “Vinous beverages” means all fermented beverages of any  
11           name or description manufactured or obtained for sale from the natural sugar  
12           content of fruits or other agricultural product, containing sugar, the alcoholic  
13           content of which is not less than one percent nor more than 16 percent by  
14           volume at 60 degrees Fahrenheit.

15           (40)(42) “Wholesale dealer’s license” means a license granted by the  
16           ~~Liquor Control Board of~~ Liquor and Lottery permitting the holder to sell or  
17           distribute malt or vinous beverages to first- and second-class licensees, to  
18           educational sampling event permit holders, and to agencies of the United  
19           States.

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

21           § 5. ~~DEPARTMENT~~ DIVISION OF LIQUOR CONTROL; RAFFLES FOR

1 RIGHT TO PURCHASE RARE AND UNUSUAL PRODUCTS

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

7 \* \* \*

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

11 \* \* \*

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

13 § 61. RESTRICTIONS; EXCEPTIONS

14 \* \* \*

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

17 \* \* \*

18 (3) the furnishing, purchase, sale, barter, transportation, importation,  
19 exportation, delivery, prescription, or possession of alcohol for manufacturing,  
20 mechanical, medicinal, and scientific purposes, provided that it is done in  
21 accordance with the rules of the ~~Liquor Control Board~~ of Liquor and Lottery

1 and licenses and permits issued by the Board of Liquor and Lottery or  
2 ~~Department~~ Division of Liquor Control as provided in this title.

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

4 § 62. HOURS OF SALE

5 \* \* \*

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

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

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

13 (a)(1) All spirits and fortified wines imported or transported into this State  
14 shall be imported or transported by and through the ~~Liquor Control~~ Board of  
15 Liquor and Lottery. A person importing or transporting or causing to be  
16 imported or transported into this State any spirits or fortified wines, or both, in  
17 violation of this section shall be imprisoned not more than one year or fined  
18 not more than \$1,000.00, or both.

19 \* \* \*

20 (b)(1) Except as provided in sections 277, 278, and 283 of this title, all  
21 malt or vinous beverages, or both, imported or transported into this State shall

1 be imported or transported by and through the holder of a wholesale dealer's  
2 license issued by the ~~Liquor Control Board~~ of Liquor and Lottery. A person  
3 importing or transporting or causing to be imported or transported into this  
4 State any malt or vinous beverages, or both, in violation of this section shall be  
5 imprisoned not more than one year or fined not more than \$1,000.00, or both.

6 \* \* \*

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

8 § 64. SALE OF MALT BEVERAGES AND VINOUS BEVERAGES IN  
9 KEGS

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

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

17 \* \* \*

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

19 § 66. HOME-FERMENTED MALT AND VINOUS BEVERAGES;  
20 TASTING EVENT

21 \* \* \*

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

5 (1) The sponsor provides written notice of the event to the ~~Department~~  
6 Division not later than 10 days prior to the date of the event. The notice  
7 shall include a description of the delineated area in which the tastings will be  
8 offered, and in the case of a competition, the names of the judges hired by the  
9 sponsor.

10 \* \* \*

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

13 \* \* \*

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

15 CHAPTER 5. DEPARTMENT OF LIQUOR CONTROL AND LOTTERY

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

17 § 101. COMPOSITION OF DEPARTMENT; COMMISSIONER OF

18 LIQUOR CONTROL AND LOTTERY; LIQUOR CONTROL

19 BOARD OF LIQUOR AND LOTTERY

20 (a)(1) The Department of Liquor Control and Lottery, created by 3 V.S.A.

21 § 212, shall administer the laws relating to alcoholic beverages, tobacco, and

1 the State Lottery. It shall include the Commissioner of Liquor Control and  
2 Lottery and the Liquor Control Board of Liquor and Lottery.

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

6 (3)(A) The Department of Liquor and Lottery shall be under the  
7 immediate supervision and direction of the Commissioner of Liquor and  
8 Lottery.

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

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

15 (D) The Commissioner, with the approval of the Governor, may  
16 appoint a Deputy Commissioner of Liquor Control to supervise and direct the  
17 Division of Liquor Control and a Deputy Commissioner of the State Lottery to  
18 supervise and direct the Division of Lottery. Both Deputy Commissioners  
19 shall be exempt from the classified service and shall serve at the pleasure of  
20 the Commissioner.

21 ~~(b)(1) The Liquor Control Board of Liquor and Lottery shall consist of five~~

1 ~~persons, not more than three members of which the Chair and four regular~~  
2 ~~members. Not all members of the Board shall belong to the same political~~  
3 ~~party.~~

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

4 (2)(A) With the advice and consent of the Senate, the Governor shall  
5 appoint the members of the Board for staggered ~~five-year~~ three-year terms.

6 \* \* \*

7 ~~(4) The Governor shall biennially designate a member of the Board to~~  
8 ~~be its Chair. The Chair shall have general charge of the offices and employees~~  
9 ~~of the Board.~~

*(4) The Governor shall ~~biennially~~ designate a member of the Board to  
be its Chair. The Chair shall have general charge of the offices and employees  
of the Board.*

10 (c) No member of the Board shall have a financial interest in any licensee  
11 under this title or 31 V.S.A. chapter 14, nor shall any member of the Board  
12 have a financial interest in any contract awarded by the Board or the  
13 Department of Liquor and Lottery.

14 (d) The Governor shall annually submit a budget for the Department to the  
15 General Assembly.

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~~ 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  
16 ~~Liquor Control Board of~~ Liquor and Lottery a Commissioner of Liquor  
17 ~~Control and 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  
21 wines.

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\* \* \*

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

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

\* \* \*

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

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

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

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

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

1           LIQUOR AND LOTTERY

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

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

7           § 110. SPECIAL BRANDS; PURCHASE BY COMMISSIONER OF  
8                   LIQUOR CONTROL AND LOTTERY

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

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

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

18          (a) If a proposed sale of real estate or a business in which a local agency  
19          store is located is contingent on the transfer of the agency store's contract with  
20          the Board to the buyer, the seller and buyer may, prior to completing the sale,  
21          submit to the ~~Department~~ Division a request to approve the transfer of the

1 agency store's contract to the buyer. The request shall be accompanied by any  
2 information required by the ~~Department~~ Division.

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

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

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

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

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

15 § 112. LIQUOR CONTROL ENTERPRISE FUND

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

1 to time appropriated to the ~~Department~~ Division of Liquor Control.

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

3 § 113. ADMINISTRATION OF DEPARTMENT; APPORTIONMENT OF  
4 COSTS

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

11 Sec. 21. USE OF DEPARTMENTAL ADMINISTRATIVE RESOURCES;  
12 APPORTIONMENT OF COSTS; REPORT

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

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

19 § 162. REPORT

20 After any annual town meeting in which a town votes on the questions set  
21 forth in section 161 of this title, the town clerk shall report promptly the results

1 of the vote to the ~~Liquor Control Board~~ of Liquor and Lottery, upon forms  
2 furnished by the Board.

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

4 § 167. DUTIES OF LOCAL CONTROL COMMISSIONERS

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

11 \* \* \*

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

13 § 201. LICENSES CONTINGENT ON TOWN VOTE

14 Licenses of the first or second class shall not be granted by the control  
15 commissioners or the ~~Liquor Control Board~~ of Liquor and Lottery to be  
16 exercised in any city or town, the voters of which vote “No” on the question of  
17 whether to permit the sale of malt beverages and vinous beverages pursuant to  
18 section 161 of this title. Licenses of the third class shall not be granted by the  
19 ~~Liquor Control Board~~ of Liquor and Lottery to be exercised in any city or  
20 town, the voters of which vote “No” on the question of whether to sell fortified  
21 wines and spirits pursuant to section 161 of this title.

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

2 § 202. LICENSES TO ENFORCEMENT OFFICER OR CONTROL

3 COMMISSIONER; EXCEPTIONS

4 \* \* \*

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

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

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

18 § 203. RESTRICTIONS; FINANCIAL INTERESTS; EMPLOYEES

19 (a)(1) Except as provided in section 271 of this title, a packager,  
20 manufacturer, or rectifier licensed in Vermont or in another state, a certificate  
21 of approval holder, or a wholesale dealer shall not have any financial interest



1 in the business of a first-, second-, or third-class licensee, and a first-, second-,  
2 or third-class licensee ~~may~~ shall not have any financial interest in the business  
3 of a packager, manufacturer, or rectifier licensed in Vermont or in another  
4 state, a certificate of approval holder, or a wholesale dealer.

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

21 \* \* \*

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

2 § 204. APPLICATION AND RENEWAL FEES FOR LICENSES AND  
3 PERMITS; DISPOSITION OF FEES

4 \* \* \*

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

9 \* \* \*

10 (2) First- and second-class license fees: At least 50 percent of first-class  
11 and second-class license fees shall go to the respective municipalities in which  
12 the licensed premises are located, and the remaining percentage of those fees  
13 shall go to the Liquor Control Enterprise Fund. A municipality may retain  
14 more than 50 percent of the fees that the municipality collected for first- and  
15 second-class licenses to the extent that the municipality has assumed  
16 responsibility for enforcement of those licenses pursuant to a contract with the  
17 ~~Department~~ Division. The ~~Liquor Control Board~~ of Liquor and Lottery shall  
18 adopt rules regarding contracts entered into pursuant to this subdivision.

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

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

21 \* \* \*

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

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

4 \* \* \*

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

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

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

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

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

13 § 206. DISPOSAL OF FEES

14 The control commissioners shall collect all fees for first- and second-class  
15 licenses and shall pay the fees to the ~~Department~~ Division and the city and  
16 town treasurers of the respective cities and towns where the fees are collected  
17 as provided in subsection 204(b) of this chapter. The portion of each fee paid  
18 to the city or town may be used as it may direct, less a fee of \$5.00 to be  
19 retained by the city or town clerk as a fee for issuing and recording the license.  
20 Except as otherwise provided in sections 274 and 275 of this title, fees for all  
21 other licenses shall be paid to the ~~Liquor Control Board~~ Board of Liquor and Lottery.

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

2 § 207. CHANGE OF LOCATION

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

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

8 § 209. BANKRUPTCY, DEATH, AND REVOCATION

9 \* \* \*

10 (d)(1) The holder of a manufacturer's or rectifier's license may pledge or  
11 mortgage alcoholic beverages manufactured or rectified by the licensee and the  
12 pledgee or mortgagee may retain possession of the alcoholic beverages and, if  
13 the licensee defaults, may sell and dispose of the alcoholic beverages to  
14 persons to whom the licensee might lawfully sell the alcoholic beverages,  
15 subject to the same restrictions and regulations as the licensee, and to any  
16 further restriction or rules prescribed by the ~~Liquor Control Board of~~ Liquor  
17 and Lottery with respect to advance notice to it of the sale and determination  
18 by it of the persons entitled to buy and the manner of the sale.

19 (2) Any sale pursuant to a default on a pledge or mortgage shall not be  
20 at public auction as required with respect to similar sales of other property, but  
21 shall be upon not less than ten days' notice to the pledgor or mortgagor and for

1 the highest amount ~~which~~ that may be offered pursuant to the rules of the  
2 ~~Liquor Control Board~~ Board of Liquor and Lottery.

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

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

5 ADMINISTRATIVE PENALTY

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

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

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

20 \* \* \*

21 (b)(1) As an alternative to and in lieu of the authority to suspend or revoke

1 any permit or license, the ~~Liquor Control~~ Board of Liquor and Lottery shall  
2 also have the power to impose an administrative penalty of up to \$2,500.00 per  
3 violation against a holder of a wholesale dealer's license or a holder of a first-,  
4 second-, or third-class license for a violation of the conditions of the license or  
5 of this title or of any rule adopted by the Board.

6 \* \* \*

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

10 \* \* \*

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

12 § 211. HEARING OFFICER

13 (a) The Chair of the ~~Liquor Control~~ Board of Liquor and Lottery may  
14 appoint a hearing officer to conduct hearings pursuant to section 210 of this  
15 title. A hearing officer may be a member of the Board appointed under section  
16 210 of this title.

17 \* \* \*

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

19 § 212. COMPLAINTS AND PROSECUTIONS

20 The Commissioner of Liquor ~~Control~~ and Lottery or the local control  
21 commissioners shall make complaint to the State's Attorney or town grand

1 juror of any unlawful furnishing, selling, or keeping for sale of alcohol or  
2 alcoholic beverages, and provide evidence in support of the complaint to the  
3 State's Attorney or town grand juror, who shall prosecute for the alleged  
4 violation.

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

6 § 213. LICENSEE EDUCATION

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

16 (b)(1) Every holder of a first-class, second-class, third-class, fourth-class,  
17 or manufacturer's or rectifier's license, or common carrier certificate shall  
18 complete the ~~Department~~ Division of Liquor Control in-person licensee  
19 training seminar or the appropriate ~~Department~~ Division of Liquor Control  
20 online training program at least once every two years. A corporation,  
21 partnership, or association shall designate a director, partner, or manager who

1 shall comply with the terms of this subsection.

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

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

13 (2) A licensee may comply with this requirement by conducting its own  
14 training program on its premises, using information and materials furnished or  
15 approved by the ~~Department~~ Division of Liquor Control. A licensee who fails  
16 to comply with the requirements of this subsection shall be subject to a  
17 suspension of the license issued under this title for ~~no~~ not less than one day.

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

20 \* \* \*

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



1 § 214. PROOF OF FINANCIAL RESPONSIBILITY

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

17 \* \* \*

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

19 § 221. FIRST-CLASS LICENSES

20 (a)(1) With the approval of the ~~Liquor Control Board~~ of Liquor and  
21 Lottery, the control commissioners may grant a first-class license to a retail

1 dealer for the premises where the dealer carries on business if the retail dealer  
2 submits an application and pays the fee provided in section 204 of this title,  
3 and satisfies the Board that the premises:

4 \* \* \*

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

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

10 \* \* \*

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

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

16 \* \* \*

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

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\* \* \*

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

§ 222. SECOND-CLASS LICENSES

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

\* \* \*

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

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

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

\* \* \*

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

§ 223. THIRD-CLASS LICENSES

(a)(1) The ~~Liquor Control Board~~ of Liquor and Lottery may grant to a

1 person who operates a hotel, restaurant, club, boat, or railroad dining car, or  
2 who holds a manufacturer's or rectifier's license, a third-class license if the  
3 person files an application accompanied by the fee provided in section 204 of  
4 this title for the premises in which the business of the hotel, restaurant, or club  
5 is carried on or for the boat or railroad dining car.

6 \* \* \*

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

12 \* \* \*

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

14 § 224. FOURTH-CLASS LICENSES

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

18 \* \* \*

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

20 § 225. FORTIFIED WINE PERMITS

21 (a)(1) The ~~Department~~ Division of Liquor Control may grant a fortified

1 wine permit to a second-class licensee if the licensee files an application  
2 accompanied by the fee provided in section 204 of this title.

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

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

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

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

13 § 226. RETAIL DELIVERY PERMITS

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

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

21 (b) A retail delivery permit holder may deliver malt beverages or vinous

1 beverages sold from the licensed premises for consumption off the premises to  
2 an individual who is ~~at least~~ 21 years of age or older subject to the following  
3 requirements:

4 \* \* \*

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

9 \* \* \*

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

11 § 227. OUTSIDE CONSUMPTION PERMITS; FIRST-, THIRD-, AND  
12 FOURTH-CLASS LICENSEES

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

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

19 § 229. CLUBS

20 \* \* \*

21 (c)(1) Before May 1 of each year, each club shall file with the ~~Liquor~~

1 ~~Control Board~~ of Liquor and Lottery a list of the names and residences of its  
2 members and a list of its officers.

3 \* \* \*

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

9 \* \* \*

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

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

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

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

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

18 § 242. DESTINATION RESORT MASTER LICENSES

19 (a) The ~~Liquor Control Board~~ of Liquor and Lottery may grant a  
20 destination resort master license to a person that operates a destination resort if  
21 the applicant files an application with the ~~Liquor Control Board~~ of Liquor and

1 Lottery accompanied by the license fee provided in section 204 of this title. In  
2 addition to any information required pursuant to rules adopted by the Board,  
3 the application shall:

4 \* \* \*

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

8 (c) The holder of the destination resort master license shall, at least two  
9 days prior to the date of the event, provide the ~~Department~~ Division and local  
10 control commissioners with written notice of an event within the resort  
11 boundaries that will be catered pursuant to the master license. A licensed  
12 caterer or commercial caterer that is designated in the master license shall not  
13 be required to obtain a request-to-cater permit to cater an event occurring  
14 within the destination resort boundaries if the master licensee has provided the  
15 ~~Department~~ Division and local control commissioners with the required notice  
16 pursuant to this subsection.

17 \* \* \*

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

19 § 243. REQUEST-TO-CATER PERMIT

20 (a) The ~~Department~~ Division of Liquor Control may issue a request-to-  
21 cater permit to the holder of a caterer's license or commercial caterer's license



1 if the licensee:

2 \* \* \*

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

4 § 251. EDUCATIONAL SAMPLING EVENT PERMIT

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

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

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

9 application to the ~~Department~~ Division in a form required by the  
10 Commissioner that includes a list of the alcoholic beverages to be acquired for  
11 sampling at the event and is accompanied by the fee provided in section 204 of  
12 this title.

13 \* \* \*

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

15 § 252. SPECIAL EVENT PERMITS

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

20 \* \* \*

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

1 § 253. FESTIVAL PERMITS

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

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

5 (2) submitted a request for a festival permit to the ~~Department~~ Division  
6 in a form required by the Commissioner at least 15 days prior to the  
7 festival; and

8 \* \* \*

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

10 § 254. SPECIAL VENUE SERVING PERMITS

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

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

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

17 \* \* \*

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

19 § 255. RETAIL ALCOHOLIC BEVERAGE TASTING PERMITS

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

1 (b) of this section if:

2 \* \* \*

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

5 \* \* \*

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

7 § 256. PROMOTIONAL TASTINGS FOR LICENSEES

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

13 \* \* \*

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

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

21 \* \* \*

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

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

10 \* \* \*

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

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

15 § 258. PROMOTIONAL RAILROAD TASTING PERMIT

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

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

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

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

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

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

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

10 \* \* \*

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

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

15 \* \* \*

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

21 \* \* \*

1 (e) The ~~Liquor Control~~ Board of Liquor and Lottery may grant a licensed  
2 manufacturer of malt beverages a second-class license permitting the licensee  
3 to sell alcoholic beverages to the public anywhere on the manufacturer's  
4 premises.

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

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

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

14 § 272. PACKAGER'S LICENSE

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

17 \* \* \*

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

21 \* \* \*

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  
11 name and address of the vendor or employer to be represented by the  
12 applicant, and an agreement by the applicant to comply with the rules of the  
13 Board.

14 \* \* \*

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

19 \* \* \*

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



1 for other cause. A solicitor's license shall not be revoked until the license  
2 holder 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~~ Liquor and Lottery may grant an  
7 industrial alcohol distributor's license upon application and payment of the fee  
8 provided 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  
21 title accompanied by a copy of the licensee's current Vermont manufacturer's

1 license.

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

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

13 \* \* \*

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

17 \* \* \*

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

21 \* \* \*

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

2 § 278. VINOUS BEVERAGE RETAIL SHIPPING LICENSE

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

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

13 \* \* \*

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

16 \* \* \*

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

18 § 279. CONSUMER AND RETAIL SHIPPING LICENSES; GENERAL  
19 REQUIREMENTS

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

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\* \* \*

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

\* \* \*

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

\* \* \*

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

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

\* \* \*

(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:

1 § 280. COMMON CARRIERS; REQUIREMENTS

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

5 \* \* \*

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

7 § 281. PROHIBITIONS

8 \* \* \*

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

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

14 § 282. RULEMAKING

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

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

19 § 283. VINOUS BEVERAGE STORAGE AND SHIPPING LICENSE

20 (a) The ~~Liquor Control Board~~ of Liquor and Lottery may, pursuant to rules  
21 adopted by the Board, grant a vinous beverage storage and shipping license to

1 a person that submits an application and pays the fee provided in section 204  
2 of this title.

3 \* \* \*

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

5 § 422. TAX ON SPIRITS AND FORTIFIED WINES

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

12 \* \* \*

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

14 § 423. RULES

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

18 \* \* \*

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

20 § 424. COLLECTION

21 The ~~Liquor Control Board~~ of Liquor and Lottery shall collect the tax

1 imposed under section 422 of this title. The taxes collected on sales by the  
2 ~~Liquor Control Board~~ of Liquor and Lottery shall be paid weekly to the State  
3 Treasurer, and the taxes collected on sales by a manufacturer or rectifier shall  
4 be paid quarterly to the State Treasurer.

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

6 § 503. SATISFACTION OF JUDGMENT; REVOCATION OF LICENSE

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

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

13 § 561. AUTHORITY OF LIQUOR CONTROL INVESTIGATORS;

14 ARREST FOR UNLAWFULLY MANUFACTURING,

15 POSSESSING, OR TRANSPORTING ALCOHOLIC BEVERAGES;

16 SEIZURE OF PROPERTY

17 (a) The Director of ~~the Enforcement Division of~~ for the Department  
18 Division of Liquor Control and investigators employed by the ~~Liquor Control~~  
19 Board of Liquor and Lottery or by the ~~Department~~ Division of Liquor Control  
20 shall be certified as Level III law enforcement officers by the Vermont  
21 Criminal Justice Training Council and shall have the same powers and

1 immunities as those conferred on the State Police by 20 V.S.A. § 1914.

2 (b) The Commissioner of Liquor ~~Control and Lottery~~, the Director of the  
3 Enforcement ~~Division of~~ for the Department Division of Liquor Control, an  
4 investigator employed by the ~~Liquor Control Board of Liquor and Lottery~~ or  
5 by the ~~Department~~ Division of Liquor Control, or any other law enforcement  
6 officer may arrest or take into custody pursuant to the Vermont Rules of  
7 Criminal Procedure a person whom he or she finds in the act of manufacturing  
8 alcohol or possessing a still or other apparatus for the manufacture of alcohol;  
9 unlawfully selling, bartering, possessing, furnishing, or transporting alcohol;  
10 or unlawfully selling, furnishing, or transporting alcoholic beverages, and shall  
11 seize the alcohol, vessels, and implements of sale and the stills or other  
12 apparatus for the manufacture of alcohol in the possession of the person. He  
13 or she may also seize and take into custody any property described in this  
14 section.

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

16 § 562. SEARCH WARRANTS

17 (a) If a State's Attorney, the Commissioner of Liquor ~~Control and Lottery~~,  
18 an investigator duly acting for the ~~Liquor Control Board of Liquor and~~  
19 Lottery, a control commissioner, or a town grand juror makes a complaint  
20 under oath or affirmation to a judge of the Criminal Division of the Superior  
21 Court that he or she or they have reason to believe that alcoholic beverages or



1 alcohol ~~are~~ is kept or deposited for sale or distribution contrary to law, or that  
2 alcohol is manufactured or possessed contrary to law, in any kind of vehicle,  
3 ~~air or water craft~~ aircraft, watercraft, or other conveyance, or a dwelling house,  
4 railway car, ~~or~~ building, or place in the county, the judge shall issue a warrant  
5 to search the premises described in the complaint.

6 \* \* \*

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

8 § 567. FORFEITURE OF SEIZED PROPERTY

9 \* \* \*

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

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

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

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

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

21 (2) the officer declares under oath that the money was expended as

1 claimed, and, if applicable, states the name of his or her assistant and the  
2 amount paid for the assistance.

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

4 § 590. ~~LIQUOR CONTROL BOARD OF LIQUOR AND LOTTERY;~~  
5 RULES

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

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

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

10 (a) The county sheriffs, sheriff's deputies, constables, officers or members  
11 of the village or city police, State Police, and investigators of the ~~Liquor~~  
12 ~~Control Board of Liquor and Lottery~~ shall have the authority and duty to see  
13 ensure that the provisions of this title and the rules adopted by the ~~Liquor~~  
14 ~~Control Board of Liquor and Lottery~~ pursuant to this title are enforced within  
15 their respective jurisdictions. Any officer who willfully refuses or neglects to  
16 perform the duties imposed upon him or her by this section shall be fined not  
17 more than \$500.00 or imprisoned not more than 90 days, or both.

18 \* \* \*

19 Sec. 79. 7 V.S.A. § 661 is amended to read:

20 § 661. VIOLATIONS OF TITLE

21 (a)(1) A person that furnishes, sells, or keeps with intent to sell, or bottles

1 or prepares for sale any alcoholic beverages, except as authorized by this title,  
2 or sells, barter, transports, imports, exports, delivers, prescribes, furnishes, or  
3 possesses alcohol, except as authorized by the ~~Liquor Control Board~~ of Liquor  
4 and Lottery, or that unlawfully manufactures alcohol or possesses a still or  
5 other apparatus for the manufacture of alcohol shall be imprisoned not more  
6 than 12 months nor less than three months or fined not more than \$1,000.00  
7 nor less than \$100.00, or both.

8 \* \* \*

9 (b) A person that willfully violates a provision of this title for which no  
10 other penalty is prescribed or that willfully violates a rule of the ~~Liquor~~  
11 ~~Control Board~~ of Liquor and Lottery shall be imprisoned not more than three  
12 months nor less than one month or fined not more than \$200.00 nor less than  
13 \$50.00, or both.

14 \* \* \*

15 Sec. 80. 7 V.S.A. § 701 is amended to read:

16 § 701. DEFINITIONS

17 As used in this chapter:

18 (1) "Certificate of approval" means an authorization by the ~~Liquor~~  
19 ~~Control Board~~ of Liquor and Lottery pursuant to section 274 of this title to a  
20 manufacturer or distributor of malt beverages or vinous beverages, or both, not  
21 licensed under the provisions of this title, to sell those beverages to holders of

1 a packager's or wholesale dealer's license issued by the Board pursuant to  
2 section 272 or 273 of this title.

3 \* \* \*

4 Sec. 81. 7 V.S.A. § 1001 is amended to read:

5 § 1001. DEFINITIONS

6 As used in this chapter:

7 (1) "Board" means the ~~Liquor Control Board~~ Board of Liquor and Lottery.

8 (2) "Commissioner" means the Commissioner of Liquor ~~Control and~~  
9 Lottery.

10 \* \* \*

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

15 \* \* \*

16 Sec. 82. 7 V.S.A. § 1002 is amended to read:

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

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

21 (2) No person shall engage in the retail sale of tobacco substitutes

1 without also obtaining a tobacco substitute endorsement from the ~~Department~~  
2 Division of Liquor Control.

3 \* \* \*

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

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

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

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

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

19 \* \* \*

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

21 § 1002a. LICENSEE EDUCATION

1           (a) An applicant for a tobacco license that does not hold a liquor license  
2 issued under this title shall be granted a tobacco license pursuant to section  
3 1002 of this title only after the applicant has attended a ~~Department~~ Division  
4 of Liquor Control in-person seminar or completed the appropriate ~~Department~~  
5 Division of Liquor Control online training program for the purpose of being  
6 informed about the Vermont tobacco laws pertaining to the purchase, storage,  
7 and sale of tobacco products. A corporation, partnership, or association shall  
8 designate a director, partner, or manager to comply with the requirements of  
9 this subsection.

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

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

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

1 information and materials furnished by the ~~Department~~ Division of Liquor  
2 Control. A licensee that fails to comply with the requirements of this  
3 subsection shall be subject to suspension of its tobacco license for ~~no~~ not less  
4 than one day.

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

7 Sec. 84. 7 V.S.A. § 1007 is amended to read:

8 § 1007. FURNISHING TOBACCO TO PERSONS UNDER 18 YEARS OF  
9 AGE; REPORT

10 \* \* \*

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

18 \* \* \*

19 (3) The ~~Department~~ Division shall report to the House Committee on  
20 General, Housing and Military Affairs, the Senate Committee on Economic  
21 Development, Housing and General Affairs, and the Tobacco Evaluation and

1 Review Board annually, on or before January 15, the methodology and results  
2 of compliance tests conducted during the previous year. The provisions of  
3 2 V.S.A. § 20(d) (expiration of required reports) shall not apply to the required  
4 report to be made under this ~~subsection~~ subdivision.

5 Sec. 85. 7 V.S.A. § 1008 is amended to read:

6 § 1008. RULEMAKING

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

9 Sec. 86. 7 V.S.A. § 1011 is amended to read:

10 § 1011. COMMERCIAL CIGARETTE ROLLING MACHINES

11 \* \* \*

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

14 \* \* \*

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

18 \* \* \*

19 Sec. 87. 29 V.S.A. § 902 is amended to read:

20 § 902. DUTIES OF COMMISSIONER OF BUILDINGS AND GENERAL  
21 SERVICES



1 \* \* \*

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

3 \* \* \*

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

8 \* \* \*

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

12 Sec. 88. REPEALS

13 31 V.S.A. §§ 651 (State Lottery Commission), 652 (organization), and 653  
14 (compensation) are repealed.

15 Sec. 89. 31 V.S.A. § 654 is redesignated and amended to read:

16 § ~~654~~ 651. POWERS AND DUTIES OF BOARD OF LIQUOR AND

17 LOTTERY

18 The ~~Commission~~ Board of Liquor and Lottery shall adopt rules pursuant to  
19 3 V.S.A. chapter 25, governing the establishment and operation of the State  
20 Lottery. The rules may include the following:

21 \* \* \*

1 (7) Lottery product sales locations, which may include State agency  
2 liquor stores; private business establishments, except establishments holding  
3 first- or first- and third-class licenses pursuant to Title 7; fraternal, religious,  
4 and volunteer organizations; town clerks' offices; and State fairs, race tracks,  
5 and other sporting arenas.

6 \* \* \*

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

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

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

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

17 \* \* \*

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

19 ~~§ 654a~~ 652. MULTIJURISDICTIONAL LOTTERY GAME GAMES

20 (a) In addition to the Tri-State Lotto Compact provided for in subchapter  
21 ~~2 of this chapter, and the other authority to operate lotteries contained in this~~

1 ~~chapter, the Commission Board of Liquor and Lottery is authorized to~~  
2 negotiate and contract with ~~up to~~ not more than four multijurisdictional  
3 lotteries to offer and provide multijurisdictional lottery games. The  
4 ~~Commission Board~~ may join any multijurisdictional lottery that provides  
5 indemnification for its standing committee members, officers, directors,  
6 employees, and agents. The ~~Commission Board~~ shall adopt rules under 3  
7 V.S.A. chapter 25 to govern the establishment and operation of any  
8 multijurisdictional lottery game authorized by this section.

9 \* \* \*

10 (c) The provisions of subdivisions 674L.1.1A through 674L.1.1I of this  
11 title shall apply to the payment of prizes to a person other than a winner for  
12 prizes awarded under any multijurisdictional lottery authorized by this section,  
13 except that the ~~Vermont Lottery Commission Board of Liquor and Lottery~~  
14 shall be responsible for implementing such the provisions under this section,  
15 ~~rather than the Tri-State Lotto Commission.~~

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

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

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

*multijurisdictional lotteries to offer and provide multijurisdictional lottery games. The ~~Commission~~ Board may join any multijurisdictional lottery that provides indemnification for its standing committee members, officers, directors, employees, and agents.*

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

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

*(C) A procedure adopted pursuant to this section shall be binding on all persons who play or sell the multijurisdictional lottery game.*

\* \* \*

*(c) The provisions of subdivisions 674L.1.1A through 674L.1.1I of this title*

*shall apply to the payment of prizes to a person other than a winner for prizes awarded under any multijurisdictional lottery authorized by this section, except that the ~~Vermont Lottery Commission~~ Board of Liquor and Lottery shall be responsible for implementing ~~such~~ the provisions under this section, rather than the Tri-State Lotto Commission.*

*Sec. 90a. ADOPTION OF PROCEDURES; REPEAL OF RULES*

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

1     Sec. 91. 31 V.S.A. § 655 is redesignated and amended to read:

2     § ~~655~~ 653. LICENSE FEES

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

7     Sec. 92. 31 V.S.A. § 656 is redesignated and amended to read:

8     § ~~656~~ 654. INTERSTATE LOTTERY; CONSULTANT; MANAGEMENT

9         (a) The ~~Commission~~ Board of Liquor and Lottery may develop and operate

1 a lottery or the State may enter into a contractual agreement with another state  
2 or states to provide for the operation of the ~~lottery~~ Lottery. Approval of the  
3 Joint Fiscal Committee and the Governor shall be required for such contractual  
4 agreements with other states.

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

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

11 Sec. 93. 31 V.S.A. § 657 is redesignated and amended to read:

12 § ~~657~~ 655. DIRECTOR AND DUTIES OF THE COMMISSIONER

13 (a) The State Lottery shall be under the immediate supervision and  
14 direction of a ~~Lottery Director~~ the Commissioner of Liquor and Lottery. The  
15 ~~Director shall devote his or her entire time and attention to the duties of his or~~  
16 ~~her office and shall not be engaged in any other profession or occupation. The~~  
17 ~~Office of Director of the State Lottery is an executive position and shall not be~~  
18 ~~included in the plan of classification of State employees, notwithstanding~~  
19 ~~3 V.S.A. § 310(a).~~

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

21 (1) ~~supervise~~ Supervise and administer the operation of the ~~lottery~~

1 Lottery within the rules adopted by the ~~Commission;~~ Board of Liquor and  
2 Lottery.

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

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

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

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

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

19 Sec. 94. 31 V.S.A. § 658 is redesignated and amended to read:

20 § ~~658~~ 656. STATE LOTTERY FUND

21 (a) There is hereby created in the State Treasury a separate fund to be

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

10 (b) Expenditures for administrative and overhead expenses of the operation  
11 of the ~~lottery~~ State Lottery, except agent and bank commissions, shall be paid  
12 from ~~lottery~~ Lottery receipts from an appropriation authorized for that  
13 purpose. Agent commissions shall be set by the ~~Lottery Commission~~ Board of  
14 Liquor and Lottery and ~~may~~ shall not exceed 6.25 percent of gross receipts and  
15 bank commissions ~~may~~ shall not exceed 1 percent of gross receipts. Once the  
16 draw game results become official, the payment of any commission on any  
17 draw game ticket that wins at least \$10,000.00 shall be made through the  
18 normal course of processing payments to lottery agents, regardless of whether  
19 the winning ticket is claimed.

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

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



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

2 Sec. 95. 31 V.S.A. § 659 is redesignated and amended to read:

3 § ~~659~~ 657. REPORT OF THE COMMISSION BOARD

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

11 Sec. 96. 31 V.S.A. § 660 is redesignated and amended to read:

12 § ~~660~~ 658. POST-AUDITS POSTAUDITS

13 All ~~lottery~~ State Lottery accounts and transactions of the ~~Lottery~~  
14 ~~Commission~~ Board of Liquor and Lottery shall be subject to annual ~~post-audits~~  
15 postaudits conducted by independent auditors retained by the ~~Commission~~  
16 Board for this purpose. The ~~Commission~~ Board may order ~~such~~ other audits  
17 as it deems necessary and desirable.

18 Sec. 97. 31 V.S.A. § 661 is redesignated and amended to read:

19 § ~~661~~ 659. SALES AND PURCHASE OF LOTTERY TICKETS

20 The following acts relating to the purchase and sale of lottery tickets are  
21 prohibited:

1  
2  
3  
4  
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\* \* \*

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

Sec. 98. 31 V.S.A. § 662 is redesignated to read:

§ ~~662~~ 660. UNCLAIMED PRIZE MONEY

Sec. 99. 31 V.S.A. § 663 is redesignated to read:

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

Sec. 100. 31 V.S.A. § 665 is redesignated to read:

§ ~~665~~ 662. PENALTIES

Sec. 101. 31 V.S.A. § 666 is redesignated to read:

§ ~~666~~ 663. PUBLICATION OF ODDS

Sec. 102. 31 V.S.A. § 667 is redesignated and amended to read:

§ ~~667~~ 664. FISCAL COMMITTEE REVIEW

\* \* \*

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

Sec. 103. 31 V.S.A. § 674 is amended to read:

§ 674. PROCEDURES AND CONDITIONS GOVERNING THE

1 TRI-STATE LOTTERY-ARTICLE II

2 \* \* \*

3 Q. The Vermont Board of Liquor and Lottery Commission shall be  
4 immune from:

5 \* \* \*

6 Sec. 104. 3 V.S.A. § 212 is amended to read:

7 § 212. DEPARTMENTS CREATED

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

11 \* \* \*

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

13 \* \* \*

14 ~~Sec. 105. 32 V.S.A. § 1010 is amended to read:~~

15 § 1010. MEMBERS OF CERTAIN BOARDS

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

19 \* \* \*

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

~~Sec. 105. 32 V.S.A. § 1010 is amended to read:~~

~~§ 1010. MEMBERS OF CERTAIN BOARDS~~

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

~~\* \* \*~~

~~(7) Liquor Control Board [Repealed.]~~

~~\* \* \*~~

~~(g) For each day of official duties, a member of the Board of Liquor and Lottery shall receive the same per diem compensation as a member of the General Assembly receives pursuant to 2 V.S.A. § 406(a)(1) together with his or her actual and necessary expenses pursuant to subsection (c) of this section.~~

~~Sec. 105. [Deleted.]~~

~~Sec. 105a. 32 V.S.A. § 1010 is amended to read:~~

~~§ 1010. MEMBERS OF CERTAIN BOARDS~~

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

~~\* \* \*~~

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

~~\* \* \*~~

1 Sec. 106. BOARD OF LIQUOR AND LOTTERY; DEPARTMENT OF

1 LIQUOR AND LOTTERY; POWERS AND DUTIES

2 On July 1, 2018:

3 (1)(A) The Board of Liquor and Lottery shall assume all the powers,  
4 duties, rights, and responsibilities of the Liquor Control Board and the Lottery  
5 Commission.

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

9 (2)(A) The Department of Liquor and Lottery shall assume all the  
10 powers, duties, rights, and responsibilities of the Department of Liquor Control  
11 and the State Lottery.

12 (B) All positions and appropriations of the Department of Liquor  
13 Control and the State Lottery shall be transferred to the Department of Liquor  
14 and Lottery.

15 (3)(A) The Commissioner of Liquor Control shall become the  
16 Commissioner of Liquor and Lottery.

17 (B) The Commissioner of Liquor and Lottery shall assume all the  
18 powers, duties, rights, and responsibilities of the Commissioner of Liquor  
19 Control and the Director of the State Lottery.

20 Sec. 107. LEGISLATIVE COUNCIL; PREPARATION OF A DRAFT BILL

21 On or before January 15, 2019, the Office of Legislative Council shall

1 prepare and submit a draft bill to the House Committees on General, Housing,  
2 and Military Affairs and on Government Operations and the Senate  
3 Committees on Economic Development, Housing and General Affairs and on  
4 Government Operations that makes statutory amendments of a technical nature  
5 and identifies all statutory sections that the General Assembly may need to  
6 amend substantively to effect the intent of this act.

7 Sec. 108. COMMISSIONER OF LIQUOR AND LOTTERY; CURRENT  
8 TERM; APPOINTMENT OF SUCCESSOR

9 The Commissioner of Liquor and Lottery in office on July 1, 2018 shall be  
10 deemed to have commenced a four-year term pursuant to 7 V.S.A. § 106(a)(1)  
11 on February 1, 2016. The Commissioner shall serve until the end of the four-  
12 year term or until a successor is appointed as provided pursuant to 7 V.S.A.  
13 § 106. Notwithstanding any provision of 3 V.S.A. § 2004 or 7 V.S.A. § 106(b)  
14 to the contrary, during this current term, the Governor may remove the  
15 Commissioner for cause after notice and a hearing.

16 Sec. 109. REPEAL

17 2016 Acts and Resolves No. 144, Sec. 20 is repealed.

18 Sec. 110. DEPARTMENT OF LIQUOR AND LOTTERY; ANNUAL  
19 REPORTS

20 The Commissioner of Liquor and Lottery and the Board of Liquor and  
21 Lottery shall report annually on or before January 15 of 2019, 2020, and 2021

1 to the House Committees on Corrections and Institutions, on Government  
2 Operations, and on General, Housing, and Military Affairs and the Senate  
3 Committees on Economic Development, Housing and General Affairs, on  
4 Government Operations, and on Institutions regarding the Department of  
5 Liquor and Lottery's success in carrying out the functions of the former  
6 Department of Liquor Control and the State Lottery. The report shall  
7 specifically identify any improvements in efficiency and customer service  
8 levels, as well as any savings or additional costs, that have resulted from the  
9 merger of the two entities. The report shall also provide detailed information  
10 regarding the Department's progress with respect to securing a facility that will  
11 meet its office and warehouse needs. In addition, the report shall include any  
12 recommendations for legislative action that may be necessary to effect the  
13 intent of this act.

14 Sec. 111. TRANSITION

(a)(1) The Commissioner of Liquor and Lottery ~~Control~~, in consultation  
with the Secretary of Administration, the Commissioner of Finance and  
Management, the Commissioner of Human Resources, the Director of the  
Lottery, the Liquor Control Board, and the Lottery Commission, shall take any  
action necessary to enable the merger of the Department of Liquor Control and  
the Liquor Control Board with the State Lottery and the Lottery Commission  
to form the Department of Liquor and Lottery and the Board of Liquor and

Lottery on July 1, 2018.

1           (2) The Secretary of Administration, the Commissioner of Finance and  
2           Management, the Commissioner of Human Resources, the Director of the  
3           Lottery, the Liquor Control Board, and the Lottery Commission shall  
4           cooperate with the Commissioner and provide any necessary assistance to  
5           enable the merger of the Department of Liquor Control and the Liquor Control  
6           Board with the State Lottery and the Lottery Commission on July 1, 2018.

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

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

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

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

18           Sec. 112. EFFECTIVE DATES

19           (a) This section and Secs. 106 and 111 shall take effect on passage.

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