

# Senate Calendar

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THURSDAY, APRIL 20, 2017

SENATE CONVENES AT: 9:30 A.M.

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**ACTION CALENDAR**

**UNFINISHED BUSINESS OF MONDAY, APRIL 17, 2017**

**Second Reading**

**Favorable with Proposal of Amendment**

**H. 230.**

An act relating to consent by minors for mental health treatment related to sexual orientation and gender identity.

**Reported favorably with recommendation of proposal of amendment by Senator McCormack for the Committee on Health and Welfare.**

The Committee recommends that the Senate propose to the House to amend the bill by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 18 V.S.A. chapter 196 is amended to read:

CHAPTER 196. ~~CONVERSION THERAPY~~ OUTPATIENT MENTAL  
HEALTH TREATMENT FOR MINORS

Subchapter 1. Consent by Minors for Mental Health Care

§ 8350. CONSENT BY MINORS FOR MENTAL HEALTH TREATMENT

A minor may give consent to receive any legally authorized outpatient treatment from a mental health professional, as defined in section 7101 of this title. Consent under this section shall not be subject to disaffirmance due to minority of the person consenting. The consent of a parent or legal guardian shall not be necessary to authorize outpatient treatment. As used in this section, “outpatient treatment” means psychotherapy and supportive counseling, but not prescription drugs.

Subchapter 2. Prohibition of Conversion Therapy

\* \* \*

Sec. 2. EFFECTIVE DATE

This act shall take effect on July 1, 2017.

And that after passage the title of the bill be amended to read:

An act relating to consent by minors for mental health treatment.

(Committee vote: 5-0-0)

(For House amendments, see House Journal for March 22, 2017, page 485.)

**UNFINISHED BUSINESS OF WEDNESDAY, APRIL 19, 2017**

**Second Reading**

**Favorable with Proposal of Amendment**

**H. 513.**

An act relating to making miscellaneous changes to education law.

**Reported favorably with recommendation of proposal of amendment by Senator Baruth for the Committee on Education.**

The Committee recommends that the Senate propose to the House to amend the bill by striking out all after the enacting clause and inserting in lieu thereof the following:

\* \* \* Approved Independent Schools Study Committee \* \* \*

**Sec. 1. APPROVED INDEPENDENT SCHOOLS STUDY COMMITTEE**

(a) Creation. There is created the Approved Independent Schools Study Committee to consider and make recommendations on the criteria to be used by the State Board of Education for designation as an “approved” independent school.

(b) Membership. The Committee shall be composed of the following ten members:

(1) one current member of the House of Representatives who shall be appointed by the Speaker of the House;

(2) one current member of the Senate who shall be appointed by the Committee on Committees;

(3) the Chair of the State Board of Education or designee;

(4) the Secretary of Education or designee;

(5) the Executive Director of the Vermont Superintendent’s Association or designee;

(6) the Executive Director of the Vermont School Boards Association or designee;

(7) the Executive Director of the Vermont Independent Schools Association or designee;

(8) two representatives of approved independent schools, who shall be chosen by the Executive Director of the Vermont Independent Schools Association; and

(9) the Executive Director of the Vermont Council of Special Education

Administrators or designee.

(c) Powers and duties. The Committee shall consider and make recommendations on the criteria to be used by the State Board of Education for designation as an “approved” independent school, including the following criteria:

(1) the school’s enrollment policy and any limitation on a student’s ability to enroll;

(2) how the school should be required to deliver special education services and which categories of these services; and

(3) the scope and nature of financial information and special education information that should be required to be reported by the school to the State Board or Agency of Education.

(d) Assistance. The Committee shall have the administrative, technical, and legal assistance of the Agency of Education.

(e) Report. On or before January 15, 2018, the Committee shall submit a written report to the House and Senate Committees on Education with its findings and any recommendations, including recommendations for any amendments to legislation.

(f) Meetings.

(1) The Secretary of Education shall call the first meeting of the Committee to occur on or before May 30, 2017.

(2) The Committee shall select a chair from among its members at the first meeting.

(3) A majority of the membership shall constitute a quorum.

(4) The Committee shall cease to exist on January 16, 2018.

(g) Reimbursement.

(1) For attendance at meetings during adjournment of the General Assembly, legislative members of the Committee shall be entitled to per diem compensation and reimbursement of expenses pursuant to 2 V.S.A. § 406 for no more than seven meetings.

(2) Other members of the Committee who are not employees of the State of Vermont and who are not otherwise compensated or reimbursed for their attendance shall be entitled to per diem compensation and reimbursement of expenses pursuant to 32 V.S.A. § 1010 for no more than seven meetings.

\* \* \* Educational and Training Programs for College Credit \* \* \*

Sec. 2. APPROPRIATION TO THE VERMONT STATE COLLEGES  
TO EXPAND EDUCATION AND TRAINING EVALUATION  
SERVICES PROGRAM

The sum of \$20,000.00 is appropriated from the Next Generation Initiative Fund created pursuant to 16 V.S.A. § 2887 to the Vermont State Colleges for the purpose of providing funding for the Colleges' Education and Training Evaluation Services Program. The Vermont State Colleges shall use the appropriation to evaluate or reevaluate educational and training programs for college credit at no cost or at a reduced cost to the programs being evaluated. The Vermont State Colleges shall identify training programs in the skilled trades, including the plumbing and electrical trades, to receive these evaluation services. The Vermont State Colleges shall, on or before January 15, 2018, issue a report to the House and Senate Committees on Education describing how the funds appropriated pursuant to this section have been spent, how any remaining funds appropriated pursuant to this section will be spent, and the number and nature of the programs evaluated or reevaluated and the results of the evaluations.

\* \* \* Student Enrollment; Small School Grant \* \* \*

Sec. 3. 16 V.S.A. § 4015 is amended to read:

§ 4015. SMALL SCHOOL SUPPORT

(a) In this section:

(1) "Eligible school district" means a school district that operates at least one school; and

(A) has a two-year average combined enrollment of fewer than 100 students in all the schools operated by the district; or

(B) has an average grade size of 20 or fewer.

(2) "Enrollment" means the number of students who are enrolled in a school operated by the district on October 1. A student shall be counted as one whether the student is enrolled as a full-time or part-time student. Students enrolled in prekindergarten programs shall not be counted.

(3) "Two-year average enrollment" means the average enrollment of the two most recently completed school years.

(4) "Average grade size" means two-year average enrollment divided by the number of grades taught in the district on October 1. For purposes of this calculation, kindergarten and prekindergarten programs shall be counted together as one grade.

\* \* \*

\* \* \* Vermont Standards Board for Professional Educators \* \* \*

Sec. 4. 16 V.S.A. § 1693 is amended to read:

§ 1693. STANDARDS BOARD FOR PROFESSIONAL EDUCATORS

(a) There is hereby established the Vermont Standards Board for Professional Educators comprising 13 members as follows: seven teachers, two administrators, one of whom shall be a school superintendent, one public member, one school board member, one representative of educator preparation programs from a public institution of higher education, and one representative of educator preparation programs from a private institution of higher education.

\* \* \*

Sec. 5. TRANSITIONAL PROVISION

A superintendent shall be appointed to the Vermont Standards Board for Professional Educators upon the next expiration of the term of a member who is serving on the Board as an administrator.

\* \* \* Speech-Language Pathologists \* \* \*

Sec. 6. 26 V.S.A. § 4451 is amended to read:

§ 4451. DEFINITIONS

As used in this chapter:

\* \* \*

(5) “Educational speech-language pathologist” means a speech-language pathologist who is employed by a supervisory union or public school district in Vermont or an independent school approved for special education purposes for the purpose of providing speech-language pathology.

(6) “Secretary” means the Secretary of State.

~~(6)~~(7) “Speech-language pathologist” means a person licensed to practice speech-language pathology under this chapter, but shall not include an educational speech-language pathologist.

~~(7)~~(8) “Speech-language pathology” means the application of principles, methods, and procedures related to the development and disorders of human communication, which include any and all conditions that impede the normal process of human communication.

Sec. 7. 26 V.S.A. § 4454 is amended to read:

§ 4454. CONSTRUCTION



(a) This chapter shall not be construed to limit or restrict in any way the right of a practitioner of another occupation that is regulated by this State from performing services within the scope of his or her professional practice.

(b) This chapter shall not be construed to apply to an educational speech-language pathologist, except to the extent that an educational speech-language pathologist provides speech-language pathology services outside a school environment. An educational speech-language pathologist shall be subject to the licensing, training, and professional standards provisions of 16 V.S.A. chapter 51. To the extent that an educational speech-language pathologist provides speech-language pathology services outside a school environment, the educational speech-language pathologist shall be subject to the licensing, training, and professional standards provisions of this chapter.

#### Sec. 8. TRANSITIONAL PROVISION

An individual holding an educator license with an endorsement for educational speech-language pathologist from the Agency of Education shall retain that endorsement and shall renew it with the Agency as required by law, in addition to licensure with the Agency of Education.

\* \* \* Renewal of Principal's Contracts \* \* \*

Sec. 9. 16 V.S.A. § 243(c) is amended to read:

(c) Renewal and nonrenewal. A principal who has been continuously employed for more than two years in the same position has the right either to have his or her contract renewed, or to receive written notice of nonrenewal at least 90 days before on or before February 1 of the year in which the existing contract expires. Nonrenewal may be based upon elimination of the position, performance deficiencies, or other reasons. The written notice shall recite the grounds for nonrenewal. If nonrenewal is based on performance deficiencies, the written notice shall be accompanied by an evaluation performed by the superintendent. At its discretion, the school board may allow a period of remediation of performance deficiencies prior to issuance of the written notice. After receiving such a notice, the principal may request in writing, and shall be granted, a meeting with the school board. Such request shall be delivered within 15 days of delivery of notice of nonrenewal, and the meeting shall be held within 15 days of delivery of the request for a meeting. At the meeting, the school board shall explain its position, and the principal shall be allowed to respond. The principal and any member of the board may present written information or oral information through statements of others, and the principal and the board may be represented by counsel. The meeting shall be in executive session unless both parties agree in writing that it be open to the public. After the meeting, the school board shall decide whether or not to offer the principal an opportunity to renew his or her contract. The school

board shall issue its decision in writing within five days. The decision of the school board shall be final.

\* \* \* Postsecondary Schools \* \* \*

Sec. 10. 16 V.S.A § 176(d) is amended to read:

(d) Exemptions. The following are exempt from the requirements of this section except for the requirements of subdivision (c)(1)(C) of this section:

\* \* \*

(4) Postsecondary schools that are accredited. The following postsecondary institutions are accredited, meet the criteria for exempt status, and are authorized to operate educational programs beyond secondary education, including programs leading to a degree or certificate: Bennington College, ~~Burlington College~~, Champlain College, College of St. Joseph, Goddard College, Green Mountain College, Landmark College, Marlboro College, Middlebury College, New England Culinary Institute, Norwich University, Saint Michael's College, SIT Graduate Institute, Southern Vermont College, Sterling College, Vermont College of Fine Arts, and Vermont Law School. This authorization is provided solely to the extent necessary to ensure institutional compliance with federal financial aid-related regulations, and it does not affect, rescind, or supersede any preexisting authorizations, charters, or other forms of recognition or authorization.

\* \* \*

\* \* \* Educational Opportunities \* \* \*

Sec. 11. 16 V.S.A § 165(b) is amended to read:

(b) ~~Every two years~~ Annually, the Secretary shall determine whether students in each Vermont public school are provided educational opportunities substantially equal to those provided in other public schools. If the Secretary determines that a school is not meeting the education quality standards listed in subsection (a) of this section or that the school is making insufficient progress in improving student performance in relation to the standards for student performance set forth in subdivision 164(9) of this title, he or she shall describe in writing actions that a district must take in order to meet either or both sets of standards and shall provide technical assistance to the school. If the school fails to meet the standards or make sufficient progress ~~by the end of the next two year period~~ within two years of the determination, the Secretary shall recommend to the State Board one or more of the following actions:

\* \* \*

\* \* \* Local Education Agency \* \* \*

Sec. 12. 16 V.S.A. § 563 is amended to read:

§ 563. POWERS OF SCHOOL BOARDS; FORM OF VOTE

The school board of a school district, in addition to other duties and authority specifically assigned by law:

\* \* \*

~~(26) Shall carry out the duties of a local education agency, as that term is defined in 20 U.S.C. § 7801(26), for purposes of determining student performance and application of consequences for failure to meet standards and for provision of compensatory and remedial services pursuant to 20 U.S.C. §§ 6311-6318. [Repealed.]~~

\* \* \*

\* \* \* State-placed and Homeless Students \* \* \*

Sec. 13. 16 V.S.A § 1075 is amended to read:

§ 1075. LEGAL RESIDENCE DEFINED; RESPONSIBILITY AND PAYMENT OF EDUCATION OF STUDENT

\* \* \*

(c) State-placed students.

(1) A State-placed student in the legal custody of the Commissioner for Children and Families, other than one placed in a 24-hour residential facility and except as otherwise provided in this subsection, shall be educated by the school district in which the student is living the student's school of origin, unless an alternative plan or facility for the education of the student is agreed upon by Secretary the student's education team determines that it is not in the student's best interest to attend the school of origin. The student's education team shall include, as applicable, the student, the student's parents and foster parents, the student's guardian ad litem and educational surrogate parent, representatives of both the school of origin and potential new school, and a representative of the Family Services Division of the Department for Children and Families. In the case of a dispute as to where a State-placed student is living, the Secretary shall conduct a hearing to determine which school district is responsible for educating the student. The Secretary's decision shall be final about whether it is in the student's best interest to attend the school of origin, the Commissioner for Children and Families shall make the final decision. As used in this section, "school of origin" means the school in which the child was enrolled at the time of placement into custody of the Commissioner for

Children and Families, or in the case of a student already in the custody of the Commissioner for Children and Families, the school the student most recently attended.

(2) If a student is a State-placed student pursuant to subdivision 11(a)(28)(D)(i)(I) of this title, then the Department for Children and Families shall ~~assume responsibility~~ be responsible for the student's transportation to and from school, unless the receiving district chooses to provide transportation.

(3) A State-placed student not in the legal custody of the Commissioner for Children and Families, other than one placed in a 24-hour residential facility and except as otherwise provided in this subsection, shall be educated by the school district in which the student is living unless an alternative plan or facility for the education of the student is agreed upon by the Secretary. In the case of dispute as to where a State-placed student is living, the Secretary shall conduct a hearing to determine which school district is responsible for educating the student. The Secretary's decision shall be final.

(4) A student who is in temporary legal custody pursuant to 33 V.S.A. § 5308(b)(3) or (4) and is a State-placed student pursuant to subdivision 11(a)(28)(D)(i)(II) of this title, shall be enrolled, at the temporary legal custodian's discretion, in the district in which the student's parents reside, the district in which either parent resides if the parents live in different districts, the district in which the student's legal guardian resides, or the district in which the temporary legal custodian resides. If the student enrolls in the district in which the temporary legal custodian resides, the district shall provide transportation in the same manner and to the same extent it is provided to other students in the district. In all other cases, the temporary legal custodian is responsible for the student's transportation to and from school, unless the receiving district chooses to provide transportation.

~~(4)~~(5) If a student who had been a State-placed student pursuant to subdivision 11(a)(28) of this title is returned to live in the district in which one or more of the student's parents or legal guardians reside, then, at the request of the student's parent or legal guardian, the Secretary may order the student to continue his or her enrollment for the remainder of the academic year in the district in which the student resided prior to returning to the parent's or guardian's district and the student will continue to be funded as a State-placed student. Unless the receiving district chooses to provide transportation:

\* \* \*

(e) For the purposes of this title, the legal residence or residence of a child of homeless parents is ~~where the child temporarily resides~~ the child's school of origin, as defined in subdivision (c)(1) of this section, unless the parents

and another school district agree that the child's attendance in school in that school district will be in the best interests of the child ~~in that continuity of education will be provided and transportation will not be unduly burdensome to the school district.~~ A "child of homeless parents" means a child whose parents:

\* \* \*

\* \* \* Early College \* \* \*

Sec. 14. REPEAL

16 V.S.A § 4011(e) (early college) is repealed.

Sec. 15. 16 V.S.A § 946 is added to read:

§ 946. EARLY COLLEGE

(a) For each grade 12 Vermont student enrolled, the Secretary shall pay an amount equal to 87 percent of the base education amount to:

(1) the Vermont Academy of Science and Technology (VAST); and

(2) an early college program other than the VAST program that is developed and operated or overseen by the University of Vermont, by one of the Vermont State Colleges, or by an accredited private postsecondary school located in Vermont and that is approved for operation by the Secretary; provided, however, when making a payment under this subdivision (2), the Secretary shall not pay more than the tuition charged by the institution.

(b) The Secretary shall make the payment pursuant to subsection (a) of this section directly to the postsecondary institution, which shall accept the amount as full payment of the student's tuition.

(c) A student on whose behalf the Secretary makes a payment pursuant to subsection (a) of this subsection:

(1) shall be enrolled as a full-time student in the institution receiving the payment for the academic year for which payment is made;

(2) shall not be enrolled concurrently in a secondary school operated by the student's district of residence or to which the district pays tuition on the student's behalf; and

(3) shall not be included in the average daily membership of any school district for the academic year for which payment is made; provided, however, that if more than five percent of the grade 12 students residing in a district enroll in an early college program, then the district may include the number of students in excess of five percent in its average daily membership; but further provided that a student in grade 12 enrolled in a college program shall be

included in the percentage calculation only if, for the previous academic year, the student was enrolled in a school maintained by the district or was a student for whom the district paid tuition to a public or approved independent school.

(d) A postsecondary institution shall not accept a student into an early college program unless enrollment in an early college program was an element of the student's personalized learning plan.

Sec. 16. REPEAL

16 V.S.A § 4011a (early college program; report; appropriations) is repealed.

Sec. 17. 16 V.S.A § 947 is added to read:

§ 947. EARLY COLLEGE PROGRAM; REPORT; APPROPRIATION

(a) Notwithstanding 2 V.S.A. § 20(d), any postsecondary institution receiving funds pursuant to section 946 of this title shall report annually in January to the Senate and House Committees on Education regarding the level of participation in the institution's early college program, the success in achieving the stated goals of the program to enhance secondary students' educational experiences and prepare them for success in college and beyond, and the specific results for participating students relating to programmatic goals.

(b) In the budget submitted annually to the General Assembly pursuant to 32 V.S.A. chapter 5, the Governor shall include the recommended appropriation for all early college programs to be funded pursuant to section 946 of this title, including the VAST program, as a distinct amount.

\* \* \* Advisory Council on Special Education \* \* \*

Sec. 18. 16 V.S.A § 2945(c) is amended to read:

(c) The members of the Council who are employees of the State shall receive no additional compensation for their services, but actual and necessary expenses shall be allowed State employees, and shall be charged to their departments or institutions. The members of the Council who are not employees of the State shall receive a per diem compensation of ~~\$30.00~~ per day as provided under 32 V.S.A. § 1010 for each day of official business and reimbursement for actual and necessary expenses at the rate allowed State employees.

\* \* \*

\* \* \* Criminal Record Checks \* \* \*

Sec. 19. 16 V.S.A. § 255(k) is added to read:

(k) The requirements of this section shall not apply to superintendents and headmasters with respect to persons operating or employed by a child care facility, as defined under 33 V.S.A. § 3511, that provides prekindergarten education pursuant to section 829 of this title and that is required to be licensed by the Department for Children and Families pursuant to 33 V.S.A. § 3502. Superintendents and headmasters are not prohibited from conducting a criminal record check as a condition of hiring an employee to work in a child care facility that provides prekindergarten education operated by the school.

\* \* \* Agency Of Education Report; English Language Learners \* \* \*

Sec. 20. AGENCY OF EDUCATION REPORT; ENGLISH LANGUAGE LEARNERS

As part of the management of federal funds for students for whom English is not the primary language, the Agency of Education shall convene at least one meeting of representatives from the supervisory unions and supervisory districts that receive these funds, including those responsible for the administration of these funds, which shall take place prior to the creation of budgets for the next school year. The meeting participants shall explore ways to reduce barriers to the use of funds available under the federal Elementary and Secondary Education Act and help the supervisory unions and supervisory districts develop strategies for best meeting the needs of students for whom English is not the primary language as permitted under federal and State law. In addition, the meeting participants shall discuss the weighting formulas for students from economically deprived backgrounds and students for whom English is not the primary language, and whether these formulas should be revised. The Agency of Education shall report the results of these discussions to the Senate and House Committees on Education on or before January 15, 2018.

\* \* \* Prekindergarten Programs; STARS ratings \* \* \*

Sec. 21. 16 V.S.A. § 829(c) is amended to read:

(c) Prequalification. Pursuant to rules jointly developed and overseen by the Secretaries of Education and of Human Services and adopted by the State Board pursuant to 3 V.S.A. chapter 25, the Agencies jointly may determine that a private or public provider of prekindergarten education is qualified for purposes of this section and include the provider in a publicly accessible database of prequalified providers. At a minimum, the rules shall define the process by which a provider applies for and maintains prequalification status, shall identify the minimum quality standards for prequalification, and shall include the following requirements:

(1) A program of prekindergarten education, whether provided by a

school district or a private provider, shall have received:

(A) National Association for the Education of Young Children (NAEYC) accreditation; or

(B) at least four stars in the Department for Children and Families' STARS system ~~with at least two points in each of the five arenas~~; or

(C) three stars in the STARS system if the provider has developed a plan, approved by the Commissioner for Children and Families and the Secretary of Education, to achieve four or more stars in no more than two years ~~with at least two points in each of the five arenas~~, and the provider has met intermediate milestones.

\* \* \*

\* \* \* Act 46 Findings \* \* \*

## Sec. 22. ACT 46 FINDINGS

(a) 2015 Acts and Resolves No. 46 established a multi-year, phased process that provides multiple opportunities for school districts to unify existing governance units into more “sustainable governance structures” designed to meet the General Assembly’s identified educational and fiscal goals while recognizing and reflecting local priorities. It has been the General Assembly’s intent to revitalize Vermont’s small schools – to promote equity in their offerings and stability in their finances – through these changes in governance.

(b) As of Town Meeting Day 2017, voters in 96 Vermont towns have voted to merge 104 school districts into these slightly larger, more sustainable governance structures, resulting in the creation of 20 new unified union districts (serving prekindergarten–grade 12 students). As a result, approximately 60 percent of Vermont’s school-age children live or will soon live in districts that satisfy the goals of Act 46.

(c) These slightly larger, more flexible unified union districts have begun to realize distinct benefits, including the ability to offer kindergarten–grade 8 choice among elementary schools within the new district boundaries; greater flexibility in sharing students, staff, and resources among individual schools; the elimination of bureaucratic redundancies; and the flexibility to create magnet academies, focusing on a particular area of specialization by school.

(d) Significant areas of the State, however, have experienced difficulty satisfying the goals of Act 46. The range of complications is varied, including operating or tuitioning models that differ among adjoining districts, geographic isolation due to lengthy driving times or inhospitable travel routes between proposed merger partners, and greatly differing levels of debt per equalized pupil between districts involved in merger study committees. This



act is designed to make useful changes to the merger time lines and allowable governance structures under Act 46 without weakening or eliminating the Act's fundamental phased merger and incentive structures and requirements.

\* \* \* Side-by-Side Structures \* \* \*

Sec. 23. 2012 Acts and Resolves No. 156, Sec. 15 is amended to read:

Sec. 15. TWO OR MORE MERGERS; REGIONAL EDUCATION DISTRICT INCENTIVES

(a) Notwithstanding 2010 Acts and Resolves No. 153, Sec. 3(a)(1) of No. 153 of the Acts of the 2009 Adj. Sess. (2010) that requires a single regional education district ("RED") to have an average daily membership of at least 1,250 or result from the merger of at least four districts, or both, two or more new districts shall be eligible jointly for the incentives provided in Sec. 4 of No. 153, Sec. 4 if:

\* \* \*

(3) one of the new districts provides education in all elementary and secondary grades by operating one or more schools and the other new district or districts pay tuition for students in one or more grades; each new district has a model of operating schools or paying tuition that is different from the model of the other, which may include:

(A) operating a school or schools for all resident students in prekindergarten through grade 12;

(B) operating a school or schools for all resident students in some grades and paying tuition for resident students in the other grades; or

(C) operating no schools and paying tuition for all resident students in prekindergarten through grade 12;

\* \* \*

(b) This section is repealed on July 1, ~~2017~~ 2019.

Sec. 24. THREE-BY-ONE SIDE-BY-SIDE STRUCTURE; REGIONAL EDUCATION DISTRICT INCENTIVES

(a) Notwithstanding 2010 Acts and Resolves No. 153, Sec. 3(a)(1) that requires a single regional education district (RED) to have an average daily membership of at least 1,250 or result from the merger of at least four districts, or both, a new district shall be eligible for the incentives provided in No. 153, Sec. 4 as amended by 2012 Acts and Resolves No. 156 and 2015 Acts and Resolves No. 46 if:

(1) The new district is formed by the merger of at least three existing

districts (Merged District) and, together with an existing district (Existing District), are members of the same supervisory union following the merger (Three-by-One Side-by-Side Structure).

(2) As of March 7, 2017 (Town Meeting Day), the Existing District is either:

(A) geographically isolated, due to lengthy driving times or inhospitable travel routes between the Existing District's school or schools and the nearest school in which there is excess capacity as determined by the State Board of Education;

(B) structurally isolated, because all adjoining school districts have operating or tuitioning models that differ from the Existing District; or

(C) unable to reach agreement to consolidate with one or more other adjoining school districts because the school districts that adjoin the Existing District have greatly differing levels of indebtedness per equalized pupil, as defined in 16 V.S.A. § 4001(3), from that of the Existing District as determined by the State Board of Education.

(3) The Merged District and the Existing District each has a model of operating schools or paying tuition that is different from the model of the other. These models are:

(A) operating a school or schools for all resident students in prekindergarten through grade 12;

(B) operating a school or schools for all resident students in some grades and paying tuition for resident students in the other grades; or

(C) operating no schools and paying tuition for all resident students in prekindergarten through grade 12.

(4) The Three-by-One Side-by-Side Structure meets all criteria for RED formation other than the size criterion of 2010 Acts and Resolves No. 153, Sec. 3(a)(1) (average daily membership of at least 1,250) and otherwise as provided in this section.

(5) The districts seeking approval of their proposed Three-by-One Side-by-Side Structure demonstrate in their report presented to the State Board that this structure is better suited to them than a governance structure described in 2015 Acts and Resolves No. 46, Sec. 6, and will meet the goals set forth in Sec. 2 of that Act.

(6) The districts proposing to merge into the Merged District receive final approval from their electorate for the merger proposal on or before November 30, 2017, and the Merged District becomes fully operational on or before July 1, 2019.

(b) The incentives provided in 2010 Acts and Resolves No. 153, Sec. 4 shall be available to the Merged District and shall not be available to the Existing District.

(c) The Existing District shall be exempt from the requirement under 2015 Acts and Resolves No. 46, Secs. 9 and 10 to self-evaluate and make a proposal to the Secretary of Education and State Board of Education and from the State Board's plan.

Sec. 25. TWO-BY-TWO-BY-ONE SIDE-BY-SIDE STRUCTURE;  
REGIONAL EDUCATION DISTRICT INCENTIVES

(a) Notwithstanding 2010 Acts and Resolves No. 153, Sec. 3(a)(1) that requires a single regional education district (RED) to have an average daily membership of at least 1,250 or result from the merger of at least four districts, or both, two or more new districts shall be eligible for the incentives provided in No. 153, Sec. 4 as amended by 2012 Acts and Resolves No. 156 and 2015 Acts and Resolves No. 46 if:

(1) Each new district is formed by the merger of at least two existing districts (each a Merged District) and, together with an existing (Existing District), are members of the same supervisory union following the merger (Two-by-Two-by-One Side-by-Side Structure).

(2) As of March 7, 2017 (Town Meeting Day), the Existing District is either:

(A) geographically isolated, due to lengthy driving times or inhospitable travel routes between the Existing District's school or schools and the nearest school in which there is excess capacity as determined by the State Board of Education;

(B) structurally isolated, because all adjoining school districts have operating or tuitioning models that differ from the Existing District; or

(C) unable to reach agreement to consolidate with one or more other adjoining school districts because the school districts that adjoin the Existing District have greatly differing levels of indebtedness per equalized pupil, as defined in 16 V.S.A. § 4001(3), from that of the Existing District as determined by the State Board of Education.

(3) Each Merged District and the Existing District has a model of operating schools or paying tuition that is different from the model of each other. These models are:

(A) operating a school or schools for all resident students in prekindergarten through grade 12;

(B) operating a school or schools for all resident students in some

grades and paying tuition for resident students in the other grades; or

(C) operating no schools and paying tuition for all resident students in prekindergarten through grade 12.

(4) The Two-by-Two-by-One Side-by-Side Structure meets all criteria for RED formation other than the size criterion of 2010 Acts and Resolves No. 153, Sec. 3(a)(1) (average daily membership of at least 1,250) and otherwise as provided in this section.

(5) The districts seeking approval of their proposed Two-by-Two-by-One Side-by-Side Structure demonstrate in their report presented to the State Board that this structure is better suited to them than a governance structure described in 2015 Acts and Resolves No. 46, Sec. 6, and will meet the goals set forth in Sec. 2 of that act.

(6) Each Merged District has the same effective date of merger.

(7) The districts proposing to merge into each Merged District receive final approval from their electorate for the merger proposal on or before November 30, 2017, and each Merged District becomes fully operational on or before July 1, 2019.

(b) The incentives provided in 2010 Acts and Resolves No. 153, Sec. 4 shall be available to each Merged District and shall not be available to the Existing District.

(c) The Existing District shall be exempt from the requirement under 2015 Acts and Resolves No. 46, Secs. 9 and 10 to self-evaluate and make a proposal to the Secretary of Education and State Board of Education and from the State Board's plan.

\* \* \* Withdrawal from Union School District \* \* \*

## Sec. 26. TEMPORARY AUTHORITY TO WITHDRAW FROM UNION SCHOOL DISTRICT

(a) Notwithstanding any provision of 16 V.S.A. § 721a to the contrary, a school district may withdraw from a union high school district without approval by the remaining members of the union high school district upon the following conditions:

(1) The school district proposing to withdraw from the union high school district operates a school or schools for all resident students in prekindergarten through grade 6 and pays tuition for resident students in grade 7 through grade 12.

(2) At least one year has elapsed since the union high school district became a body politic and corporate as provided in 16 V.S.A. § 706g.

(3) A majority of the voters of the school district proposing to withdraw from the union high school district present and voting at a school district meeting duly warned for that purpose votes to withdraw from the union high school district. The clerk of the school district shall certify the vote to the Secretary of State, who shall record the certificate in his or her office and shall give notice of the vote to the Secretary of Education and to the other members of the union high school district.

(4) The State Board approves the withdrawal based on a recommendation from the Secretary of Education.

(5) The withdrawal process is completed on or before July 1, 2019.

(b) In making his or her recommendation, the Secretary of Education shall assess whether:

(1) students in the withdrawing school district would attend a school that complies with the rules adopted by the State Board pertaining to educational programs; and

(2) it is in the best interests of the State, the students, and the districts remaining in the union high school district for the union to continue to exist.

(c) The State Board shall:

(1) consider the recommendation of the Secretary and any other information it deems appropriate;

(2) hold a public meeting within 60 days of receiving the recommendation of the Secretary, and provide due notice of this meeting to the Secretary and all members of the union high school district;

(3) within 10 days of the meeting, notify the Secretary and all members of the union high school district of its decision;

(4) if it approves the withdrawal, declare the membership of the withdrawing school district in the union high school district terminated as of July 1 immediately following, or as soon after July 1 as the financial obligations of the withdrawing school district have been paid to, or an agreement has been made with, the union high school district in an amount to satisfy those obligations; and

(5) file the declaration with the Secretary of State, the clerk of the withdrawing school district, and the clerk of the union high school district concerned.

Sec. 27. REPEAL

Sec. 26 of this act is repealed on July 2, 2019.

\* \* \* Time Extension for Qualifying Districts \* \* \*

Sec. 28. 2015 Acts and Resolves No. 46, Sec. 9 is amended to read:

Sec. 9. SELF-EVALUATION, MEETINGS, AND PROPOSAL

(a) ~~On~~ Subject to subsection (b) of this section, on or before November 30, 2017, the board of each school district in the State that:

(1) has a governance structure different from the preferred structure identified in Sec. 5(b) of this act (Education District), or that does not expect to become or will not become an Education District on or before July 1, 2019; or

(2) does not qualify for an exemption under Sec. 10(c) of this act, shall perform each of the following actions-:

~~(1)(A)~~ (A) Self-evaluation. The board shall evaluate its current ability to meet or exceed each of the goals set forth in Sec. 2 of this act.

~~(2)(B)~~ (B) Meetings.

~~(A)(i)~~ (i) The board shall meet with the boards of one or more other districts, including those representing districts that have similar patterns of school operation and tuition payment, to discuss ways to promote improvement throughout the region in connection with the goals set forth in Sec. 2 of this act.

~~(B)(ii)~~ (ii) The districts do not need to be contiguous and do not need to be within the same supervisory union.

~~(3)(C)~~ (C) Proposal. The board of the district, solely on behalf of its own district or jointly with the boards of other districts, shall submit a proposal to the Secretary of Education and the State Board of Education in which the district:

~~(A)(i)~~ (i) proposes to retain its current governance structure, to work with other districts to form a different governance structure, or to enter into another model of joint activity;

~~(B)(ii)~~ (ii) demonstrates, through reference to enrollment projections, student-to-staff ratios, the comprehensive data collected pursuant to 16 V.S.A. § 165, and otherwise, how the proposal in subdivision ~~(A)(i)~~ (i) of this subdivision ~~(3)(C)~~ (C) supports the district's or districts' ability to meet or exceed each of the goals set forth in Sec. 2 of this act; ~~and~~

~~(C)(iii)~~ (iii) identifies detailed actions it proposes to take to continue to improve its performance in connection with each of the goals set forth in Sec. 2 of this act; and

(iv) describes its history of merger, consolidation, or other models of joint activity with other school districts before the enactment of this act, and its consideration of merger, consolidation, or other models of joint activity with other school districts on or after the enactment of this act.

(b) The date by which a qualifying district must take the actions required by subsection (a) of this section is extended from November 30, 2017 to January 31, 2018. A qualifying district is a district that:

(1) proposed a school district consolidation plan under 2010 Acts and Resolves No. 153, as amended, or 2012 Acts and Resolves No. 156, as amended, which was rejected by voters;

(2) is a member of a study committee formed under 16 V.S.A. § 706 that provides to the Secretary a declaration that another school district wants to join the district's study committee, signed by each member of the study committee and the district that proposes to join the study committee; or

(3) is a member of a supervisory union that, on or after July 1, 2010, combined with another supervisory union.

#### Sec. 29. TIME EXTENSION FOR VOTE OF ELECTORATE

Notwithstanding any provision of law to the contrary, the date by which a qualifying district must receive final approval from the electorate for its merger proposal is extended from July 1, 2017 to November 30, 2017. A qualifying district is a district that:

(1) proposed a school district consolidation plan under 2010 Acts and Resolves No. 153, as amended, or 2012 Acts and Resolves No. 156, as amended, which was rejected by voters;

(2) is a member of a study committee formed under 16 V.S.A. § 706 that provides to the Secretary a declaration that another school district wants to join the district's study committee, signed by each member of the study committee and the district that proposes to join the study committee; or

(3) is a member of a supervisory union that, on or after July 1, 2010, combined with another supervisory union.

\* \* \* Grants and Fee Reimbursement \* \* \*

Sec. 30. 2015 Acts and Resolves No. 46, Sec. 7 is amended to read:

Sec. 7. SCHOOL DISTRICTS CREATED AFTER DEADLINE FOR ACCELERATED ACTIVITY; TAX INCENTIVES; SMALL SCHOOL SUPPORT; JOINT CONTRACT SCHOOLS

\* \* \*

(b) A newly formed school district that meets the criteria set forth in subsection (a) of this section shall receive the following:

\* \* \*

(3) Transition Facilitation Grant.

(A) After voter approval of the plan of merger, notwithstanding any provision to the contrary in 16 V.S.A. § 4025, the Secretary of Education shall pay the transitional board of the new district a Transition Facilitation Grant from the Education Fund equal to the lesser of:

(i) five percent of the base education amount established in 16 V.S.A. § 4001(13) multiplied by the greater of either the combined enrollment or the average daily membership of the merging districts on October 1 of the year in which the successful vote is taken; or

(ii) \$150,000.00.

(B) A Transition Facilitation Grant awarded under this subdivision (3) shall be reduced by the total amount of reimbursement paid for consulting services, analysis, and transition costs pursuant to 2012 Acts and Resolves No. 156, Secs. 2, 4, and 9.

\* \* \*

(e) Notwithstanding the requirement in subdivision (a)(3) of this section that the newly formed school district be its own supervisory district, the newly formed school district shall qualify for the incentives under this section even if it is assigned to a supervisory union by the State Board of Education and that assignment by the State Board is not made at the request of the school district.

Sec. 31. 2012 Acts and Resolves No. 156, Sec. 9 is amended to read:

Sec. 9. REIMBURSEMENT OF FEES FOR CONSULTING SERVICES;  
MERGER; SCHOOL DISTRICTS; SUNSET

(a) From the ~~education fund~~ Education Fund, the ~~commissioner of education~~ Secretary of Education shall reimburse up to \$20,000.00 of fees paid by a study committee established under 16 V.S.A. § 706 for legal and other consulting services necessary to analyze the advisability of creating a union school district or a unified union school district ~~and~~, to prepare the report required by 16 V.S.A. § 706b, and to conduct community outreach, including communications with voters. Community outreach materials shall be limited to those that are reasonably designed to inform and educate. Not more than 30 percent of the reimbursement amount provided by the Secretary under this section shall be used for the purpose of community outreach.

\* \* \*



Sec. 32. 2015 Acts and Resolves No. 46, Sec. 10 is amended to read:

Sec. 10. TRANSITION TO SUSTAINABLE GOVERNANCE  
STRUCTURES; PROPOSAL; FINAL PLAN

\* \* \*

(d)(1) The Secretary of Education shall make a supplemental Transitional Facilitation Grant of \$10,000.00 to a school district that:

(A) has received or is eligible to receive tax incentives under 2010 Acts and Resolves No. 153, 2012 Acts and Resolves No. 156, or 2015 Acts and Resolves No. 46, each as amended (a qualifying school district); and

(B) either on its own initiative or at the request of the State Board, agrees by vote of its electorate to merge with another school district (a qualifying merger).

(2) A qualifying school district shall use the grant funding to defray the cost of integration. The Secretary shall pay the grant amount to a qualifying school district for each qualifying merger with a school district even if multiple qualifying mergers are effective on the same date. The Secretary shall pay the grant amount not later than 30 days after all required approvals are obtained.

(3) Notwithstanding any provision to the contrary in 16 V.S.A. § 4025, the Secretary of Education shall pay the supplemental Transition Facilitation Grant from the Education Fund.

(4) The supplemental Transition Facilitation Grant shall be available for a qualifying merger initiated by a qualifying school district only if the merger is scheduled to take effect on or before November 30, 2018.

\* \* \* Applications for Adjustments to Supervisory Union Boundaries \* \* \*

Sec. 33. 16 V.S.A. § 261 is amended to read:

§ 261. ORGANIZATION AND ADJUSTMENT OF SUPERVISORY  
UNIONS

(a) The State Board shall review on its own initiative or when requested as per subsection (b) of this section and may regroup the supervisory unions of the State or create new supervisory unions in such manner as to afford increased efficiency or greater convenience and economy and to facilitate prekindergarten through grade 12 curriculum planning and coordination as changed conditions may seem to require.

(b)(1) Any school district that has so voted at its annual school district meeting, if said meeting has been properly warned regarding such a vote, may request that the State Board adjust the existing boundaries of the supervisory

union of which it is a member district.

(2) Any group of school districts that have so voted at their respective annual school district meeting, regardless of whether the districts are members of the same supervisory union, may request that the State Board adjust existing supervisory union boundaries and move one or more nonrequesting districts to a different supervisory union if such adjustment would assist the requesting districts to realign their governance structures into a unified union school district pursuant to chapter 11 of this title.

(3) The State Board shall ~~give timely consideration to requests~~ act on a request made pursuant to this subsection within 75 days of receipt of the request and may regroup the school districts of the area so as to ensure reasonable supervision of all public schools therein.

\* \* \*

\* \* \* Technical Corrections; Clarifications \* \* \*

Sec. 34. 2012 Acts and Resolves No. 156, Sec. 16 is amended to read:

Sec. 16. UNION ELEMENTARY SCHOOL DISTRICTS; REGIONAL EDUCATION DISTRICT INCENTIVES

\* \* \*

(b) This section is repealed on July 1, ~~2017~~ 2019.

Sec. 35. 2012 Acts and Resolves No. 156, Sec. 17 is amended to read:

Sec. 17. MODIFIED UNIFIED UNION SCHOOL DISTRICT

\* \* \*

(d) This section is repealed on July 1, ~~2017~~ 2019.

Sec. 36. AVAILABILITY OF TAX AND OTHER INCENTIVES

The tax and other incentives under 2010 Acts and Resolves No. 153, as amended, and 2012 Acts and Resolves No. 156, as amended, shall be available only if the new governance structure formed under those acts becomes fully operational on or before July 1, 2019.

Sec. 37. 2015 Acts and Resolves No. 46, Sec. 23 is amended to read:

Sec. 23. DECLINING ENROLLMENT; TRANSITION

(a) If a district's equalized pupils in fiscal year 2016 do not reflect any adjustment pursuant to 16 V.S.A. § 4010(f), then Sec. 22 of this act shall apply to the district in fiscal year 2017 and after.

(b) If a district's equalized pupils in fiscal year 2016 reflect adjustment pursuant to 16 V.S.A. § 4010(f), then, notwithstanding the provisions of

§ 4010(f) as amended by this act:

(1) in fiscal year 2017, the district's equalized pupils shall in no case be less than 90 percent of the district's equalized pupils in the previous year; and

(2) in fiscal year 2018, the district's equalized pupils shall in no case be less than 80 percent of the district's equalized pupils in the previous year.

(c) Notwithstanding the provisions of subsections (a) and (b) of this section, if a district is actively engaged in merger discussions with one or more other districts regarding the formation of a regional education district (RED) or other form of unified union school district pursuant to 16 V.S.A. chapter 11, then Sec. 22 of this act shall apply to the district in fiscal year 2018 and after, and each of the dates in subsection (b) of this section shall be adjusted accordingly. A district shall be "actively engaged in merger discussions" pursuant to this subsection (c) if on or before July 1, 2016, it has formed a study committee pursuant to 16 V.S.A. chapter 11. Until such time as Sec. 22 of this act shall apply to the district, the district's equalized pupil count shall be calculated under 16 V.S.A. § 4010(f), as in effect on June 30, 2016.

\* \* \* Effective Dates \* \* \*

#### Sec. 38. EFFECTIVE DATES

(a) This section and Secs. 1–5, 9–12, and 14–37 shall take effect on passage.

(b) Secs. 6–8 (speech-language pathologists) shall take effect on January 1, 2018.

(c) Sec. 13 (State-placed students) shall take effect beginning with the 2017–2018 school year.

(Committee vote: 6-0-0)

(For House amendments, see House Journal for March 29, 2017, page 592.)

#### **Amendments to proposal of amendment of the Committee on Education to H. 513 to be offered by Senators Baruth, Balint, Benning, Bray, Ingram and Mullin**

Senators Baruth, Balint, Benning, Bray, Ingram and Mullin move to amend the proposal of amendment of the Committee on Education as follows

First: By striking out Sec. 38 (Effective Dates), with its reader assistance, in its entirety.

Second: By adding three new sections, to be Secs. 38, 39, and 40, with reader assistances, to read:

\* \* \* Student Rights; Freedom of Expression \* \* \*

Sec. 38. 16 V.S.A. chapter 42 is added to read:

CHAPTER 42. STUDENT RIGHTS

§ 1623. FREEDOM OF EXPRESSION

(a) Findings.

(1) The General Assembly finds that freedom of expression and freedom of the press are fundamental principles in our democratic society granted to every citizen of the nation by the First Amendment to the U.S. Constitution and to every resident of this State by Vt. Const. Ch. I, Art. 13.

(2) These freedoms provide all citizens, including students, with the right to engage in robust and uninhibited discussion of issues.

(3) The General Assembly intends to ensure free speech and free press protections for both public school students and students at public institutions of higher education in this State in order to encourage students to become educated, informed, and responsible members of society.

(b) Definitions. As used in this chapter:

(1) "Media adviser" means an individual employed, appointed, or designated by a school or its governing body to supervise or provide instruction relating to school-sponsored media.

(2) "School" means a public school operating in the State.

(3) "School-sponsored media" means any material that is prepared, written, published, or broadcast as part of a school-supported program or activity by a student journalist and is distributed or generally made available as part of a school-supported program or activity to an audience beyond the classroom in which the material is produced.

(4) "Student journalist" means a student enrolled at a school who gathers, compiles, writes, edits, photographs, records, or prepares information for dissemination in school-sponsored media.

(5) "Student supervisor" is a student who is responsible for editing school-sponsored media.

(c)(1) Subject to subsection (e) of this section, a student journalist may exercise freedom of speech and freedom of the press in school-sponsored media.

(2) Subdivision (1) of this subsection shall not be construed to be limited by the fact that the school-sponsored media are:

(A) supported financially by a school or its governing body, or by

use of facilities owned by the school; or

(B) produced in conjunction with a class in which the student journalist is enrolled.

(d)(1) Subject to subsection (e) of this section, the student supervisors of school-sponsored media are responsible for determining the content of their respective media.

(2) Subject to subdivision (1) of this subsection, a media adviser may teach professional standards of English and journalism to student journalists.

(e) This section shall not be construed to authorize or protect content of school-sponsored media that:

(1) is libelous or slanderous;

(2) constitutes an unwarranted invasion of privacy;

(3) may be defined as obscene, gratuitously profane, threatening, or intimidating;

(4) may be defined as harassment, hazing, or bullying under section 11 of this title;

(5) violates federal or State law; or

(6) creates the imminent danger of materially or substantially disrupting the ability of the school to perform its educational mission.

(f) A school is prohibited from subjecting school-sponsored media, other than that listed in subsection (e) of this section, to prior restraint. A school may restrain the distribution of content in student media described in subsection (e), provided that the school's administration shall have the burden of providing lawful justification without undue delay. Content shall not be suppressed solely because it involves political or controversial subject matter, or is critical of the school or its administration.

(g) A student journalist may not be disciplined for acting in accordance with this section.

(h) A media adviser may not be dismissed, suspended, disciplined, reassigned, or transferred for:

(1) taking reasonable and appropriate action to protect a student journalist for engaging in conduct protected by this section; or

(2) refusing to infringe on conduct that is protected by this section, by the first amendment to the U.S. Constitution, or by the Vermont Constitution.

(i) Each school or its governing body shall adopt a written policy consistent with the provisions of this section.

(j) No expression made by students in school-sponsored media shall be deemed to be an expression of school policy.

Sec. 39. 16 V.S.A. § 180 is added to read:

§ 180. STUDENT RIGHTS—FREEDOM OF EXPRESSION

(a) Findings.

(1) The General Assembly finds that freedom of expression and freedom of the press are fundamental principles in our democratic society granted to every citizen of the nation by the First Amendment to the U.S. Constitution and to every resident of this State by Vt. Const. Ch. I, Art. 13.

(2) These freedoms provide all citizens, including students, with the right to engage in robust and uninhibited discussion of issues.

(3) The General Assembly intends to ensure free speech and free press protections for both public school students and students at public institutions of higher education in this State in order to encourage students to become educated, informed, and responsible members of society.

(b) Definitions. As used in this chapter:

(1) “Media adviser” means an individual employed, appointed, or designated by a school or its governing body to supervise or provide instruction relating to school-sponsored media.

(2) “School” means a public postsecondary school operating in the State.

(3) “School-sponsored media” means any material that is prepared, written, published, or broadcast as part of a school-supported program or activity by a student journalist and is distributed or generally made available as part of a school-supported program or activity to an audience beyond the classroom in which the material is produced.

(4) “Student journalist” means a student enrolled at a school who gathers, compiles, writes, edits, photographs, records, or prepares information for dissemination in school-sponsored media.

(5) “Student supervisor” is a student who is responsible for editing school-sponsored media.

(c)(1) Subject to subsection (e) of this section, a student journalist may exercise freedom of speech and freedom of the press in school-sponsored media.

(2) Subdivision (1) of this subsection shall not be construed to be

limited by the fact that the school-sponsored media are:

(A) supported financially by a school or its governing body, or by use of facilities owned by the school; or

(B) produced in conjunction with a class in which the student journalist is enrolled.

(d)(1) Subject to subsection (e) of this section, the student supervisors of school-sponsored media are responsible for determining the content of their respective media.

(2) Subject to subdivision (1) of this subsection, a media adviser may teach professional standards of English and journalism to student journalists.

(e) This section shall not be construed to authorize or protect content of school-sponsored media that:

(1) is libelous or slanderous;

(2) constitutes an unwarranted invasion of privacy;

(3) may be defined as obscene, gratuitously profane, threatening, or intimidating;

(4) may be defined as harassment, hazing, or bullying under section 11 of this title;

(5) violates federal or State law; or

(6) creates the imminent danger of materially or substantially disrupting the ability of the school to perform its educational mission.

(f) Absent a showing that a particular publication will cause direct, immediate, and irreparable harm that would warrant the issuance of a prior restraint order against the private media, school officials are not authorized to censor or subject to prior restraint the content of school-sponsored media. Content shall not be suppressed solely because it involves political or controversial subject matter, or is critical of the school or its administration.

(g) A student journalist may not be disciplined for acting in accordance with this section.

(h) A media adviser may not be dismissed, suspended, disciplined, reassigned, or transferred for:

(1) taking reasonable and appropriate action to protect a student journalist for engaging in conduct protected by this section; or

(2) refusing to infringe on conduct that is protected by this section, by the first amendment to the U.S. Constitution, or by the Vermont Constitution.

(i) Each school or its governing body shall adopt a written policy consistent with the provisions of this section.

(j) No expression made by students in school-sponsored media shall be deemed to be an expression of school policy.

\* \* \* Effective Dates \* \* \*

Sec. 40. EFFECTIVE DATES

(a) This section and Secs. 1–5, 9–12, and 14–39 shall take effect on passage.

(b) Secs. 6–8 (speech-language pathologists) shall take effect on January 1, 2018.

(c) Sec. 13 (State-placed students) shall take effect beginning with the 2017–2018 school year.

**NEW BUSINESS**

**Third Reading**

**H. 497.**

An act relating to health requirements for animals used in agriculture.

**Second Reading**

**Favorable**

**H. 326.**

An act relating to eligibility and calculation of grant or subsidy amount for Reach Up, Reach Ahead, and the Child Care Services Program.

**Reported favorably by Senator Ingram for the Committee on Health and Welfare.**

(Committee vote: 5-0-0)

(For House amendments, see House Journal of March 24, 2017, page 502.)

**Reported favorably by Senator Westman for the Committee on Appropriations.**

(Committee vote: 7-0-0)



## Favorable with Proposal of Amendment

### H. 5.

An act relating to investment of town cemetery funds.

#### **Reported favorably with recommendation of proposal of amendment by Senator Collamore for the Committee on Government Operations.**

The Committee recommends that the Senate propose to the House to amend the bill by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 18 V.S.A. § 5384 is amended to read:

§ 5384. PAYMENT TO TREASURER; RECORD; INVESTMENT

(a) Unless otherwise directed by the donor, all ~~moneys~~ monies received by a town for cemetery purposes shall be paid to the town treasurer who shall give a receipt therefor, which shall be recorded in the office of the town clerk in a book kept for that purpose. In such book shall also be stated the amount received from each donor, the time when, and the specific purpose to which the use thereof is appropriated.

(b)(1) All ~~moneys~~ monies so received by the town may be invested and reinvested by the treasurer, with the approval of the ~~selectmen~~ selectboard, by deposit in:

(A) banks chartered by the state ~~State~~;

(B) ~~or in~~ national banks;

(C) bonds of the United States or of municipalities whose bonds are legal investment for banks chartered by the state ~~State~~;

(D) ~~or in~~ bonds or notes legally issued in anticipation of taxes by a town, village, or city in this state ~~State~~, or first mortgages on real estate in Vermont;

(E) ~~or in~~ the shares of an investment company, or an investment trust, which such as a mutual fund, closed-end fund, or unit investment trust, that is registered under the federal Investment Company Act of 1940, as amended, if such mutual investment fund has been in operation for at least 10 five years and has net assets of at least \$10,000,000.00 \$100,000,000.00; or

(F) ~~in~~ shares of a savings and loan association of this state ~~State~~, or share accounts of a federal savings and loan association with its principal office in this ~~state~~ State, when and to the extent to which the withdrawal or repurchase value of such shares or accounts are insured by the Federal Savings and Loan Insurance Corporation.

(2)(A) However, in towns a town that elect elects trustees of public funds, such cemetery funds shall be invested by such the trustees in any of the securities hereinbefore enumerated in this section, and the income thereof paid to the proper officers as the same falls due.

(B) The Investment income therefrom shall be expended for the purpose and in the manner designated by the donor. The provisions of this section as to future investments shall not require the liquidation or disposition of securities legally acquired and held.

(3) The treasurer, selectboard, or trustees of public funds may delegate management and investment of town cemetery funds to the extent that it is prudent under the terms of the trust or endowment, and in accordance with the Uniform Prudent Management of Institutional Funds Act, 14 V.S.A. § 3415 (delegation of investment functions). An agent exercising a delegated management or investment function may invest cemetery funds only in the securities enumerated in this section.

## Sec. 2. EFFECTIVE DATE

This act shall take effect on July 1, 2017.

(Committee vote: 5-0-0)

(For House amendments, see House Journal for March 3, 2017, page 392.)

## H. 74.

An act relating to nonconsensual sexual conduct.

**Reported favorably with recommendation of proposal of amendment by Senator Sears for the Committee on Judiciary.**

The Committee recommends that the Senate propose to the House to amend the bill by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 13 V.S.A. § 2601a is added to read:

### § 2601a. PROHIBITED CONDUCT

(a) No person shall engage in open and gross lewdness.

(b) A person who violates this section shall:

(1) be imprisoned not more than one year or fined not more than \$300.00, or both, for a first offense; and

(2) be imprisoned not more than two years or fined not more than \$1,000.00, or both, for a second or subsequent offense.

Sec. 2. 13 V.S.A. § 2632 is amended to read:

§ 2632. ~~PROHIBITED ACTS~~ PROSTITUTION

\* \* \*

Sec. 3. 13 V.S.A. § 1030 is amended to read:

§ 1030. VIOLATION OF AN ABUSE PREVENTION ORDER, AN ORDER AGAINST STALKING OR SEXUAL ASSAULT, OR A PROTECTIVE ORDER CONCERNING CONTACT WITH A CHILD

(a) A person who intentionally commits an act prohibited by a court or who fails to perform an act ordered by a court, in violation of an abuse prevention order issued under 15 V.S.A. chapter 21 of Title 15 or 33 V.S.A. chapter 69 of Title 33, a protective order that concerns contact with a child and is issued under 33 V.S.A. chapter 51 of Title 33, or an order against stalking or sexual assault issued under 12 V.S.A. chapter 178 of Title 12, after the person has been served notice of the contents of the order as provided in those chapters; or in violation of a foreign abuse prevention order or an order against stalking or sexual assault issued by a court in any other state, federally recognized Indian tribe, territory or possession of the United States, the Commonwealth of Puerto Rico, or the District of Columbia; shall be imprisoned not more than one year or fined not more than \$5,000.00, or both. Intent to violate the order is not an element of the crime, however the State must prove the person intentionally committed the act that violated the order.

(b) A person who is convicted of a second or subsequent offense under this section or is convicted of an offense under this section and has previously been convicted of domestic assault under section 1042 of this title, first degree aggravated domestic assault under section 1043 of this title, or second degree aggravated domestic assault under section 1044 of this title shall be imprisoned not more than three years or fined not more than \$25,000.00, or both.

(c) Upon conviction under this section for a violation of an order issued under 15 V.S.A. chapter 21 of Title 15, the court shall, unless the circumstances indicate that it is not appropriate or not available, order the defendant to participate in domestic abuse counseling or a domestic abuse prevention program approved by the ~~department of corrections~~ Department of Corrections. The defendant may at any time request the court to approve an alternative program. The defendant shall pay all or part of the costs of the counseling or program unless the court finds that the defendant is unable to do so.

(d) Upon conviction for a violation of an order issued under 12 V.S.A. chapter 178 of Title 12, the court may order the defendant to participate in mental health counseling or sex offender treatment approved by the

~~department of corrections~~ Department of Corrections. The defendant shall pay all or part of the costs of the counseling unless the court finds that the defendant is unable to do so.

(e) Nothing in this section shall be construed to diminish the inherent authority of the courts to enforce their lawful orders through contempt proceedings.

(f) Prosecution for violation of an abuse prevention order or an order against stalking or sexual assault shall not bar prosecution for any other crime, including any crime that may have been committed at the time of the violation of the order.

Sec. 4. 13 V.S.A. § 3281 is added to read:

§ 3281. SEXUAL ASSAULT SURVIVORS' RIGHTS

(a) Short title. This section may be cited as the "Bill of Rights for Sexual Assault Survivors."

(b) Definition. As used in this section, "sexual assault survivor" means a person who is a victim of an alleged sexual offense.

(c) Survivors' rights. When a sexual assault survivor makes a verbal or written report to a law enforcement officer, emergency department, sexual assault nurse examiner, or victim's advocate of an alleged sexual offense, the recipient of the report shall provide written notification to the survivor that he or she has the following rights:

(1) The right to receive a medical forensic examination and any related toxicology testing at no cost to the survivor in accordance with 32 V.S.A. § 1407, irrespective of whether the survivor reports to or cooperates with law enforcement. If the survivor opts to have a medical forensic examination, he or she shall have the following additional rights:

(A) the right to have the medical forensic examination kit or its probative contents delivered to a forensics laboratory within 72 hours of collection;

(B) the right to have the sexual assault evidence collection kit or its probative contents preserved without charge for the duration of the maximum applicable statute of limitations;

(C) the right to be informed in writing of all policies governing the collection, storage, preservation, and disposal of a sexual assault evidence collection kit;

(D) the right to be informed of a DNA profile match on a kit reported to law enforcement or on a confidential kit, on a toxicology report, or

on a medical record documenting a medical forensic examination, if the disclosure would not impede or compromise an ongoing investigation; and

(E) upon written request from the survivor, the right to:

(i) receive written notification from the appropriate official with custody not later than 60 days before the date of the kit's intended destruction or disposal; and

(ii) be granted further preservation of the kit or its probative contents.

(2) The right to consult with a sexual assault advocate.

(3) The right to information concerning the availability of protective orders and policies related to the enforcement of protective orders.

(4) The right to information about the availability of, and eligibility for, victim compensation and restitution.

(5) The right to information about confidentiality.

(d) Notification protocols. The Vermont Network Against Domestic and Sexual Violence and the Sexual Assault Nurse Examiner Program, in consultation with other parties referred to in this section, shall develop protocols and written materials to assist all responsible entities in providing notification to victims.

Sec. 5. 13 V.S.A. § 4501 is amended to read:

§ 4501. LIMITATION OF PROSECUTIONS FOR CERTAIN CRIMES

(a) Prosecutions for aggravated sexual assault, aggravated sexual assault of a child, human trafficking, aggravated human trafficking, murder, arson causing death, and kidnapping may be commenced at any time after the commission of the offense.

(b) Prosecutions for manslaughter, ~~sexual assault~~, lewd and lascivious conduct, ~~sexual exploitation of children under chapter 64 of this title~~, sexual abuse of a vulnerable adult, grand larceny, robbery, burglary, embezzlement, forgery, bribery offenses, false claims, fraud under 33 V.S.A. § 141(d), and felony tax offenses shall be commenced within six years after the commission of the offense, and not after.

(c) Prosecutions for any of the following offenses ~~alleged to have been committed against a child under 18 years of age~~ shall be commenced within 40 years after the commission of the offense, and not after:

(1) sexual assault;

(2) lewd and lascivious conduct alleged to have been committed against

a child under 18 years of age;

(3) sexual exploitation of a minor as defined in subsection 3258(c) of this title;

(4) lewd or lascivious conduct with a child; ~~and~~

(5) sexual exploitation of children under chapter 64 of this title; and

(6) manslaughter alleged to have been committed against a child under 18 years of age.

(d) Prosecutions for arson shall be commenced within 11 years after the commission of the offense, and not after.

(e) Prosecutions for other felonies and for misdemeanors shall be commenced within three years after the commission of the offense, and not after.

Sec. 6. 14 V.S.A. § 315 is amended to read:

§ 315. PARENT AND CHILD RELATIONSHIP

(a) For the purpose of intestate succession, an individual is the child of his or her parents, regardless of their marital status, but a parent shall not inherit from a child unless the parent has openly acknowledged the child and not refused to support the child.

(b) The parent and child relationship may be established in parentage proceedings under ~~subchapter 3A of 15 V.S.A. chapter 5 of Title 15,~~ subchapter 3A.

(c) A parent shall not inherit from a child conceived of sexual assault who is the subject of a parental rights and responsibilities order issued pursuant to 15 V.S.A. § 665(f).

Sec. 7. 15 V.S.A. § 665 is amended to read:

§ 665. RIGHTS AND RESPONSIBILITIES ORDER; BEST INTERESTS OF THE CHILD

\* \* \*

(f) The State has a compelling interest in not forcing a victim of sexual assault or sexual exploitation to continue an ongoing relationship with the perpetrator of the abuse. Such continued interaction can have traumatic psychological effects on the victim, making recovery more difficult, and negatively affect the victim's ability to parent and to provide for the best interests of the child. Additionally, the State recognizes that a perpetrator may use the threat of pursuing parental rights and responsibilities to coerce a victim into not reporting or not assisting in the prosecution of the perpetrator for the

sexual assault or sexual exploitation, or to harass, intimidate, or manipulate the victim.

(1) The Court may enter an order awarding sole parental rights and responsibilities to a parent and denying all parent-child contact with the other parent if the Court finds by clear and convincing evidence that the nonmoving parent was convicted of sexually assaulting the moving parent and the child was conceived as a result of the sexual assault. As used in this subdivision, sexual assault shall include sexual assault as provided in 13 V.S.A. § 3252(a), (b), (d), and (e), aggravated sexual assault as provided in 13 V.S.A. § 3253, and aggravated sexual assault of a child as provided in 13 V.S.A. § 3253a, lewd and lascivious conduct with a child as provided in 13 V.S.A. § 2602, and similar offenses in other jurisdictions.

~~(A) An order issued in accordance with this subdivision (f)(1) shall be permanent and shall not be subject to modification.~~

~~(B) Upon issuance of a rights and responsibilities order pursuant to this subdivision (f)(1), the Court shall not issue a parent-child contact order and shall terminate any existing parent-child contact order concerning the child and the nonmoving parent.~~

(2) The Court may enter an order awarding sole parental rights and responsibilities to one parent and denying all parent-child contact between the other parent and a child if the Court finds by clear and convincing evidence that the child was conceived as a result of the nonmoving parent sexually assaulting or sexually exploiting the moving parent and the Court finds by a preponderance of the evidence that such an order is in the best interest of the child. A conviction is not required under this subdivision, and the Court may consider other evidence of sexual assault or sexual exploitation in making its determination.

~~(A)~~ For purposes of this subdivision (f)(2):

~~(i)~~(A) sexual assault shall include sexual assault as provided in 13 V.S.A. § 3252, aggravated sexual assault as provided in 13 V.S.A. § 3253, aggravated sexual assault of a child as provided in 13 V.S.A. § 3253a, lewd and lascivious conduct with a child as provided in 13 V.S.A. § 2602, and similar offenses in other jurisdictions; and

~~(ii)~~(B) sexual exploitation shall include sexual exploitation of an inmate as provided in 13 V.S.A. § 3257, sexual exploitation of a minor as provided in 13 V.S.A. § 3258, sexual abuse of a vulnerable adult as provided in 13 V.S.A. § 1379, and similar offenses in other jurisdictions.

~~(B) Except as provided in subdivision (f)(2)(C), the Court shall not issue a parent-child contact order in a case in which a parental rights and~~

~~responsibilities order has been issued pursuant to this subdivision (f)(2) and any existing parent-child contact order concerning the child and the nonmoving parent shall be terminated.~~

~~(C) A party may file a motion for modification of the order only upon a showing of extraordinary, real, substantial, and unanticipated change of circumstances.~~

(3) Issuance of an order pursuant to this subsection shall not affect the right of the custodial parent to seek child support from the noncustodial parent.

(4) Upon issuance of a rights and responsibilities order pursuant to this subsection, the court shall not issue a parent-child contact order and shall terminate any existing parent-child contact order concerning the child and the nonmoving parent. An order issued in accordance with this subdivision shall be permanent and shall not be subject to modification.

Sec. 8. 15 V.S.A. § 1103 is amended to read:

§ 1103. REQUESTS FOR RELIEF

\* \* \*

(c)(1) The ~~Court~~ court shall make such orders as it deems necessary to protect the plaintiff or the children, or both, if the ~~Court~~ court finds that the defendant has abused the plaintiff, and:

(A) there is a danger of further abuse; or

(B) the defendant is currently incarcerated and has been convicted of one of the following: murder, attempted murder, kidnapping, domestic assault, aggravated domestic assault, sexual assault, aggravated sexual assault, stalking, aggravated stalking, lewd or lascivious conduct with a child, use of a child in a sexual performance, or consenting to a sexual performance.

(2) The court order may include the following:

(A) an order that the defendant refrain from abusing the plaintiff, or his or her children, or both, and from interfering with their personal liberty, including restrictions on the defendant's ability to contact the plaintiff or the plaintiff's children in person, by phone, or by mail, or both, in any way, whether directly, indirectly or through a third party, with the purpose of making contact with the plaintiff, including in writing or by telephone, e-mail, or other electronic communication, and restrictions prohibiting the defendant from coming within a fixed distance of the plaintiff, the children, the plaintiff's residence, or other designated locations where the plaintiff or the plaintiff's children are likely to spend time;

\* \* \*



Sec. 9. 15 V.S.A. § 1104 is amended to read:

§ 1104. EMERGENCY RELIEF

(a) In accordance with the Vermont Rules of Civil Procedure, temporary orders under this chapter may be issued ex parte, without notice to the defendant, upon motion and findings by the ~~Court~~ court that the defendant has abused the plaintiff or ~~his or her~~ the plaintiff's children, or both. The plaintiff shall submit an affidavit in support of the order. A minor 16 years of age or older, or a minor of any age who is in a dating relationship as defined in subdivision 1101(2) of this chapter, may seek relief on his or her own behalf. Relief under this section shall be limited as follows:

(1) Upon a finding that there is an immediate danger of further abuse, an order may be granted requiring the defendant:

(A) to refrain from abusing the plaintiff or his or her children, or both, or from cruelly treating as defined in 13 V.S.A. § 352 or 352a or killing any animal owned, possessed, leased, kept, or held as a pet by either party or by a minor child residing in the household;

(B) to refrain from interfering with the plaintiff's personal liberty, or the personal liberty of the plaintiff's children, or both; ~~and~~

(C) to refrain from coming within a fixed distance of the plaintiff, the plaintiff's children, the plaintiff's residence, or the plaintiff's place of employment; and

(D) to refrain from contacting the plaintiff or the plaintiff's children, or both, in any way, whether directly, indirectly or through a third party, with the purpose of making contact with the plaintiff, including in writing or by telephone, e-mail, or other electronic communication.

\* \* \*

Sec. 10. EFFECTIVE DATES

(a) This section and Secs. 1 (prohibited conduct), 6 (parent and child), 7 (rights and responsibilities order; best interests of the child), 8 (request for relief), and 9 (emergency relief) shall take effect on passage.

(b) All other sections shall take effect on July 1, 2017.

And that after passage the title of the bill be amended to read:

An act relating to domestic and sexual violence.

(Committee vote: 5-0-0)

(For House amendments, see House Journal for February 16, 2017, page 233.)

### H. 308.

An act relating to a committee to reorganize and reclassify Vermont's criminal statutes.

**Reported favorably with recommendation of proposal of amendment by Senator White for the Committee on Judiciary.**

The Committee recommends that the Senate propose to the House to amend the bill by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 3 V.S.A. § 168 is added to read:

§ 168. RACIAL DISPARITIES IN THE CRIMINAL AND JUVENILE JUSTICE SYSTEM ADVISORY PANEL

(a) The Racial Disparities in the Criminal and Juvenile Justice System Advisory Panel is established. The Panel shall be organized and have the duties and responsibilities as provided in this section. The Panel shall be organized within the Office of the Attorney General and shall consult with the Vermont Human Rights Commission, the Vermont chapter of the ACLU, the Vermont Police Association, the Vermont Sheriffs' Association, the Vermont Association of Chiefs of Police, and others.

(b) The Panel shall comprise the following 13 members:

(1) five members, drawn from diverse backgrounds to represent the interests of communities of color throughout the State, who have had experience working to implement racial justice reform, appointed by the Attorney General;

(2) the Executive Director of the Vermont Criminal Justice Training Council or designee;

(3) the Attorney General or designee;

(4) the Defender General or designee;

(5) the Executive Director of the State's Attorneys and Sheriffs or designee;

(6) the Chief Superior Judge or designee;

(7) the Commissioner of Corrections or designee;

(8) the Commissioner of Public Safety or designee; and

(9) the Commissioner for Children and Families.

(c) The members of the Panel appointed under subdivision (b)(1) of this section shall serve staggered four-year terms. As terms of currently serving

members expire, appointments of successors shall be in accord with the provisions of subsection (b) of this section. Appointments of members to fill vacancies or expired terms shall be made by the authority that made the initial appointment to the vacated or expired term. Members of the Panel shall be eligible for reappointment. Members of the Panel shall serve no more than two consecutive terms in any capacity.

(d) Members of the Panel shall elect biennially by majority vote the Chair of the Panel. Members of the Panel who are not State employees or whose participation is not supported through their employment or association shall receive per diem compensation and reimbursement of expenses pursuant to 32 V.S.A. § 1010, to be provided by the Office of the Attorney General. The Office of the Attorney General shall provide the Panel with administrative and professional support.

(e) A majority of the members of the Panel shall constitute a quorum, and all action shall be taken upon a majority vote of the members present and voting.

(f) The Panel shall review and provide recommendations to address systemic racial disparities in statewide systems of criminal and juvenile justice, including:

(1) continually reviewing the data collected pursuant to 20 V.S.A. § 2366 to measure State progress toward a fair and impartial system of law enforcement;

(2) providing recommendations to the Criminal Justice Training Council and the Vermont Bar Association, based on the latest social science research and best practices in law enforcement and criminal and juvenile justice, on data collection and model trainings and policies for law enforcement, judges, correctional officers, and attorneys, including prosecutors and public defenders, to recognize and address implicit bias;

(3) providing recommendations to the Criminal Justice Training Council, based on the latest social science research and best practices in law enforcement, on data collection and a model training and policy on de-escalation and the use of force in the criminal and juvenile justice system;

(4) educating and engaging with communities, businesses, educational institutions, State and local governments, and the general public about the nature and scope of racial discrimination in the criminal and juvenile justice system;

(5) monitoring progress on the recommendations from the 2016 report of the Attorney General's Working Group on Law Enforcement Community Interactions; and

(6) on or before January 15, 2018, and biennially thereafter, reporting to the General Assembly, and providing as a part of that report recommendations to address systemic implicit bias in Vermont's criminal and juvenile justice system, including:

(A) how to institute a public complaint process to address perceived implicit bias across all systems of State government;

(B) whether and how to prohibit racial profiling, including implementing any associated penalties; and

(C) whether to expand law enforcement race data collection practices to include data on nontraffic stops by law enforcement.

Sec. 2. 20 V.S.A. § 2358 is amended to read:

§ 2358. MINIMUM TRAINING STANDARDS; DEFINITIONS

\* \* \*

(e)(1) The criteria for all minimum training standards under this section shall include anti-bias training approved by the Vermont Criminal Justice Training Council and training on the State, county, or municipal law enforcement agency's fair and impartial policing policy, adopted pursuant to subsection 2366(a) of this title.

\* \* \*

(4) The Criminal Justice Training Council shall, on an annual basis, report to the Racial Disparities in the Criminal and Juvenile Justice System Advisory Panel regarding:

(A) the adoption and implementation of the Panel's recommended data collection methods and trainings and policies pursuant to 3 V.S.A. § 168(f)(2) and (3);

(B) the incorporation of implicit bias training into the requirements of basic training pursuant to this subsection; and

(C) the implementation of all trainings as required by this subsection.

Sec. 3. SECRETARY OF ADMINISTRATION; PROPOSAL

The Secretary of Administration shall develop a proposal to identify and address racial disparities within the State systems of education, labor and employment, access to housing and health care, and economic development. The Secretary shall report on the proposal to the House and Senate Committees on Judiciary on or before January 15, 2018.

Sec. 4. 20 V.S.A. § 2366(f) is added to read:

(f) Nothing in this section is intended to prohibit or impede any public

agency from complying with the lawful requirements of 8 U.S.C. §§ 1373 and 1644. To the extent any State or local law enforcement policy or practice conflicts with the lawful requirements of 8 U.S.C. §§ 1373 and 1644, that policy or practice is, to the extent of the conflict, abolished.

Sec. 5. CRIMINAL JUSTICE TRAINING COUNCIL; FAIR AND IMPARTIAL POLICING POLICY

(a) On or before October 1, 2017, the Criminal Justice Training Council, in consultation with the Attorney General, shall review and modify the model fair and impartial policing policy to the extent necessary to bring the policy into compliance with 8 U.S.C. §§ 1373 and 1644.

(b) On or before January 1, 2018, the Criminal Justice Training Council, in consultation with stakeholders, including the Vermont League of Cities and Towns, the Vermont Human Rights Commission, and Migrant Justice, shall update its model fair and impartial policing policy to provide one cohesive model policy for law enforcement agencies and constables to adopt as a part of the agency's or constable's own fair and impartial policing policy pursuant to 20 V.S.A. § 2366(a)(1).

Sec. 6. 20 V.S.A. § 2366 is amended to read:

§ 2366. LAW ENFORCEMENT AGENCIES; FAIR AND IMPARTIAL POLICING POLICY; RACE DATA COLLECTION

~~(a)(1) On or before January 1, 2016, the Criminal Justice Training Council, in consultation with stakeholders, including the Vermont League of Cities and Towns, the Vermont Human Rights Commission, and Migrant Justice, shall create a model fair and impartial policing policy. On or before July 1, 2016~~ March 1, 2018, every State, local, county, and municipal law enforcement agency and every constable who exercises law enforcement authority pursuant to 24 V.S.A. § 1936a and who is trained in compliance with section 2358 of this title shall adopt a fair and impartial policing policy that includes, at a minimum, the elements each component of the Criminal Justice Training Council Council's model fair and impartial policing policy.

(2) On or before October 1, 2018, and every even-numbered year thereafter, the Criminal Justice Training Council, in consultation with others, including the Attorney General and the Human Rights Commission, shall review and, if necessary, update the model fair and impartial policing policy.

(b) To encourage consistent fair and impartial policing practices statewide, the Criminal Justice Training Council, in consultation with the Office of the Attorney General, shall review the policies of law enforcement agencies and constables required to adopt a policy pursuant to subsection (a) of this section, to ensure those policies establish each component of the model policy on or

before April 15, 2018. If a the Council finds that a policy does not meet each component of the model policy, it shall work with the law enforcement agency or constable that is required to adopt a policy pursuant to subsection (a) of this section to bring the policy into compliance. If, after consultation with its attorney or with the Council, or with both, the law enforcement agency or constable fails to do so on or before July 1, 2016 adopt a policy that meets each component of the model policy, that agency or constable shall be deemed to have adopted, and shall follow and enforce, the model policy issued by the Criminal Justice Training Council.

(c) ~~On or before September 15, 2014, and annually thereafter~~ Annually, as part of their annual training report to the Council, every State, county, and municipal law enforcement agency and every constable who exercises law enforcement authority pursuant to 24 V.S.A. § 1936a and who is trained in compliance with section 2358 of this title shall report to the Council whether the agency or officer has adopted a fair and impartial policing policy in accordance with subsections (a) and (b) of this section. The Criminal Justice Training Council shall determine, as part of the Council's annual certification of training requirements, whether current officers have received training on fair and impartial policing as required by 20 V.S.A. § 2358(e).

(d) ~~On or before October 15, 2014, and annually thereafter~~ Annually on April 1, the Criminal Justice Training Council shall report to the House and Senate Committees on Judiciary regarding which departments and officers have adopted a fair and impartial policing policy, and whether officers have received training on fair and impartial policing.

\* \* \*

#### Sec. 7. EFFECTIVE DATES

This act shall take effect on passage, except that Sec. 6 (law enforcement agencies; fair and impartial policing policy; race data collection) shall take effect on March 1, 2018.

And that after passage the title of the bill be amended to read:

An act relating to the Racial Disparities in the Criminal and Juvenile Justice System Advisory Panel.

(Committee vote: 5-0-0)

(For House amendments, see House Journal for March 24, 2017, page 500.)

**Reported favorably with recommendation of proposal of amendment by Senator Sears for the Committee on Appropriations.**

The Committee recommends that the Senate propose to the House to amend the bill as recommended by the Committee on Judiciary with the following amendment thereto:

In Sec. 1, 3 V.S.A. § 168, subdivision (d), after the last sentence, by inserting the following: The Panel may meet up to ten times per year.

(Committee vote: 7-0-0)

**H. 508.**

An act relating to building resilience for individuals experiencing adverse childhood experiences.

**Reported favorably with recommendation of proposal of amendment by Senator Lyons for the Committee on Health and Welfare.**

The Committee recommends that the Senate propose to the House to amend the bill by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. FINDINGS

(a) It is the belief of the General Assembly that controlling health care costs requires consideration of population health, particularly adverse childhood experiences (ACEs) and adverse family experiences (AFEs).

(b) The ACE questionnaire contains ten categories of questions for adults. It is used to measure an adult's exposure to toxic stress in childhood. Based on a respondent's answers to the questionnaire, an ACE score is calculated, which is the total number of ACE categories reported as having been experienced by a respondent. ACEs include physical, emotional, and sexual abuse; neglect; food and financial insecurity; living with a person experiencing mental illness or substance use disorder, or both; experiencing or witnessing domestic violence; and having divorced parents or an incarcerated parent.

(c) In a 1998 article entitled "Relationship of Childhood Abuse and Household Dysfunction to Many of the Leading Causes of Death in Adults," published in the *American Journal of Preventive Medicine*, evidence was cited of a "strong graded relationship between the breadth of exposure to abuse or household dysfunction during childhood and multiple risk factors for several of the leading causes of death in adults."

(d) Physical, psychological, and emotional trauma during childhood may result in damage to multiple brain structures and functions.

(e) The greater the ACE score of a respondent, the greater the risk for many health conditions and high-risk behaviors, including alcoholism and alcohol abuse, chronic obstructive pulmonary disease, depression, obesity, illicit drug use, ischemic heart disease, liver disease, intimate-partner violence, multiple sexual partners, sexually transmitted diseases, smoking, suicide attempts, unintended pregnancies, and others.

(f) ACEs are implicated in the ten leading causes of death in the United States, and with an ACE score of six or higher, an individual has a 20-year reduction in life expectancy. In addition, the higher the ACE score, the greater the likelihood of later problems with employment and economic stability, including bankruptcy and homelessness.

(g) AFEs are common in Vermont. One in eight Vermont children has experienced three or more AFEs, the most common being divorced or separated parents, food and housing insecurity, and having lived with someone with a substance use disorder or mental health condition. Children with three or more AFEs have higher odds of failing to engage and flourish in school.

(h) The earlier in life an intervention occurs for an individual who has experienced ACEs or AFEs, the more likely that intervention is to be successful.

(i) ACEs and AFEs can be prevented when a multigenerational approach is employed to interrupt the cycle of ACEs and AFEs within a family, including both prevention and treatment throughout an individual's lifespan.

(j) It is the belief of the General Assembly that people who have experienced adverse childhood and family experiences can build resilience and can succeed in leading happy, healthy lives.

Sec. 2. 33 V.S.A. chapter 34 is added to read:

#### CHAPTER 34. PROMOTION OF CHILD AND FAMILY RESILIENCE

##### § 3351. PRINCIPLES FOR VERMONT'S TRAUMA-INFORMED SYSTEM OF CARE

The General Assembly, to further the significant progress made in Vermont with regard to the prevention, screening, and treatment for adverse childhood and family experiences, adopts the following principles with regard to strengthening Vermont's response to trauma and toxic stress during childhood:

(1) Childhood and family trauma affects all aspects of society. Each of Vermont's systems addressing trauma, particularly social services; health care, including mental health; education; child care; and the justice system, shall collaborate to address the causes and symptoms of childhood and family trauma and to build resilience.



(2) Current efforts to address childhood trauma in Vermont shall be recognized, coordinated, and strengthened.

(3) Addressing trauma in Vermont requires building resilience in those individuals already affected and preventing childhood trauma within the next generation.

(4) Early childhood adversity and adverse family events are common and can be prevented. When adversity is not prevented, early intervention is essential to ameliorate the impacts of adversity. A statewide, community-based, public health approach is necessary to effectively address what is a chronic public health disorder. To that end, Vermont shall implement an overarching public health model based on neurobiology, resilience, epigenetics, and the science of adverse childhood and family experiences with regard to toxic stress. This model shall include training for local leaders to facilitate a cultural change around the prevention and treatment of childhood trauma.

(5) Addressing health in all policies shall be a priority of the Agency of Human Services in order to foster flourishing, self-healing communities.

(6) Service systems shall be integrated at the local and regional levels to maximize resources and simplify how systems respond to individual and family needs. All programs and services shall be evidence-informed and research-based, adhering to best practices in trauma treatment.

#### § 3352. DEFINITIONS

As used in this chapter:

(1) “Adverse childhood experiences” or “ACEs” means potentially traumatic events that occur during childhood and can have negative, lasting effects on the adult’s health and well-being.

(2) “Adverse family experiences” or “AFEs” means potentially traumatic events experienced by a child in his or her home or community that can have negative, lasting effects on the child’s health and well-being.

(3) “Social determinants of health” means the conditions in which people are born, grow, live, work, and age, including socioeconomic status, education, the physical environment, employment, social support networks, and access to health care.

(4) “Trauma-informed” means a type of program, organization, or system that realizes the widespread impact of trauma and understands there are potential paths for recovery; recognizes the signs and symptoms of trauma in clients, families, staff, and others involved in a system; responds by fully integrating knowledge about trauma into policies, procedures, and practices;

and seeks to actively resist retraumatization.

(5) “Toxic stress” means strong, frequent, or prolonged experience of adversity without adequate support.

#### § 3353. DIRECTING TRAUMA-INFORMED SYSTEMS

(a) The Secretary of Human Services shall ensure that one or more persons within the Agency are responsible for coordinating the Agency’s response to adverse childhood and family experiences and collaborating with community partners to build trauma-informed systems, including:

(1) coordinating the Agency’s childhood trauma prevention, screening, and treatment efforts with any similar efforts occurring elsewhere in State government;

(2) disseminating training materials for early child care and learning professionals, in conjunction with the Agency of Education, regarding the identification of students exposed to adverse childhood and family experiences and of strategies for referring families to community health teams and primary care medical homes;

(3) developing and implementing programming modeled after Vermont’s Resilience Beyond Incarceration and Kids-A-Part programs to address and reduce trauma and associated health risks to children of incarcerated parents;

(4) developing a plan that builds on work completed pursuant to 2015 Acts and Resolves No. 46, especially with respect to positive behavior intervention and supports (PBIS) and full-service and trauma-informed schools, in conjunction with the Secretary of Education and other stakeholders, for creating a trauma-informed school system throughout Vermont;

(5) developing a plan that builds on work being done by early child care and learning professionals for children ages 0–5 regarding collaboration with health care professionals in medical homes, including assisting in the screening and surveillance of young children; and

(6) support efforts to develop a framework for outreach and partnership with local community groups to build flourishing communities.

(b) The person or persons directing the Agency’s work related to adverse childhood and family experiences, in consultation with the Child and Family Trauma Committee established pursuant to section 3354 of this chapter, shall provide advice and support to the Secretary and to each of the Agency’s departments in addressing the prevention and treatment of adverse childhood and family experiences and building of trauma-informed systems. This person or persons shall also support the Secretary and departments in connecting

communities and organizations with the appropriate resources for recovery when traumatic events occur.

§ 3354. CHILD AND FAMILY TRAUMA COMMITTEE

(a) Creation. There is created the Child and Family Trauma Committee within the Agency of Human Services for the purpose of providing guidance to the Agency in its efforts to mitigate childhood trauma and build resiliency in accordance with the following principles:

(1) prioritization of a multi-generational approach to support health and mitigate adversity;

(2) recognition of the importance of actively building skills, including executive functioning and self-regulation, when designing strategies to promote the healthy development of young children, adolescents, and adults;

(3) use of approaches that are centered around early childhood, including prenatal, and that focus on building adult core capabilities; and

(4) emphasis on the integration of best practice, evidence-informed practice, and evaluation to ensure accountability and to provide evidence of effectiveness and efficiency.

(b)(1) Membership. The Committee shall be composed of the following members:

(A) the person or persons directing the Agency's work related to adverse childhood and family experiences;

(B) the Commissioner of Mental Health or designee;

(C) the Commissioner of Disabilities, Aging, and Independent Living or designee;

(D) the Commissioner of Corrections or designee;

(E) the Commissioner of Health or designee;

(F) the Commissioner of Vermont Health Access or designee;

(G) a representative of the Department for Children and Families' Child Development Division;

(H) a representative of the Department for Children and Families' Economic Services Division;

(I) a representative of the Department for Children and Families' Family Services Division;

(J) a field services director within the Agency, appointed by the Secretary; and

(K) the Secretary of Education or designee.

(2) The Secretary of Human Services shall invite at least the following representatives to serve as members of the Committee:

(A) a representative of the Vermont Network Against Domestic and Sexual Violence;

(B) a representative of the Vermont Adoption Consortium;

(C) a representative of the Vermont Federation of Families for Children's Mental Health;

(D) a representative of Vermont Care Partners;

(E) a mental health professional, as defined in 18 V.S.A. § 7101, or a social worker, licensed pursuant to 26 V.S.A. chapter 61;

(F) a representative of the parent-child center network;

(G) a representative of Vermont Afterschool, Inc.;

(H) a representative of Building Bright Futures;

(I) a representative of Vermont's "Help Me Grow" Resource and Referral Service Program;

(J) a representative of trauma survivors or of family members of trauma survivors;

(K) a public school teacher, administrator, guidance counselor, or school nurse with knowledge about adverse childhood and family experiences;

(L) a private practice physician licensed pursuant to 26 V.S.A. chapter 23 or 33, a private practice nurse licensed pursuant to 26 V.S.A. chapter 38, or a private practice physician assistant licensed pursuant to 26 V.S.A. chapter 31;

(M) a representative of Prevent Child Abuse Vermont; and

(N) a representative of the field of restorative justice.

(c) Powers and duties. In light of current research and the fiscal environment, the Committee shall analyze existing resources related to building resilience in early childhood and advise the Agency on appropriate structures for advancing the most evidence-informed and cost-effective approaches to serve children experiencing trauma.

(d) Assistance. The Committee shall have the administrative, technical, and legal assistance of the Agency of Human Services.

(e) Meetings.

(1) Meetings shall be held at the call of the Secretary of Human Services, but not more than 12 times annually.

(2) The Committee shall select a chair from among its members at the first meeting.

(3) A majority of the membership shall constitute a quorum.

Sec. 3. AGENCY APPOINTMENT RELATED TO ADVERSE CHILDHOOD AND FAMILY EXPERIENCE WORK

On or before September 1, 2017, the Secretary of Human Services shall inform the chairs of the Senate Committee on Health and Welfare and House Committees on Health Care and on Human Services as to whether the Agency was able to reallocate a position within the Agency for the purpose of directing the Agency's work pursuant to 18 V.S.A. § 3353 or whether some other arrangement was implemented.

Sec. 4. ADVERSE CHILDHOOD AND FAMILY EXPERIENCES; PRESENTATION

On or before February 1, 2018, the person or persons directing the Agency's work related to adverse childhood and family experiences shall present to the House Committees on Health Care and on Human Services and to the Senate Committee on Health and Welfare findings and recommendations related to each of the following, as well as proposed legislative language where appropriate:

(1) identification of existing home visiting services and populations eligible for these services, as well as a proposal for expanding home visits to all Vermont families with a newborn infant by addressing both the financial and strategic implications of universal home visiting;

(2) identification of all existing grants administered by the Agency of Human Services for professional development related to trauma-informed training;

(3) determination of what policies, if any, the Agency of Human Services should adopt regarding the use of evidence-informed grants with community partners that are under contract with the Agency to provide trauma-informed services;

(4) development of a proposal for measuring the outcomes of each of the initiatives created by this act, including specific quantifiable data and the amount of any savings that could be realized by the prevention and mitigation of adverse childhood and family experiences; and

(5) identification of measures to assess the long-term impacts of adverse childhood and family experiences on Vermonters and to assess the

effectiveness of the initiatives created by this act in interrupting the effects of adverse childhood and family experiences.

#### Sec. 5. INVENTORY AND INTERIM REPORT

(a) The person or persons directing the Agency's work related to adverse childhood and family experience pursuant to 33 V.S.A. § 3353, in consultation with Vermont's "Help Me Grow" Resource and Referral Service Program, shall create an inventory of available State and community resources, program capabilities, and coordination capacity in each service area of the State with regard to the following:

(1) programs or providers currently screening patients for adverse childhood and family experiences or conducting another type of trauma assessment, including VCHIP's work integrating trauma-informed services in the delivery of health care to children and the screening and surveillance work occurring in early learning programs;

(2) regional capacity to establish integrated prevention, screening, and treatment programming and apply uniformly the Department for Children and Families' Strengthening Families Framework among service providers;

(3) availability of referral treatment programs for families and individuals who have experienced childhood trauma or are experiencing childhood trauma and whether telemedicine may be used to address shortages in service, if any; and

(4) identification of any regional or programmatic gaps in services or inconsistencies in the use of adverse childhood and family experiences screening tools.

(b) On or before November 1, 2017, the person or persons directing the Agency's work related to adverse childhood and family experiences shall submit the inventory created pursuant to subsection (a) of this section and any preliminary recommendations related to Sec. 4 of this act to the Senate Committee on Health and Welfare and House Committees on Health Care and on Human Services.

#### Sec. 6. ADVERSE CHILDHOOD AND FAMILY EXPERIENCES; RESPONSE PLAN

On or before January 15, 2019, the person or persons directing the Agency's work related to adverse childhood and family experiences pursuant to 33 V.S.A. § 3353, shall present a plan to the House Committees on Health Care and on Human Services and the Senate Committee on Health and Welfare regarding the integration of evidence-informed and family-focused prevention, intervention, treatment, and recovery services for individuals affected by adverse childhood and family experiences. The plan shall address the

coordination of services throughout the Agency and shall propose mechanisms for improving and engaging community providers in the systematic prevention of trauma, as well as screening, case detection, and care of individuals affected by adverse childhood and family experiences.

Sec. 7. 16 V.S.A. chapter 31, subchapter 4 is added to read:

Subchapter 4. School Nurses

§ 1441. FAMILY WELLNESS COACH TRAINING

A school nurse employed by a primary or secondary school is encouraged to participate in a training program, such as trauma-informed programming approved by the Department of Health in consultation with the Department of Mental Health, which may include programming offered by Prevent Child Abuse Vermont. If a school nurse has completed a training program, he or she may provide family wellness coaching to those families with a student attending the school where the school nurse is employed.

Sec. 8. 18 V.S.A. § 705 is amended to read:

§ 705. COMMUNITY HEALTH TEAMS

\* \* \*

(d) The Director shall implement a plan to enable community health teams to work with school nurses in a manner that enables a community health team to serve as:

(1) an educational resource for issues that may arise during the course of the school nurse's practice; and

(2) a referral resource for services available to students and families outside an educational institution in coordination with the primary care medical home.

Sec. 9. 18 V.S.A. § 710 is added to read:

§ 710. ADVERSE CHILDHOOD AND FAMILY EXPERIENCE  
SCREENING TOOL

The Director of the Blueprint for Health, in coordination with the Women's Health Initiative, and in consultation with the person or persons directing the Agency of Human Service's work related to adverse childhood and family experiences pursuant to 18 V.S.A. § 3353, shall work with those health insurance plans that participate in Blueprint for Health payments to plan for an increase in the per-member per-month payments to primary care and obstetric practices for the purpose of incentivizing use of a voluntary evidence-informed screening tool. In addition, the Director of the Blueprint for Health shall work with these health insurers to plan for an increase in capacity payments to the

community health teams for the purpose of providing trauma-informed care to individuals who screen positive for adverse childhood and family experiences.

Sec. 10. RECOMMENDATIONS RELATED TO BLUEPRINT FOR HEALTH INCENTIVES

As part of the report due pursuant to 18 V.S.A. § 709, the Director of the Blueprint for Health shall submit any recommendations regarding the design of adverse childhood and family experience screening incentives required pursuant to 18 V.S.A. § 710.

Sec. 11. HOME VISITING REFERRALS

The person or persons directing the Agency of Human Services' work related to adverse childhood and family experiences pursuant to 18 V.S.A. § 3353 shall coordinate with the Director of the Blueprint for Health and the Women's Health Initiative to ensure all obstetric, midwifery, pediatric, naturopathic, and family medicine and internal medicine primary care practices participating in the Blueprint for Health receive information about regional home visiting services for the purpose of referring patients to appropriate services.

Sec. 12. GRANTS TO COMMUNITY PARTNERS

For the purpose of interrupting the widespread, multigenerational effects of adverse childhood and family experiences and their subsequent severe, related health problems, the Agency shall ensure that grants to its community partners related to children and families strive toward accountability and community resilience.

\* \* \* Training and Coordination \* \* \*

Sec. 13. CURRICULUM; UNIVERSITY OF VERMONT'S COLLEGE OF MEDICINE AND COLLEGE OF NURSING AND HEALTH SCIENCES

The General Assembly recommends that the University of Vermont's College of Medicine and College of Nursing and Health Sciences expressly include information in their curricula pertaining to adverse childhood and family experiences and their impact on short- and long-term physical and mental health outcomes.

\* \* \* Effective Date \* \* \*

Sec. 14. EFFECTIVE DATE

This act shall take effect on July 1, 2017.

And that after passage the title of the bill be amended to read:



An act relating to building resilience for individuals experiencing adverse childhood and family experiences.

(Committee vote: 5-0-0)

(No House amendments.)

**Reported favorably by Senator Westman for the Committee on Appropriations.**

The Committee recommends that the bill ought to pass in concurrence with proposal of amendment as recommended by the Committee on Health and Welfare.

(Committee vote: 7-0-0)

**House Proposal of Amendment**

**S. 22**

An act relating to increased penalties for possession, sale, and dispensation of fentanyl.

The House proposes to the Senate to amend the bill by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. LEGISLATIVE FINDINGS

The General Assembly finds:

(1) According to Michael Botticelli, former Director of the Office of National Drug Control Policy, the National Drug Control Strategy recommends treating “addiction as a public health issue, not a crime.” Further, the strategy “rejects the notion that we can arrest and incarcerate our way out of the nation’s drug problem.”

(2) Vermont Chief Justice Paul Reiber has declared that “the classic approach of ‘tough on crime’ is not working in [the] area of drug policy” and that treatment-based models are proving to be a more effective approach for dealing with crime associated with substance abuse.

(3) A felony conviction record is a significant impediment to gaining and maintaining employment and housing, yet we know that stable employment and housing are an essential element to recovery from substance abuse and desistance of criminal activity that often accompanies addiction.

(4) In a 2014 study by the PEW Research Center, 67 percent of people polled said government should focus more on providing treatment to people who use illicit drugs and less on punishment. The Center later reported that states are leading the way in reforming drug laws to reflect this opinion. State-level actions have included lowering penalties for possession and use of illegal

drugs, shortening mandatory minimums or curbing their applicability, removing automatic sentence enhancements, and establishing or extending the jurisdiction of drug courts and other alternatives to the regular criminal justice system.

(5) Vermont must look at alternative approaches to the traditional criminal justice model for addressing low-level illicit drug use if it is going to reduce the effects of addiction and addiction-related crime in this State.

## Sec. 2. STUDY

(a) The Office of Legislative Council shall examine the issue of a public health approach to low-level possession and use of illicit and regulated drugs, including fentanyl, in Vermont as an alternative to the traditional criminal justice model, looking to trends both nationally and internationally, with a goal of providing policymakers a range of approaches to consider during the 2018 legislative session.

(b) The Office of Legislative Council shall report its findings to the General Assembly on or before November 15, 2017.

Sec. 3. 18 V.S.A. § 4234b is amended to read:

§ 4234b. EPHEDRINE AND PSEUDOEPHEDRINE

\* \* \*

(c) Electronic registry system.

(1)(A) Retail establishments shall use an electronic registry system to record the sale of products made pursuant to subsection (b) of this section. The electronic registry system shall have the capacity to block a sale of nonprescription drug products containing ephedrine base, pseudoephedrine base, or phenylpropanolamine base that would result in a purchaser exceeding the lawful daily or monthly amount. The system shall contain an override function that may be used by an agent of a retail establishment who is dispensing the drug product and who has a reasonable fear of imminent bodily harm to his or her person or to another person if the transaction is not completed. The system shall create a record of each use of the override mechanism.

(B) The electronic registry system shall be available free of charge to the State of Vermont, retail establishments, and local law enforcement agencies.

(C) The electronic registry system shall operate in real time to enable communication among in-state users and users of similar systems in neighboring states.

(D) The State shall use the National Precursor Log Exchange (NPLEx) online portal or its equivalent to host Vermont's electronic registry system.

(2)(A) Prior to completing a sale under subsection (b) of this section, a retail establishment shall require the person purchasing the drug product to present a current, valid government-issued identification document. The retail establishment shall record in the electronic registry system:

(i) the name and address of the purchaser;

(ii) the name of the drug product and quantity of ephedrine, pseudoephedrine, and phenylpropanolamine base sold in grams;

(iii) the date and time of purchase;

(iv) the form of identification presented, the issuing government entity, and the corresponding identification number; and

(v) the name of the person selling or furnishing the drug product.

(B)(i) If the retail establishment experiences an electronic or mechanical failure of the electronic registry system and is unable to comply with the electronic recording requirement, the retail establishment shall maintain a written log or an alternative electronic record-keeping mechanism until the retail establishment is able to comply fully with this subsection (c).

(ii) If the region of the State where the retail establishment is located does not have broadband Internet access, the retail establishment shall maintain a written log or an alternative electronic record-keeping mechanism until broadband Internet access becomes accessible in that region. At that time, the retail establishment shall come into compliance with this subsection (c).

(C) A retail establishment shall maintain all records of drug product purchases made pursuant to this subsection (c) for a minimum of two years.

(3) A retail establishment shall display a sign at the register provided by NPLEx or its equivalent to notify purchasers of drug products containing ephedrine, pseudoephedrine, or phenylpropanolamine base that:

(A) the purchase of the drug product or products shall result in the purchaser's identity being listed on a national database; and

(B) the purchaser has the right to request the transaction number for any purchase that was denied pursuant to this subsection (c).

(4) Except as provided in subdivision (5) of this subsection (c), a person or retail establishment that violates this subsection shall:

(A) for a first violation be assessed a civil penalty of not more than \$100.00; and

(B) for a second or subsequent violation be assessed a civil penalty of not more than \$500.00.

(d) This section shall not apply to a manufacturer ~~which~~ that has obtained an exemption from the Attorney General of the United States under Section 711(d) of the federal Combat Methamphetamine Epidemic Act of 2005.

(e) As used in this section:

(1) “Distributor” means a person, other than a manufacturer or wholesaler, who sells, delivers, transfers, or in any manner furnishes a drug product to any person who is not the ultimate user or consumer of the product.

(2) “Knowingly” means having actual knowledge of the relevant facts.

(3) “Manufacturer” means a person who produces, compounds, packages, or in any manner initially prepares a drug product for sale or use.

(4) “Wholesaler” means a person, other than a manufacturer, who sells, transfers, or in any manner furnishes a drug product to any other person for the purpose of being resold.

#### Sec. 5. EFFECTIVE DATES

This section and Sec. 3 (ephedrine and pseudoephedrine) shall take effect on passage. The remaining sections shall take effect on July 1, 2017.

And that after passage the title of the bill be amended to read:

An act relating to alternative approaches to addressing low-level illicit drug use and the ephedrine and pseudoephedrine registry.

#### **Proposal of amendment to House proposal of amendment to S. 22 to be offered by Senator Sears**

Senator Sears moves that the Senate concur in the House proposal of amendment with further proposal of amendment by inserting four new sections to be Secs. 4a–4d to read as follows:

Sec. 4a. 18 V.S.A. § 4233a is added to read:

#### § 4233a. FENTANYL

(a) Selling or dispensing.

(1) A person knowingly and unlawfully dispensing fentanyl shall be imprisoned not more than three years or fined not more than \$75,000.00, or both. A person knowingly and unlawfully selling fentanyl shall be imprisoned not more than five years or fined not more than \$100,000.00, or both.

(2) A person knowingly and unlawfully selling or dispensing fentanyl in an amount consisting of four milligrams or more of one or more preparations, compounds, mixtures, or substances containing fentanyl shall be imprisoned not more than 10 years or fined not more than \$250,000.00, or both.

(3) A person knowingly and unlawfully selling or dispensing fentanyl in an amount consisting of 20 milligrams or more of one or more preparations, compounds, mixtures, or substances containing fentanyl shall be imprisoned not more than 20 years or fined not more than \$1,000,000.00, or both.

(4) In lieu of a charge under this subsection, but in addition to any other penalties provided by law, a person knowingly and unlawfully selling or dispensing any regulated drug containing a detectable amount of fentanyl shall be imprisoned not more than five years or fined not more than \$250,000.00, or both.

(b) Trafficking. A person knowingly and unlawfully possessing fentanyl in an amount consisting of 70 milligrams or more of one or more preparations, compounds, mixtures, or substances containing fentanyl with the intent to sell or dispense the fentanyl shall be imprisoned not more than 30 years or fined not more than \$1,000,000.00, or both. There shall be a permissive inference that a person who possesses fentanyl in an amount of 70 milligrams or more of one or more preparations, compounds, mixtures, or substances containing fentanyl intends to sell or dispense the fentanyl. The amount of possessed fentanyl under this subsection to sustain a charge of conspiracy under 13 V.S.A. § 1404 shall be not less than 70 milligrams in the aggregate.

(c) Transportation into the State. In addition to any other penalties provided by law, a person knowingly and unlawfully transporting more than 20 milligrams of fentanyl into Vermont with the intent to sell or dispense the fentanyl shall be imprisoned not more than 10 years or fined not more than \$100,000.00, or both.

Sec. 4b. 18 V.S.A. § 4234 is amended to read:

§ 4234. DEPRESSANT, STIMULANT, AND NARCOTIC DRUGS

\* \* \*

(b) Selling or dispensing.

(1) A person knowingly and unlawfully dispensing a depressant, stimulant, or narcotic drug, other than fentanyl, heroin, or cocaine, shall be imprisoned not more than three years or fined not more than \$75,000.00, or both. A person knowingly and unlawfully selling a depressant, stimulant, or narcotic drug, other than fentanyl, cocaine, or heroin, shall be imprisoned not more than five years or fined not more than \$25,000.00, or both.

(2) A person knowingly and unlawfully selling or dispensing a depressant, stimulant, or narcotic drug, other than fentanyl, heroin, or cocaine, consisting of 100 times a benchmark unlawful dosage or its equivalent as determined by the ~~board of health~~ Board of Health by rule shall be imprisoned not more than 10 years or fined not more than \$100,000.00, or both.

(3) A person knowingly and unlawfully selling or dispensing a depressant, stimulant, or narcotic drug, other than fentanyl, heroin, or cocaine, consisting of 1,000 times a benchmark unlawful dosage or its equivalent as determined by the ~~board of health~~ Board of Health by rule shall be imprisoned not more than 20 years or fined not more than \$500,000.00, or both.

Sec. 4c. 13 V.S.A. § 1404 is amended to read:

§ 1404. CONSPIRACY

(a) A person is guilty of conspiracy if, with the purpose that an offense listed in subsection (c) of this section be committed, that person agrees with one or more persons to commit or cause the commission of that offense, and at least two of the co-conspirators are persons who are neither law enforcement officials acting in official capacity nor persons acting in cooperation with a law enforcement official.

(b) No person shall be convicted of conspiracy unless a substantial overt act in furtherance of the conspiracy is alleged and proved to have been done by the defendant or by a co-conspirator, other than a law enforcement official acting in an official capacity or a person acting in cooperation with a law enforcement official, and subsequent to the defendant's entrance into the conspiracy. Speech alone may not constitute an overt act.

(c) This section applies only to a conspiracy to commit or cause the commission of one or more of the following offenses:

- (1) murder in the first or second degree;
- (2) arson under sections 501-504 and 506 of this title;
- (3) sexual exploitation of children under sections 2822, 2823, and 2824 of this title;
- (4) receiving stolen property under sections 2561-2564 of this title; or
- (5) an offense involving the sale, delivery, manufacture, or cultivation of a regulated drug or an offense under:
  - (A) 18 V.S.A. § 4230(c), relating to trafficking in marijuana;
  - (B) 18 V.S.A. § 4231(c), relating to trafficking in cocaine;
  - (C) 18 V.S.A. § 4233(c), relating to trafficking in heroin;

(D) 18 V.S.A. § 4234(b)(3), relating to unlawful selling or dispensing of a depressant, stimulant, or narcotic drug, other than heroin or cocaine; or

(E) 18 V.S.A. § 4234a(c), relating to trafficking in methamphetamine; or

(F) 18 V.S.A. § 4233a(c), relating to trafficking in fentanyl.

Sec. 4d. USE OF U.S. FOOD AND DRUG ADMINISTRATION-  
APPROVED DRUGS CONTAINING CANNABIDIOL

(a) Upon approval by the U.S. Food and Drug Administration (FDA) of one or more prescription drugs containing cannabidiol, the following activities shall be lawful in Vermont:

(1) the clinically appropriate prescription for a patient of an FDA-approved prescription drug containing cannabidiol by a health care provider licensed to prescribe medications in this State and acting within his or her authorized scope of practice;

(2) the dispensing, pursuant to a valid prescription, of an FDA-approved prescription drug containing cannabidiol to a patient or a patient's authorized representative by a pharmacist or by another health care provider licensed to dispense medications in this State and acting within his or her authorized scope of practice;

(3) the possession and transportation of an FDA-approved prescription drug containing cannabidiol by a patient to whom a valid prescription was issued or by the patient's authorized representative;

(4) the possession and transportation of an FDA-approved prescription drug containing cannabidiol by a licensed pharmacy or wholesaler in order to facilitate the appropriate dispensing and use of the drug; and

(5) the use of an FDA-approved prescription drug containing cannabidiol by a patient to whom a valid prescription was issued, provided the patient uses the drug only for legitimate medical purposes in conformity with instructions from the prescriber and dispenser.

(b) Upon approval by the U.S. Food and Drug Administration of one or more prescription drugs containing cannabidiol, the Department of Health shall amend its rules to conform to the provisions of subsection (a) of this section.

## House Proposal of Amendment

### S. 56

An act relating to life insurance policies and the Vermont Uniform Securities Act.

The House proposes to the Senate to amend the bill by striking out all after the enacting clause and inserting in lieu thereof the following:

\* \* \* Secondary Addressee for Life Insurance \* \* \*

Sec. 1. 8 V.S.A. § 3762(d) is added to read:

(d) No individual policy of life insurance covering an individual 64 years of age or older that has been in force for at least one year shall be canceled for nonpayment of premium unless, after expiration of the grace period and not less than 21 days before the effective date of any such cancellation, the insurer has mailed a notice of impending cancellation in coverage to the policyholder and to a specified secondary addressee if such addressee has been designated by name and address in writing by the policyholder. An insurer shall notify the applicant of the right to designate a secondary addressee at the time of application for the policy on a form provided by the insurer, and annually thereafter, and the policyholder shall have the right to designate a secondary addressee, in writing, by name and address, at any time the policy is in force, by submitting such written notice to the insurer. If a life insurance policy provides a grace period longer than 51 days for nonpayment of premium, the notice of cancellation in coverage required by this subsection shall be mailed to the policyholder and to the secondary addressee not less than 21 days prior to the expiration of the grace period provided in such policies.

\* \* \* Penalty Enhancements for Violations Involving a  
Vulnerable Adult \* \* \*

Sec. 2. 8 V.S.A. § 24 is amended to read:

§ 24. SENIOR INVESTOR PROTECTION

\* \* \*

(e) The Commissioner, in addition to other powers conferred on the Commissioner by law, may increase the amount of an administrative penalty by not more than \$5,000.00 per violation for violations involving a person who is a vulnerable adult as defined in 33 V.S.A. § 6902(14).

\* \* \* Securities Act Penalties, Generally; Vulnerable Adults \* \* \*

Sec. 3. 9 V.S.A. § 5412(c) is amended to read:

(c) If the Commissioner finds that the order is in the public interest and



subdivisions (d)(1) through (6), (8), (9), (10), (12), or (13) of this section authorize the action, an order under this chapter may censure, impose a bar on, or impose a civil penalty on a registrant in an amount not more than \$15,000.00 for each violation ~~and not more than \$1,000,000.00 for more than one violation~~, and recover the costs of the investigation from the registrant, and, if the registrant is a broker-dealer or investment adviser, a partner, officer, director, or person having a similar status or performing similar functions, or a person directly or indirectly in control of the broker-dealer or investment adviser. The limitations on civil penalties contained in this subsection shall not apply to settlement agreements.

Sec. 4. 9 V.S.A. § 5603(b)(2)(C) is amended to read:

(C) imposing a civil penalty up to \$15,000.00 for each violation ~~and not more than \$1,000,000.00 for more than one violation~~; an order of rescission, restitution, or disgorgement directed to a person that has engaged in an act, practice, or course of business constituting a violation of this chapter or the predecessor act or a rule adopted or an order issued under this chapter or the predecessor act. The court may increase a civil penalty amount by not more than \$5,000.00 per violation for violations involving a person who is a vulnerable adult as defined in 33 V.S.A. § 6902(14). The limitations on civil penalties contained in this subdivision shall not apply to settlement agreements; and

Sec. 5. 9 V.S.A. § 5604(d) is amended to read:

(d) In a final order under subsection (b) or (c) of this section, the Commissioner may impose a civil penalty of not more than \$15,000.00 for each violation ~~and not more than \$1,000,000.00 for more than one violation~~. The Commissioner may also require a person to make restitution or provide disgorgement of any sums shown to have been obtained in violation of this chapter, plus interest at the legal rate. The limitations on civil penalties contained in this subsection shall not apply to settlement agreements.

\* \* \* Securities Act Housekeeping \* \* \*

Sec. 6. 9 V.S.A. § 5302 is amended to read:

§ 5302. NOTICE FILING

\* \* \*

(c) With respect to a security that is a federal covered security under 15 U.S.C. § ~~77r(b)(4)(E)~~ § 77r(b)(4)(F), a rule under this chapter may require a notice filing by or on behalf of an issuer to include a copy of Form D, including the Appendix, as promulgated by the Securities and Exchange Commission, and a consent to service of process complying with section 5611 of this chapter signed by the issuer not later than 15 days after the first sale of

the federal covered security in this State and the payment of a fee as set forth in subsection (e) of this section. The notice filing shall be effective for one year from the date the notice filing is accepted as complete by the Office of the Commissioner. On or before expiration, the issuer may annually renew a notice filing by filing a copy of those records filed by the issuer with the Securities and Exchange Commission that are required by rule or order under this chapter to be filed and by paying an annual renewal fee as set forth in subsection (e) of this section.

(d) Subject to the provisions of 15 U.S.C. § 77r(c)(2) and any rules adopted thereunder, with respect to any security that is a federal covered security under 15 U.S.C. § 77r(b)(3) or ~~(4)(A)-(C)~~ (4)(A)-(E) and (G) and that is not otherwise exempt under sections 5201 through 5203 of this title, a rule adopted or order issued under this chapter may require any or all of the following with respect to such federal covered securities, at such time as the Commissioner may deem appropriate:

\* \* \*

\* \* \* Philanthropy Protection Act; Exemption Repeal \* \* \*

#### Sec. 7. REPEAL

9 V.S.A. § 5615 (exempting Vermont from the Philanthropy Protection Act of 1995) is repealed.

\* \* \* Cooperative Insurance; Bylaws \* \* \*

#### Sec. 8. 8 V.S.A. § 3925 is amended to read:

##### § 3925. BYLAWS; COMPULSORY PROVISIONS

The bylaws of a cooperative insurance corporation to which a certificate of authority is issued shall include substantially the following provisions:

(1) The corporate powers of such corporation shall be exercised by a board of directors, who shall be not less than five in number. Such directors shall be divided into classes and a portion only elected each year. They shall be elected for a term of not more than four years each and shall choose ~~from their number~~ a president, a secretary, and such other officers as may be deemed necessary. After the first year, the directors shall be chosen at an annual meeting to be held on the second Tuesday of January, unless some other day is designated in such bylaws, at which meeting each person insured shall have one vote and may be entitled to vote by proxy under such rules and regulations as may be prescribed by the bylaws.

(2) Such corporation shall keep proper books, including a policy register, in which the secretary shall enter the complete record of all its transactions and those of the board of directors and executive committee.

Such books shall at all times show fully and truly the condition, affairs, and business of such corporation and shall be open for inspection by every person insured, each day from nine o'clock in the forenoon to four o'clock in the afternoon, Saturdays, Sundays, and legal holidays excepted.

(3) If authorized as an assessment cooperative insurance corporation as outlined in subsection 3920(a) of this title, such corporation may assess for the purposes specified in section 3927 of this title, and the bylaws shall specify the manner of giving notice of such assessments, which may be either personal or by mail, and, if by mail, shall be deemed complete if such notice is deposited, postage prepaid, in the post office at the place where the principal office of the corporation is located, directed to the person insured at his or her last known place of residence or business. A person insured who neglects or refuses to pay his or her assessments, for that reason or for any other reason satisfactory to the board of directors or its executive committee, may be excluded from such corporation and, when thus excluded, the secretary shall cancel or withdraw his or her policy or policies, subject to the cancellation provisions in sections 3879 through 3882 and chapter 113, subchapter 2 of this title, provided that such person shall remain liable for his or her pro rata share of losses and expenses incurred on or before the date of his or her exclusion and for the penalty herein provided, in case an action is brought against him or her. If a member of such corporation is so excluded and his or her policy so canceled, the secretary shall forthwith enter such cancellation and the date thereof on the records kept in the office of the corporation and serve notice of such cancellation on the person so excluded, as provided herein for the service of notice of assessment. However, in such event, the person so excluded or whose policy is so canceled shall be entitled to the repayment of an equitable portion of the unearned paid premium on such policy. The officers of such corporation shall proceed to collect all assessments within 30 days after the expiration of the notice to pay the same. Neglect or refusal on their part so to proceed or to perform any of the duties imposed on them by law shall render them individually liable for the amount lost to any person, due to such neglect or refusal, and an action may be maintained by such person against such officers to collect such amount. An action may be brought by the corporation against a person insured therein to recover all assessments which he or she may neglect or refuse to pay, and there may be recovered from him or her in such action both the amount so assessed, with lawful interest thereon, and, as a penalty for such neglect or refusal, 50 percent of such assessment in addition thereto.

(4) Any person insured by an assessment cooperative insurance corporation may withdraw therefrom at any time by giving written notice to the corporation, stating the date of withdrawal, paying his or her share of all claims then existing against such corporation, and surrendering his or her

policy or policies.

(5) Any person insured by a nonassessment cooperative insurance corporation may withdraw from it at any time by giving written notice to the corporation stating the date of withdrawal and surrendering his or her policy or policies.

(6) Persons residing or owning property within ~~the state of Vermont~~ any state where the corporation is authorized to do business may be insured upon the same terms and conditions as original members and such other terms as may be prescribed in the bylaws of the corporation.

~~(7) Nonresidents owning property within the state of Vermont may be insured therein and shall have all the rights and privileges of the corporation and be accountable as are other persons insured therein, but shall not be eligible to hold office in the corporation;~~

(8) The bylaws of such corporation may be amended at any time.

\* \* \* Group Life Insurance; Employee Pay All \* \* \*

Sec. 9. [DELETED.]

Sec. 10. [DELETED.]

Sec. 11. [DELETED.]

Sec. 12. [DELETED.]

Sec. 13. [DELETED.]

Sec. 14. [DELETED.]

Sec. 15. [DELETED.]

\* \* \* Assistant Medical Examiners; Liability Protections \* \* \*

Sec. 16. 18 V.S.A. § 511 is added to read:

§ 511. ACTIONS AGAINST MEDICAL EXAMINERS

Actions taken by any person given authority under this chapter, including an assistant medical examiner, shall be considered to be actions taken by a State employee for the purposes of 3 V.S.A. chapter 29 and 12 V.S.A. chapter 189 if such actions occurred within the scope of such person's duties.

\* \* \* Portable Electronics Insurance; Notice Requirements \* \* \*

Sec. 17. 8 V.S.A. § 4260 is amended to read:

§ 4260. NOTICE REQUIREMENTS

(a) Whenever notice or correspondence with respect to a policy of portable electronics insurance is required pursuant to the policy or is otherwise required

by law, it shall be in writing. Notwithstanding any other provision of law, notices and correspondence may be sent either by mail or by electronic means as set forth in this section. If the notice or correspondence is mailed, it shall be sent to the portable electronics vendor at the vendor's mailing address specified for such purpose and to its affected customers' last known mailing address on file with the insurer. The insurer or vendor of portable electronics shall maintain proof of mailing in a form authorized or accepted by the U.S. Postal Service or other commercial mail delivery service. If the notice or correspondence is sent by electronic means, it shall be sent to the portable electronics vendor at the vendor's electronic mail address specified for such purpose and to its affected customers' last known electronic mail address as provided by each customer to the insurer or vendor of portable electronics. ~~A customer is deemed to consent to receive notice and correspondence by electronic means if the insurer or vendor first discloses to the customer that by providing an electronic mail address the customer consents to receive electronic notice and correspondence at the address, and the customer provides an electronic mail address~~ customer's provision of an electronic mail address to the insurer or vendor of portable electronics is deemed consent to receive notices and correspondence by electronic means at such address if notice of that consent is provided to the customer within 30 calendar days. The insurer or vendor of portable electronics shall maintain proof that the notice or correspondence was sent.

\* \* \*

\* \* \* Workers' Compensation; High-Risk Occupations and Industries \* \* \*

Sec. 18. WORKERS' COMPENSATION; INDUSTRIES AND  
OCCUPATIONS WITH HIGH RISK, HIGH PREMIUMS, AND  
FEW POLICY HOLDERS; STUDY; REPORT

(a) The Commissioner of Financial Regulation, in consultation with the Commissioner of Labor, the National Council on Compensation Insurance, and other interested stakeholders, shall identify and study industries and occupations in Vermont that experience a high risk of workplace and on-the-job injuries and whose workers' compensation insurance is characterized by high premiums and few policy holders in the insurance pool. The industries and occupations addressed in the study shall include, among others, logging and log hauling, as well as arborists, roofers, and occupations in saw mills and wood manufacturing operations. In particular, the Commissioner shall:

(1) examine difference in the potential for loss, premium rates, and experience and participation in the workers' compensation marketplace between the industries and occupations identified, and the average for all industries and occupations in Vermont;

(2) study potential methods for reducing workers' compensation premium rates and costs for high-risk industries and occupations, including risk pooling between multiple high-risk industries or occupations, creating self-insured trusts; creating voluntary safety certification programs, and programs or best practices employed by other states; and

(3) model the potential impact on workers' compensation premiums and costs from each of the methods identified pursuant to subdivision (2) of this subsection.

(b) On or before January 15, 2018, the Commissioner of Financial Regulation shall submit a written report to the House Committee on Commerce and Economic Development and the Senate Committee on Finance regarding his or her findings and any recommendations for legislative action to reduce the workers' compensation premium rates and costs for the industries identified in the study.

\* \* \* Workers' Compensation; Short-term and Seasonal Policies; Studies \* \* \*

Sec. 19. [DELETED.]

Sec. 20. SHORT-TERM WORKERS' COMPENSATION POLICIES;  
STUDY; REPORT

The Commissioner of Financial Regulation, in consultation with the Commissioner of Labor, shall examine potential measures to encourage the creation of affordable seasonal and short-term workers' compensation policies and measures to reduce the cost of workers' compensation insurance coverage for small employers in seasonal occupations. On or before January 15, 2018, the Commissioner shall report to the House Committee on Commerce and Economic Development and the Senate Committee on Finance regarding his or her finding and any recommendations for legislative action.

Sec. 21. REGIONAL ASSIGNED RISK POOL; STUDY; REPORT

The Commissioner of Financial Regulation shall examine potential mechanisms for joining with neighboring states to create a regional assigned risk pool for workers' compensation insurance and whether the creation of a regional assigned risk pool could reduce the cost of administering Vermont's assigned risk pool. On or before January 15, 2018, the Commissioner shall submit a written report to the House Committee on Commerce and Economic Development and the Senate Committee on Finance with his or her findings and any recommendations for legislative action related to the implementation of a regional assigned risk pool for workers' compensation insurance.

Sec. 22. ADMINISTRATION OF ASSIGNED RISK POOL; STUDY;  
REPORT

The Commissioner of Financial Regulation shall examine whether any premium savings or reductions in costs could be realized if the assigned risk pool for workers' compensation was administered directly by the Department of Financial Regulation rather than through a third-party. On or before January 15, 2018, the Commissioner shall submit a written report to the House Committee on Commerce and Economic Development and the Senate Committee on Finance with his or her findings and any recommendations for legislative action.

\* \* \* Unemployment Compensation; Referee Final Decisions \* \* \*

Sec. 23. [DELETED.]

Sec. 24. [DELETED.]

\* \* \* Effective Date; Application \* \* \*

Sec. 25. EFFECTIVE DATE; APPLICATION

(a) This act shall take effect on July 1, 2017.

(b) Sec. 17 shall apply to portable electronics insurance policies issued or renewed on or after July 1, 2017.

And that after passage the title of the bill be amended to read:

An act relating to insurance and securities.

**Joint Resolution For Action**

**J.R.H. 7.**

Joint resolution authorizing the Green Mountain Boys State educational program to use the State House.

**PENDING QUESTION:** Shall the Resolution be adopted?

**Text of resolution:**

Whereas, the American Legion Department of Vermont sponsors the Green Mountain Boys State educational program, providing a group of boys entering the 12th grade a special opportunity to study the workings of State government in Montpelier, and

Whereas, as part of their visit to the State's capital city, the boys conduct a mock legislative session in the State House, now therefore be it

Resolved by the Senate and House of Representatives:

That the Sergeant at Arms shall make available the chambers and

committee rooms of the State House for the Green Mountain Boys State educational program on Thursday, June 22, 2017, from 8:00 a.m. to 4:15 p.m., and be it further

Resolved: That the Secretary of State be directed to send a copy of this resolution to the American Legion Department of Vermont in Montpelier.

## NOTICE CALENDAR

### Second Reading

#### Favorable with Recommendation of Amendment

#### S. 113.

An act relating to food and lodging establishments.

**Reported favorably with recommendation of amendment by Senator Lyons for the Committee on Health and Welfare.**

The Committee recommends that the bill be amended as follows:

First: In Sec. 1, 18 V.S.A. § 4301, subdivision (14), by striking out the word “stay” and inserting in lieu thereof the word period

Second: In Sec. 1, 18 V.S.A. by striking out §§ 4466-4470 in their entirety and inserting in lieu thereof the following:

#### Subchapter 7. Short-Term Rentals

#### § 4466. REGISTRATION OF SHORT-TERM RENTALS

(a) A person shall not operate or maintain a short-term rental unless he or she registers with the Department and obtains and holds a valid certificate of compliance.

(b) Prior to offering for rent a short-term rental, a person shall register with the Commissioner by completing forms published by the Department and paying a registration fee as provided in 4468 of this title.

(c) A person registering shall certify on the registration forms published by the Department that the short-term rental is in compliance with the following provisions:

(1) All available units shall comply with any relevant State and local fire and life safety laws and regulations.

(2) Each guest room shall be free of any evidence of insects, rodents, and other pests.

(3) All water from a nonpublic water supply system shall meet Vermont’s water supply rules.



(4) All sewage shall be disposed of through an approved facility, including either:

(A) a public sewage treatment plant; or

(B) an individual sewage disposal system that is constructed, maintained, and operated according to the Department of Environmental Conservation's regulations, and otherwise meets all applicable sanitation requirements.

(d)(1) A registration application shall be submitted no fewer than 14 calendar days prior to opening a short-term rental.

(2) The Department shall award an initial certificate of compliance upon receipt of the applicant's completed registration application and registration fee. The certification of compliance shall state that the holder has self-certified compliance with health and safety laws and regulations and that the Department has not licensed or inspected the property.

(e) All certificates of compliance shall be displayed in a manner so as to be easily viewed by the public.

(f) Any perspective certificate holder aggrieved by a decision of the Department may appeal to the Board of Health pursuant to subsection 4351(e) of this title.

#### § 4467. TERM; CERTIFICATE OF COMPLIANCE

A certificate of compliance shall expire annually after its date of issuance and may be renewed upon the payment of a new registration fee if the certificate holder is in good standing with the Department.

#### § 4468. FEES; REGISTRATION

The following fee shall be paid to the Department at the time of registration or registration renewal:

Short-term rental — \$130.00.

#### § 4469. ENFORCEMENT

(a) If a person is found to be in violation of this subchapter, the Commissioner shall issue a written notice and an order requiring both abatement of the violation and compliance with this subchapter within a reasonable period of time.

(b) A person upon whom the notice and order are served shall have an opportunity for a hearing at which he or she may show cause for vacating or amending the order. If it appears that the provisions of this chapter have not been violated, the Commissioner shall immediately vacate the order without

prejudice. Conversely, if it appears that the provisions of this chapter have been violated and the person fails to comply with the order issued by the Commissioner, the Commissioner shall revoke, modify, or suspend the person's certificate of compliance or enforce a civil penalty pursuant to section 4309 of this title, or both.

Third: By inserting a new section, to be numbered Sec. 2, to read as follows:

Sec. 2. SHORT-TERM RENTAL WORKING GROUP; REPORT

(a) Creation. There is created the Short-Term Rental Working Group within the Department of Health for the purpose of developing a proposal for the regulation of short-term rentals in Vermont that:

(1) levels the playing field between short-term rentals and other lodging establishments; and

(2) protects the health and safety of the transient, traveling, or vacationing public.

(b)(1) Membership. The Working Group shall be composed of the following members:

(A) the Commissioner of Health or designee;

(B) the Commissioner of Taxes or designee; and

(C) the Executive Director of the Department of Public Safety's Fire Safety Division or designee.

(2) The Secretary shall invite at least the following representatives to participate in the Working Group:

(A) a representative of the Vermont Chamber of Commerce;

(B) a representative of Vermont's short-term rental industry; and

(C) a representative of the Vermont Lodging Association.

(c) Assistance. The Working Group shall have the administrative, technical, and legal assistance of Department of Health.

(d) Report. On or before October 1, 2017, the Working Group shall submit a written report to the House Committee on Human Services and the Senate Committee on Health and Welfare with its findings and any recommendations for legislative action.

(e) Meetings.

(1) The Commissioner of Health or designee shall call the first meeting of the Working Group to occur on or before August 1, 2017

- (2) The Commissioner of Health or designee shall be the Chair.
- (3) A majority of the membership shall constitute a quorum.
- (4) The Working Group shall cease to exist on October 31, 2017.
- (f) Definitions. As used in this section:
  - (1) "Lodging establishment" means the same as in 18 V.S.A. § 4301(9).
  - (2) "Short-term rental" means the same as in 18 V.S.A. § 4301(14).

Fourth: By striking out the remaining section (Effective Date) in its entirety and inserting in lieu thereof the following:

**Sec. 3. EFFECTIVE DATES**

This act shall take effect on July 1, 2017, except 18 V.S.A. chapter 85, subchapter 7 (short-term rentals) shall take effect on January 1, 2019.

(Committee vote: 5-0-0)

**Favorable with Proposal of Amendment**

**H. 167.**

An act relating to alternative approaches to addressing low-level illicit drug use.

**Reported favorably with recommendation of proposal of amendment by Senator White for the Committee on Judiciary.**

The Committee recommends that the Senate propose to the House to amend the bill by striking out all after the enacting clause and inserting in lieu thereof the following:

**Sec. 1. MISDEMEANOR POSSESSION OF DRUGS; PRETRIAL SERVICES**

(a) It is the intent of the General Assembly to encourage persons cited or arrested for a misdemeanor drug possession charge to engage with pretrial services, and, if appropriate, enter treatment, and that, in turn, a person who complies with such conditions will be eligible for dismissal of the charge.

(b) The Attorney General, the Defender General, and the Executive Director of the Department of State's Attorneys and Sheriffs shall work collaboratively to develop a specific legislative proposal to accomplish this intent with an implementation date of July 1, 2018 and report to the Senate and House Committees on Judiciary and on Appropriations, the Senate Committee on Health and Welfare, and the House Committee on Human Services on or before November 1, 2017.

Sec. 2. EFFECTIVE DATE

This act shall take effect on July 1, 2017.

(Committee vote: 5-0-0)

(For House amendments, see House Journal for March 21, 2017, page 462.)

**H. 238.**

An act relating to modernizing and reorganizing Title 7.

**Reported favorably with recommendation of proposal of amendment by Senator Clarkson for the Committee on Economic Development, Housing and General Affairs.**

The Committee recommends that the Senate propose to the House to amend the bill by striking out all after the enacting clause and inserting in lieu thereof the following:

\* \* \* Modernization and Reorganization of Title 7 \* \* \*

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

§ 1. CONSTRUCTION

This title is based on the taxing power and the police power of the ~~state~~ State, and is for the protection of the public welfare, good order, health, peace, safety, and morals of the people of the state, ~~and all of its State.~~ The provisions of this title shall be liberally construed ~~for the accomplishment of the to accomplish its purposes set forth herein.~~

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

§ 2. DEFINITIONS

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

(1) ~~“Alcohol”~~: means the product of distillation ~~of spirits or any fermented malt or vinous beverage,~~ fermentation, or chemical synthesis, including alcoholic beverages, ethyl alcohol, and nonpotable alcohol.

(2) ~~“Alcoholic beverages”~~ means malt beverages, vinous beverages, spirits, and fortified wines.

(3) ~~“Board of Liquor and Lottery”~~ means the Board of Control appointed under the provisions of chapter 5 of this title.

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

(3) ~~“Bottler”~~: any person that bottles malt beverages, vinous beverages,

spirits, or fortified wines for sale or for distribution in this State.

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

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

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

(7) “Club”: means an unincorporated association or a corporation authorized to do business in this State, that has been in existence for at least two consecutive years prior to the date of application for a license under this title and owns, hires, or leases a building or space in a building that is suitable and adequate for the reasonable and comfortable use and accommodation of its members and their guests and contains suitable and adequate kitchen and dining room space and equipment implements and facilities. ~~A club may be used or leased by a nonmember as a location for a social event as if it were any other licensed commercial establishment. Such club shall file with the Liquor Control Board, before May 1 of each year, a list of the names and residences of its members and a list of its officers. Its affairs and management shall be conducted by a board of directors, executive committee, or similar body chosen by the members at its annual meeting, and no member or any officer, agent, or employee of the club shall be paid, or directly or indirectly receive, in the form of salary or other compensation, any profits from the disposition or sale of alcoholic liquors to the members of the club or its guests introduced by members beyond the amount of such salary as may be fixed and voted at annual meetings by the members or by its directors or other governing body, and as reported by the club to the Liquor Control Board. An auxiliary member of a club may invite one guest at any one time. An officer or director of a club may perform the duties of a bartender without receiving any payment for that service, provided the officer or director is in compliance with the requirements of this title that relate to service of alcoholic beverages. An officer, member, or director of a club may volunteer to perform services at the club other than serving alcoholic beverages, including seating patrons and checking identification, without receiving payment for those services. An officer,~~

~~member, or director of a club who volunteers his or her services shall not be considered to be an employee of the club. A bona fide unincorporated association or corporation whose officers and members consist solely of veterans of the U.S. Armed Forces or a subordinate lodge or local chapter of any national fraternal order, and which fulfills all requirements of this subdivision section 229 of this title, except that it has not been in existence for at least two years, shall come within the terms of this definition six months after the completion of its organization. A club located on and integrally associated with at least a regulation nine-hole golf course need only be in existence for six months prior to the date of application for license under this title.~~

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

(9) “Commissioner of Liquor and Lottery” or “Commissioner” means the executive officer of the Board of Liquor and Lottery appointed under the provisions of chapter 5 of this title.

~~(8)~~(10) “Control commissioners” means the commissioners of a municipality appointed under section 166 of this title.

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

(12) “Destination resort master license” means a license granted by the Board of Liquor and Lottery pursuant to section 242 of this title permitting a destination resort to designate licensed caterers and commercial caterers that will be permitted to cater individual events within the boundaries of the resort without being required to obtain a request to cater permit for each individual event. For purposes of a destination resort master license, a “destination resort” is a resort that contains at least 100 acres of land, offers at least 50 units of sleeping accommodations, offers meal and beverage service to the public for consideration, and has related sports and recreational facilities for the convenience or enjoyment of its guests. “Destination resort” does not include the University of Vermont, the Vermont State Colleges, or any other university, college, or postsecondary school.

~~(9)~~(13) “Dining car” means a railroad car on which meals are prepared and served.

(14) “Division” means the Division of Liquor Control within the Department of Liquor and Lottery.

(15) “Festival permit” means a permit granted by the Division of Liquor

Control permitting a person to conduct an event at which malt or vinous beverages, or both, are sold by the glass to the public, provided the event is approved by the local control commissioners.

~~(10)~~(16) “First-class license”: means a license granted by the control commissioners permitting the licensee to sell malt or vinous beverages to the public for consumption only on the premises for which the license is granted.

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

(18) “Fortified wines” mean vinous beverages, including those to which spirits have been added during manufacture, containing at least 16 percent alcohol but no more than 23 percent alcohol by volume at 60 degrees Fahrenheit, and all vermouths containing no more than 23 percent alcohol by volume at 60 degrees Fahrenheit.

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

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

~~(11)~~(21) “Hotel” has the same meaning as in 32 V.S.A. § 9202(3) and as determined by the Liquor Control Board of Liquor and Lottery. A hotel that places a minibar in any room of a registered guest shall assure that the minibar is locked and that access to the minibar is restricted to guests of legal drinking age.

~~(12) “Commissioner of Liquor Control”~~: the executive officer of the Liquor Control Board appointed under the provisions of this title.

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

(23) “Keg” means a reusable container capable of holding at least five gallons of malt beverage or at least two and a half gallons of vinous beverage.

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

~~(13) “Liquor Control Board”~~: the Board of Control appointed under the provisions of this title.

~~(14)~~(25) “Malt beverages”: means all fermented beverages of any name

or description manufactured for sale from malt, wholly or in part, or from any substitute therefor, known as, among other things, beer, porter, ale, and stout or lager, containing not less than one percent nor more than 16 percent of alcohol by volume at 60 degrees Fahrenheit. However, if such a beverage has an alcohol content of more than six percent and has a terminal specific gravity of less than 1.009, it shall be deemed to be a spirit and not a malt beverage. The holder of the certificate of approval or the manufacturer shall certify to the Liquor Control Board the terminal specific gravity of the beverage when the alcohol content is more than six percent.

(15)(26) “Manufacturer’s or rectifier’s license”: means a license granted by the Liquor Control Board of Liquor and Lottery that permits the holder to manufacture or rectify malt beverages, or vinous beverages and fortified wines, or spirits and fortified wines. Spirits and fortified wines may be manufactured or rectified by a license holder for export and sale to the Liquor Control Board, and malt beverages and vinous beverages may be manufactured or rectified by a license holder for export and sale to bottlers or wholesale dealers. This license permits a manufacturer of vinous beverages or fortified wines to receive from another manufacturer licensed in or outside this State bulk shipments of vinous beverages to rectify with the licensee’s own product, provided that the vinous beverages or fortified wines produced by a Vermont manufacturer may contain no more than 25 percent imported vinous beverage. The Liquor Control Board may grant to a licensed manufacturer or rectifier of spirits, fortified wines, vinous beverages, or malt beverages a first-class license or a first- and a third-class license permitting the licensee to sell alcoholic beverages to the public only at the manufacturer’s premises which for the purposes of a manufacturer of malt beverages, includes up to two licensed establishments that are located on the contiguous real estate of the holder of the manufacturer’s license, provided the manufacturer or rectifier owns or has direct control over those establishments. The Liquor Control Board may grant to a licensed manufacturer or a rectifier of malt beverages a second-class license permitting the licensee to sell alcoholic beverages to the public anywhere on the manufacturer’s or rectifier’s premises. A licensed manufacturer or rectifier may serve, with or without charge, at an event held on the premises of the licensee or at a location on the contiguous real estate of the licensee, spirits, fortified wines, vinous beverages, and malt beverages, provided the licensee gives the Department written notice of the event, including details required by the Department, at least five days before the event. Any beverages not manufactured by the licensee and served at the event shall be purchased on invoice from a licensed manufacturer or wholesale dealer or the Liquor Control Board.

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



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

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

~~(16)~~(30) “Person”; as applied to licensees, means an individual who is a citizen or a lawful permanent resident of the United States; a partnership composed of individuals, a majority of whom are citizens or lawful permanent residents of the United States; a corporation organized under the laws of this State or another state in which a majority of the directors are citizens or lawful permanent residents of the United States; or a limited liability company organized under the laws of this State or another state in which a majority of the members or managers are citizens or lawful permanent residents of the United States.

(31) “Request to cater permit” means a permit granted by the Division of Liquor Control authorizing a licensed caterer or commercial caterer to cater individual events.

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

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

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

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

~~(19)~~(35) “Second-class license”: means a license granted by the control commissioners permitting the licensee to export malt beverages or vinous

beverages and to sell malt beverages or vinous beverages to the public for consumption off the premises for which the license is granted. ~~The Liquor Control Board may grant a second-class licensee a fortified wine permit that permits the licensee to export and to sell fortified wines to the public for consumption off the licensed premises.~~

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

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

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

~~(20)~~(39) “Spirits” or “spirituous liquors”: means beverages that contain more than one percent of alcohol obtained by distillation, by chemical synthesis, or through concentration by freezing; vinous beverages containing more than 23 percent of alcohol; and malt beverages containing more than 16 percent of alcohol ~~or more than six percent of alcohol if the terminal specific gravity thereof is less than 1.009; in each case measured by volume at 60 degrees Fahrenheit.~~

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

~~(22)~~(40) “Third-class license”: means a license granted by the ~~Liquor Control Board of Liquor and Lottery~~ permitting the licensee to sell spirits and fortified wines for consumption only on the premises for which the license is granted.

~~(23)~~(41) “Vinous beverages”: means all fermented beverages of any name or description manufactured or obtained for sale from the natural sugar content of fruits or other agricultural product, containing sugar, the alcoholic content of which is not less than one percent nor more than 16 percent by

volume at 60 degrees Fahrenheit.

~~(24) “Wholesale dealer”:~~ any person other than a bottler who buys malt or vinous beverages for distribution to or resale to retail dealers or to agencies of the United States.

~~(25)(42) “Wholesale dealer’s license”:~~ the means a license granted by the Liquor Control Board of Liquor and Lottery permitting the wholesale dealer holder to sell or distribute malt or vinous beverages as a wholesale dealer to first- and second-class licensees, to educational sampling event permit holders, and to agencies of the United States.

~~(26) “Minor”:~~ a person who has not attained the age of 21.

~~(27) “Special events permit”:~~ a permit granted by the Liquor Control Board permitting a licensed manufacturer or rectifier to sell by the glass or by unopened bottle spirits, fortified wines, malt beverages, or vinous beverages manufactured or rectified by the license holder at an event open to the public that has been approved by the local licensing authority. For the purposes of tasting only, the permit holder may distribute, with or without charge, beverages manufactured by the permit holder by the glass no more than two ounces per product and eight ounces total of malt beverages or vinous beverages and no more than one ounce in total of spirits or fortified wines to each individual. No more than 104 special events permits may be issued to a licensed manufacturer or rectifier during a year. A special events permit shall be valid for the duration of each public event or four days, whichever is shorter. Requests for a special events permit, accompanied by the fee as required by subdivision 231(13) of this title, shall be submitted to the Department of Liquor Control at least five days prior to the date of the event. Each manufacturer or rectifier planning to attend a single special event under this permit may be listed on a single permit. However, each attendance at a special event shall count toward the manufacturer’s or rectifier’s annual limit of 104 special events permits.

~~(28) “Fourth-class license” or “farmers’ market license”:~~ the license granted by the Liquor Control Board permitting a licensed manufacturer or rectifier to sell by the unopened container and distribute by the glass with or without charge, beverages manufactured by the licensee. No more than a combined total of ten fourth-class and farmers’ market licenses may be granted to a licensed manufacturer or rectifier. At only one fourth-class license location, a licensed manufacturer or rectifier may sell by the unopened container and distribute by the glass, with or without charge, vinous beverages, malt beverages, fortified wines, or spirits produced by no more than five additional manufacturers or rectifiers, provided these beverages are purchased on invoice from the manufacturer or rectifier. A manufacturer or rectifier may

~~sell its product to no more than five additional manufacturers or rectifiers. A fourth-class licensee may distribute by the glass no more than two ounces of malt beverages or vinous beverages with a total of eight ounces to each retail customer and no more than one-quarter ounce of spirits or fortified wine with a total of one ounce to each retail customer for consumption on the manufacturer's premises or at a farmers' market. A fourth-class licensee may distribute by the glass up to four mixed drinks containing a combined total of no more than one ounce of spirits or fortified wine to each retail customer for consumption only on the manufacturer's premises. A farmers' market license is valid for all dates of operation for a specific farmers' market location.~~

~~(29) "Festival permit": a permit granted by the Liquor Control Board permitting a person to conduct an event at which malt or vinous beverages, or both, are sold by the glass to the public, provided the event is approved by the local licensing authority. A festival permit holder may purchase invoiced volumes of malt or vinous beverages directly from a manufacturer or bottler, provided the manufacturer or bottler either holds a federal Basic Permit or a Brewers Notice or evidence of licensure in a foreign country, satisfactory to the Board, whichever applies. The invoiced volumes of malt or vinous beverages may be transported to the site and sold by the glass to the public by the permit holder or its employees and volunteers only during the event. A festival permit holder shall be subject to the provisions of this chapter, including section 240 of this title, and the rules of the Board regarding the sale of the alcoholic beverages and shall pay the tax on the malt or vinous beverages as required by section 421 of this title. A person shall not be granted a festival permit more than four times in one year, and each permit shall be valid for no more than four consecutive days. A request for a festival permit shall be submitted to the Department in a form required by the Department at least 15 days prior to the festival and shall be accompanied by a permit fee as required by subdivision 231(a)(14) of this title to be paid to the Department.~~

~~(30) "Home-fermented beverages": malt or vinous beverages produced at home and not for sale.~~

~~(31) "Legal age": 21 years of age or older.~~

~~(32) "Art gallery or bookstore permit": a permit granted by the Liquor Control Board permitting an art gallery or bookstore to conduct an event at which malt or vinous beverages or both are served by the glass to the public, provided that the event is approved by the local licensing authority. A permit holder may purchase malt or vinous beverages directly from a licensed retailer. A permit holder shall be subject to the provisions of this title and the rules of the Board regarding the service of alcoholic beverages. A request for a permit shall be submitted to the Department in a form required by the Department at~~

least five days prior to the event and shall be accompanied by the permit fee required by subdivision 231(a)(22) of this title. As used in this section, “art gallery” means a fixed establishment whose primary purpose is to exhibit or offer for sale works of art; and “bookstore” means a fixed establishment whose primary purpose is to offer books for sale.

(33) ~~“Commercial catering license”: A license granted by the Board permitting a business licensed by the Department of Health as a commercial caterer and having a commercial kitchen facility in the home or place of business to sell malt beverages, vinous beverages, spirits, or fortified wines at a function previously approved by the local licensing authority.~~

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

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

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

(37) ~~“Sampler flight”: a flight, ski, paddle, or any similar device by design or name intended to hold alcoholic beverage samples for the purpose of comparison.~~

(38) ~~“Fortified wines”: vinous beverages, including those to which spirits have been added during manufacture, containing at least 16 percent alcohol but no more than 23 percent alcohol by volume at 60 degrees Fahrenheit, and all vermouths containing no more than 23 percent alcohol by volume at 60 degrees Fahrenheit.~~

(39) ~~“Public library or museum permit”: a permit granted by the Liquor Control Board permitting a public library or museum to serve malt beverages or vinous beverages, or both, by the glass to the public for a period of not more than six hours during an event held for a charitable or educational purpose, provided that the event is approved by the local licensing authority. A permit holder may purchase malt beverages or vinous beverages directly from a licensed retailer. A permit holder shall be subject to the provisions of~~

~~this title and the rules of the Board regarding the service of alcoholic beverages. A request for a permit shall be submitted to the Department in a form required by the Department at least five days prior to the event and shall be accompanied by the permit fee required by subdivision 231(a)(24) of this title. As used in this section, “public library” has the same meaning as in 22 V.S.A. § 101 and “museum” has the same meaning as in 27 V.S.A. § 1151.~~

~~(40) “Retail delivery permit”: a permit granted by the Liquor Control Board that permits a second-class licensee to deliver malt beverages or vinous beverages sold from the licensed premises for consumption off the premises to an individual who is at least 21 years of age at a physical address in Vermont.~~

~~(41) “Destination resort master license”: a license granted by the Liquor Control Board pursuant to section 472 of this title permitting a destination resort to designate licensed caterers and commercial caterers that will be permitted to cater individual events within the boundaries of the resort without being required to obtain a request to cater permit for each individual event. For purposes of a destination resort master license, a “destination resort” is a resort that contains at least 100 acres of land, offers at least 50 units of sleeping accommodations, offers food and beverage service to the public for consideration, and has related sports and recreational facilities for the convenience or enjoyment of its guests. “Destination resort” does not include the University of Vermont, the Vermont State Colleges, or any other university, college, or postsecondary school.~~

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

### § 3. CULINARY ARTS STUDENTS; EXEMPTIONS FROM PROVISIONS OF TITLE

A student aged 18 years of age or older who is enrolled in a postsecondary education culinary arts program, accredited by a commission recognized by the U.S. Department of Education, shall be exempt from the provisions of this title while attending classes that require the possession or consumption of alcoholic beverages.

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

### § 4. NONPROFIT ORGANIZATIONS; WINE AND BEER AUCTIONS; FUNDRAISING

(a) A nonprofit organization qualified for tax exempt status pursuant to Section 501(c) of the federal Internal Revenue Code, as amended, in the discretion of the ~~commissioner~~ Commissioner, may auction ~~vinous or malt beverages, or both,~~ alcoholic beverages to the public without a license, provided that:

(1) Prior to the auction, the organization provides written notification of

the auction accompanied by documentation of its nonprofit status satisfactory to the ~~commissioner~~ Commissioner.

(2) The ~~commissioner~~ Commissioner approves the organization's nonprofit qualifications and the organization's right proposal to auction ~~vinous or malt~~ alcoholic beverages.

(3) The profits from the ~~auction sale of~~ auctioned beverages are used solely for the expenses of the nonprofit organization related to ~~conduct~~ conducting the sale auction or for the nonprofit purposes of the organization.

(b) A person who donates ~~vinous or malt~~ alcoholic beverages to a nonprofit organization for an auction under this section is not required to be licensed under this ~~chapter~~ title.

(c) A licensee under this title may donate alcoholic beverages to a nonprofit organization pursuant to this section, provided the licensee pays to the state State all the taxes that would be due as if the alcoholic beverages had been sold in the course of the licensee's business.

\* \* \*

Sec. 5. 7 V.S.A. chapter 3 is redesignated to read:

### CHAPTER 3. RESTRICTIONS AND PROHIBITED ACTS

Sec. 6. 7 V.S.A. § 61 is amended to read:

#### § 61. RESTRICTIONS; EXCEPTIONS

(a) A person, ~~partnership, association, or corporation~~ shall not furnish or sell, or expose or keep with intent to sell, any ~~malt or vinous beverages, spirits, or fortified wines~~ alcoholic beverages, or manufacture, sell, barter, transport, import, export, deliver, prescribe, furnish, or possess any alcohol, except as authorized by this title.

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

(1) the furnishing of ~~such~~ alcoholic beverages ~~or spirits~~ by a ~~person~~ an individual in his or her private dwelling unless ~~such~~ the dwelling becomes a place of public resort, ~~nor to the sale of fermented cider by the barrel or cask of not less than 32 liquid gallons capacity, provided the same is delivered and removed from the vendor's premises in such barrel or cask at the time of such sale, nor to;~~

(2) the use of sacramental wine, ~~nor to;~~ or

(3) the furnishing, purchase, sale, barter, transportation, importation, exportation, delivery, prescription, or possession of alcohol for manufacturing,

mechanical, medicinal, and scientific purposes, provided ~~the same that it is done under and~~ in accordance with the rules and regulations made of the Board of Liquor and Lottery and licenses and permits issued by the Liquor Control Board or Division of Liquor Control as hereinafter provided in this title.

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

§ 62. HOURS OF SALE

(a)  ~~Holders of first- or first- and third-class licenses~~ First- or first- and third-class licensees, or festival, special event, or educational sampling event permit holders may sell  ~~malt and vinous beverages or spirits and fortified wines~~ alcoholic beverages between the hours of 8:00 a.m. and 2:00 a.m. the next morning.

(b)(1)  ~~Holders of second-class licenses~~ Second-class licensees may sell malt and vinous beverages between the hours of 6:00 a.m. and 12:00 ~~a.m. the next morning~~ midnight.

(2) Fourth-class licensees may sell or furnish alcoholic beverages between the hours of 6:00 a.m. and 12:00 midnight.

\* \* \*

Sec. 8. 7 V.S.A. § 63 is amended to read:

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

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

(2)  ~~However~~ Notwithstanding subdivision (1) of this subsection, a person may import or transport not more than eight quarts of spirits ~~and or~~ or fortified wines, ~~or both,~~ into this State in his or her own private vehicle or in his or her actual possession at the time of importation without a license or permit, provided the beverages are not for resale.

(b)(1) Except as provided in sections ~~66 and 68~~ 277, 278, and 283 of this title, all malt or vinous beverages, or both, imported or transported into this State shall be imported or transported by and through ~~a wholesale dealer holding the holder of a wholesale dealer's license issued by the Liquor Control Board of Liquor and Lottery~~. A person importing or transporting or causing to be imported or transported into this State any malt or vinous beverages, or both, in violation of this section shall be imprisoned not more than one year or



fined not more than \$1,000.00, or both.

~~(2) Provided, however~~ Notwithstanding subdivision (1) of this subsection, a person may import or transport not more than six gallons of malt or vinous beverages, or both, into this State in his or her own private vehicle or in his or her actual possession at the time of importation without a license or permit, ~~providing it is provided the beverages are~~ not for resale.

Sec. 9. 7 V.S.A. § 64 is amended to read:

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

~~(a) As used in this section, “keg” means a reusable container capable of holding at least five gallons of malt beverage.~~

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

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

(2) ~~A person~~ A purchaser shall exhibit ~~proper proof~~ a valid authorized form of identification upon demand of a licensee or an agent of a licensee. If the ~~person~~ purchaser fails to provide ~~such proof~~ a valid authorized form of identification, the licensee shall be entitled to refuse to sell the keg to the ~~person~~ individual. As used in this subsection, ~~“proper proof a valid authorized form of identification”~~ means a photographic motor vehicle operator’s license, a liquor control photographic identification card, a valid passport, a United States military identification card or a photographic nondriver motor vehicle identification card obtained from the department of motor vehicles has the same meaning as in section 589 of this title.

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

(4) The licensee shall collect a deposit of at least \$25.00 which shall be returned to the purchaser upon return of the keg with the label intact.

~~(e)~~(b) A licensee shall not:

- (1) sell a keg without a legible label attached; or
- (2) return a deposit on a keg ~~which~~ that is returned without the label intact.

~~(d)~~(c) Any person, other than ~~the wholesaler~~ a wholesale dealer or manufacturer, who intentionally removes or defaces the label attached to a keg shall be imprisoned not more than two years or fined not more than \$1,000.00, or both.

Sec. 10. 7 V.S.A. § 65 is redesignated and amended to read:

§ ~~65~~ 66. HOME-FERMENTED MALT AND VINOUS BEVERAGES;  
TASTING EVENT

(a) ~~A person~~ An individual of legal age may, without obtaining a license under this title or paying ~~state~~ State taxes or fees, produce malt or vinous beverages, or both, at home provided that the amount of home-fermented beverages produced by that ~~person~~ individual does not exceed the quantities limitation in 26 U.S.C. §§ 5053 and 5042.

\* \* \*

Sec. 11. REPEALS

7 V.S.A. §§ 66 (malt and vinous beverage shipping licenses) and 67 (alcoholic beverage tastings) are repealed.

Sec. 12. 7 V.S.A. § 69 is redesignated and amended to read:

§ ~~69~~ 67. POWDERED ALCOHOL PRODUCTS

(a) It shall be unlawful for a person to knowingly possess or sell a powdered alcohol product.

(b) A person that knowingly ~~and unlawfully possessing~~ possesses a powdered alcohol product shall be fined not more than \$500.00.

~~(b)~~(c) A person that knowingly ~~and unlawfully selling~~ sells a powdered alcohol product shall be imprisoned not more than two years or fined not more than \$10,000.00, or both.

~~(e)~~(d) As used in this section, “powdered alcohol product” means any alcoholic powder that can be added to water or food.

Sec. 13. 7 V.S.A. chapter 5 is amended to read:

CHAPTER 5. DEPARTMENT OF LIQUOR CONTROL AND LOTTERY

§ 101. COMPOSITION OF DEPARTMENT; COMMISSIONER OF LIQUOR CONTROL AND LOTTERY; LIQUOR CONTROL BOARD OF LIQUOR AND LOTTERY

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

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

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

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

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

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

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

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

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

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

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

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

of the Board.

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

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

#### § 102. REMOVAL

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

#### § 103. MEETINGS

The Board shall ~~hold such meetings~~ meet as may be required for the performance of its duties. ~~The times and places for such meetings~~ time and place for each meeting shall be designated by the Chair of the Board. ~~Such~~ The Chair shall call a meeting upon the written request of any two members ~~and or~~ upon the written request of the Governor.

#### § 104. DUTIES; AUTHORITY TO RESOLVE ALLEGED VIOLATIONS

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

(1)(A) See that the laws relating to ~~intoxicating liquor~~ alcohol and ~~to the manufacture, sale, transportation, barter, furnishing, importation, exportation, delivery, prescription, and possession of malt and vinous beverages, spirits, fortified wines, and alcohol by licensees and others~~ alcoholic beverages are enforced, using for that purpose ~~such as much~~ of the monies annually available to the ~~Liquor Control Board~~ of Liquor and Lottery as may be necessary.

(B) ~~However, the~~ The Liquor Control Board of Liquor and Lottery and its agents and ~~inspectors~~ investigators shall act in this respect in collaboration with sheriffs, deputy sheriffs, constables, ~~officers~~ law enforcement officers certified as Level II or Level III pursuant to 20 V.S.A. chapter 151, and members of village and city police forces, control commissioners, the Attorney General, State's Attorneys, and town and city grand jurors.

(C) When the Board acts to enforce any section of this title or any administrative rule ~~or regulation~~ relating to sale to minors, its investigation on the alleged violation shall be forwarded to the Attorney General or the appropriate State's Attorney whether or not there is an administrative finding of wrongdoing. Nothing in this section shall be deemed to affect the responsibility or duties of ~~such law~~ enforcement officers or agencies with respect to the enforcement of ~~such laws~~ the provisions of this title.

(D) The Commissioner or ~~his or her~~ designee is authorized to prosecute administrative matters under this section and shall have the authority to enter into direct negotiations with a licensee to reach a proposed resolution or settlement of an alleged violation, subject to Board approval, or dismissal with or without prejudice.

(2) Supervise the opening and operation of local agencies for the sale and distribution of spirits and fortified wines.

(3) Locate and, establish, and supervise the operation of a central liquor agency warehouse and office for the purpose of supplying spirits and fortified wines to local agencies established in accordance with this title and for the purpose of selling spirits and fortified wines to licensees of the third-class and druggists, and supervise the operation of such central liquor agency fortified wine permit holders.

(4) Supervise the financial transactions of ~~such the central liquor agency warehouse and office,~~ and the local agencies established in accordance with this title.

(5) Adopt rules necessary for the execution of its powers and duties and of the powers and duties of all persons under its supervision and control.

(6) Employ ~~such~~ assistants, ~~inspectors~~ investigators, and other officers as it deems necessary, subject to the approval of the Governor.

(7) Fix bonds or other security to be given by licensees.

(8) ~~Make~~ Adopt rules ~~and regulations~~ concerning, and issue licenses and permits under such whatever terms and conditions as it may impose for the furnishing, purchasing, selling, bartering, transporting, importing, exporting, delivering, and possessing of alcohol, including denatured alcohol, for manufacturing, mechanical, medicinal, and scientific purposes.

(9) Adopt rules regarding labeling and advertising of ~~malt or vinous beverages, spirits, and fortified wines~~ alcoholic beverages by adoption of federal regulations or otherwise, and collaborate with federal agencies in respect ~~thereto~~ to the adoption and the enforcement thereof of the rules.

(10) Adopt rules relating to extension of credit by and to licensees or

permittees.

(11) Adopt rules regarding intrastate transportation of malt and vinous beverages.

#### § 105. DUTIES OF ATTORNEY GENERAL

The ~~attorney general~~ Attorney General shall collaborate with the ~~liquor control board~~ Board of Liquor and Lottery for the enforcement of the provisions of subdivision ~~(1) of section 104(1)~~ of this title.

#### § 106. COMMISSIONER OF LIQUOR ~~CONTROL~~ AND LOTTERY; REPORTS; RECOMMENDATIONS

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

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

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

#### § 107. DUTIES OF COMMISSIONER OF LIQUOR ~~CONTROL~~ AND LOTTERY

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

(b) With respect to the laws relating to alcohol, the Commissioner shall:

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

\* \* \*

(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 ~~therefor~~ for spirits and fortified wines on the ~~Commissioner of Liquor Control and Lottery~~.

(5) Purchase ~~through the Commissioner of Buildings and General Services~~ 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, ~~druggists~~, 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 ~~storage plant~~ liquor warehouse.

\* \* \*

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

The ~~liquor control board~~ Board of Liquor and Lottery shall administer and enforce the provisions of this title, and is authorized and empowered to ~~prescribe such adopt~~ rules and regulations, including the ~~issuing of~~ issue the necessary blanks, forms, and reports, except reports to the ~~commissioner of taxes~~ Commissioner of Taxes and to the ~~commissioner of public safety~~ Commissioner of Public Safety, as may be necessary to carry out the provisions of this title.

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

All accounts of the ~~liquor control board~~ Board of Liquor and Lottery related to its activities pursuant to this title shall be audited annually by the ~~auditor of accounts~~ Auditor of Accounts and the annual report of ~~such~~ the audit shall accompany the annual reports of ~~such liquor control board~~ the Board of Liquor and Lottery.

#### § 110. SPECIAL BRANDS; PURCHASE BY COMMISSIONER OF ~~LIQUOR CONTROL~~ AND LOTTERY

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

#### § 111. VINOUS BEVERAGES MANUFACTURED IN VERMONT

TRANSFER OF LOCAL AGENCY STORE IN CONJUNCTION  
WITH SALE OF REAL PROPERTY OR BUSINESS

~~Vinous beverages manufactured in Vermont and bearing the Vermont seal of quality:~~

~~(1) shall be sold in State-operated stores;~~

~~(2) may be sold in contract agency stores and may be displayed with the spirits and fortified wines or with the vinous beverages, or both.~~

(a) If a proposed sale of real estate or a business in which a local agency store is located is contingent on the transfer of the agency store's contract with the Board to the buyer, the seller and buyer may, prior to completing the sale, submit to the Department a request to approve the transfer of the agency store's contract to the buyer. The request shall be accompanied by any information required by the Department.

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

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

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

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

§ 112. LIQUOR CONTROL ENTERPRISE FUND

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

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

CHAPTER 7. MUNICIPAL CONTROL

§ 161. LICENSES VOTED BY TOWN; TOWN MEETINGS; WARNING

(a) Upon petition of not less than five percent of the legal voters of any town, filed with the town clerk in conformance with 17 V.S.A. § 2642, the



warning of the annual or special meeting shall contain an article providing for a vote upon the following questions:

Shall licenses for the sale of malt and vinous beverages be granted in this town?

Shall spirits and fortified wines be sold in this town?

The vote under ~~such~~ the article shall be by ballot in the following form:

Shall licenses for the sale of malt and vinous beverages be granted in this town?

Yes \_\_\_\_\_ No \_\_\_\_\_

Shall spirits and fortified wines be sold in this town?

Yes \_\_\_\_\_ No \_\_\_\_\_

(b) Licenses and permits for the sale of malt and vinous beverages and ~~spirit~~ spirits and fortified wines shall be issued according to the vote at the annual town meeting held in March 1969 until a town votes otherwise.

#### § 162. REPORT

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

#### § 163. BALLOTS; COLOR

(a) Whenever a petition is filed under section 161 of this title, the town clerk shall print, at least two weeks before the annual or special meeting, ~~cause~~ blank ballots for the votes provided for in section 161 of this title ~~to be printed~~ in any color except yellow, ~~in such manner that each ballot can be easily detached, to the number of.~~ The ballots shall be printed in a quantity equal to not less than one and one-tenth times the number of registered voters qualified to vote at the last preceding general election, as shown by the checklist.

(b) Upon each ~~such~~ ballot shall be endorsed the words: "OFFICIAL BALLOT" followed by the name of the town in which it is to be used and the date of the election. The town clerk is authorized to use regular ballots for the requisite number of sample ballots by adding in type or print on the front ~~thereof~~ of each ballot, the words: "SAMPLE BALLOT."

#### § 164. DUTIES OF BALLOT CLERKS AND TOWN CLERKS

The board of civil authority, or the ballot clerks if directed by ~~them~~ the board of civil authority, shall have charge of the ballots and perform the duties imposed upon ballot clerks and assisting clerks and be subject to the penalties

imposed upon such officials by law. The town clerk shall perform the same duties in respect to ~~such the~~ ballots as are imposed upon him or her by the provisions of law governing general elections, except as otherwise provided.

#### § 165. HOURS OF OPENING

The box for the reception of ~~such the~~ ballots shall be opened at the hour the meeting is called, and be closed when general voting ceases.

#### § 166. CONTROL COMMISSIONERS

There shall be control commissioners in each town and city. ~~Such~~ The control commissioners shall be the selectboard members in each town and the city council members in each city. The town and city clerks shall be recording officers and clerks of the commissioners and be paid as ~~hereinafter~~ provided in 24 V.S.A. §§ 932 and 933.

#### § 167. DUTIES OF LOCAL CONTROL COMMISSIONERS

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

(b) If the municipality so votes at a meeting duly warned for that purpose, the local control commissioners may, in the exercise of their authority under ~~subdivision 222(1)~~ of this title, condition the issuance of licenses and permits upon compliance, during the term of the license or permit, with any ordinance regulating entertainment or public nuisances that has been duly adopted by the municipality; ~~and at a meeting duly warned for that purpose.~~

(c) The local control commissioners may, in the exercise of their authority under section ~~236~~ 210 of this title, suspend or revoke a ~~liquor~~ license or permit for a violation of any condition placed upon the issuance of a the license or permit under subsection (b) of this section. ~~The local control commissioners shall give reasons for the suspension or revocation in writing and shall also state the duration of any suspension in writing.~~

#### § 168. UNORGANIZED PLACES, CONTROL COMMISSIONERS

In an unorganized town or ~~gore~~, the supervisor shall be the control commissioner for the administration of the ~~liquor control laws~~ rules necessary to carry out the applicable provisions of this title. He or she may in his or her discretion issue and approve the issuance of licenses and permits as he or she

finds will best serve the interests of the inhabitants ~~best served~~. The provisions of sections 161–165, ~~221 and 224~~ and 201 of this title, insofar as they relate to voting, shall not apply to unorganized towns and gores.

Sec. 15. REDESIGNATION; ADDITION OF SUBCHAPTER

7 V.S.A. chapter 9, subchapter 1, which shall include sections 201–214, is added to read:

Subchapter 1. General Provisions

Sec. 16. REDESIGNATION; ADDITION OF SUBCHAPTER

7 V.S.A. chapter 9, subchapter 2, which shall include sections 221–229, is added to read:

Subchapter 2. Retail Licenses and Permits

Sec. 17. REDESIGNATION; ADDITION OF SUBCHAPTER

7 V.S.A. chapter 9, subchapter 3, which shall include sections 241–243, is added to read:

Subchapter 3. Catering Licenses and Permits

Sec. 18. REDESIGNATION; ADDITION OF SUBCHAPTER

7 V.S.A. chapter 9, subchapter 4, which shall include sections 251–259, is added to read:

Subchapter 4. Tasting and Event Permits

Sec. 19. REDESIGNATION; ADDITION OF SUBCHAPTER

7 V.S.A. chapter 9, subchapter 5, which shall include sections 271–283, is added to read:

Subchapter 5. Manufacturing and Distribution of Alcohol

Sec. 20. 7 V.S.A. § 221 is redesignated and amended to read:

§ ~~224~~ 201. LICENSES CONTINGENT ON TOWN VOTE; RESTRICTIONS AS TO DANCING PAVILIONS

Licenses of the first or second class shall not be granted by the control commissioners or the Liquor Control Board of Liquor and Lottery to be exercised in any city or town, the voters of which vote “No” ~~to the question: “Shall license be granted for the sale of malt and vinous beverages?”~~ on the question of whether to permit the sale of malt beverages and vinous beverages pursuant to section 161 of this title. Licenses of the third class shall not be granted by the Liquor Control Board of Liquor and Lottery to be exercised in any city or town, the voters of which vote “No” ~~to the question: “Shall spirits and fortified wines be sold in this town?”~~ on the question of whether to sell

~~fortified wines and spirits pursuant to section 161 of this title. Licenses of the third class shall not be granted to any open air or wayside dancing pavilions.~~

Sec. 21. 7 V.S.A. § 223 is redesignated and amended to read:

§ ~~223~~ 202. LICENSES TO ENFORCEMENT OFFICER OR CONTROL BOARD MEMBER COMMISSIONER; EXCEPTIONS

(a) No license of any class shall be granted to any enforcement officer or to any person acting in the officer's behalf.

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

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

Sec. 22. 7 V.S.A. § 230 is redesignated and amended to read:

§ ~~230~~ 203. RESTRICTIONS; FINANCIAL INTERESTS; ~~DISPLAY OF LICENSE~~; EMPLOYEES

(a)(1) Except as provided in ~~subdivision 2(15)~~ section 271 of this title, a ~~bottler packager~~, manufacturer, or rectifier licensed in Vermont or in another state, a certificate of approval holder, or a wholesale dealer shall not have any financial interest in the business of a first-, second-, or third-class ~~licensee~~ licensee, and a first-, second-, or third-class licensee may not have any financial interest in the business of a ~~bottler packager~~, manufacturer, or rectifier licensed in Vermont or in another state, a certificate of approval holder, or a wholesale dealer.

(2) However Notwithstanding subdivision (1) of this subsection and except as otherwise provided in section 271 of this title, a manufacturer of malt beverages may have a financial interest in the business of a first- or second-class license, and a first- or second-class licensee may have a financial interest in the business of a manufacturer of malt beverages, provided a the first- or second-class licensee does not purchase, possess, or sell the malt beverages produced by a manufacturer with which there is any financial

interest. ~~All licenses or permits granted under this title shall be conspicuously displayed on the premises for which the license or permit is granted.~~ Any manufacturer of malt beverages that has a financial interest in a first- or second-class licensee and any first- or second-class licensee that has a financial interest in a manufacturer of malt beverages, as permitted under this ~~section~~ subdivision, shall provide to the ~~Department~~ Division of Liquor Control and the applicable wholesale dealer written notification of that financial interest and the licensees involved. A wholesale dealer shall not be in violation of this section for delivering malt beverages to a first- or second-class licensee that is prohibited from purchasing, possessing, or selling those malt beverages under this section.

(b) An individual who is an employee of a wholesale dealer that does not hold a solicitor's license may also be employed by a first- or second-class licensee on a paid or voluntary basis, provided that the employee does not exercise any control over, or participate in, the management of the first- or second-class licensee's business or business decisions, and that ~~either~~ neither employment relationship ~~does not result~~ results in the exclusion of any competitor wholesale dealer or any brand of alcoholic beverages of a competitor wholesale dealer.

Sec. 23. 7 V.S.A. § 231 is redesignated and amended to read:

§ ~~231~~ 204. APPLICATION AND RENEWAL FEES FOR LICENSES AND PERMITS; DISPOSITION OF FEES

(a) The following fees shall be paid when applying for a new license or permit or to renew a license or permit:

(1) For a manufacturer's or rectifier's license to manufacture or rectify malt beverages, or vinous beverages and fortified wines, or spirits and fortified wines, \$285.00 for each license.

(2) For a ~~bottler's~~ packager's license, \$1,865.00.

(3) For a wholesale dealer's license, \$1,245.00 for each location.

(4) For a first-class license, \$230.00.

(5) For a second-class license, \$140.00.

(6) For a third-class license, \$1,095.00 for an annual license and \$550.00 for a six-month license.

(7) For a shipping license for malt beverages or vinous beverages:

(A) In-state consumer shipping license, ~~initial and renewal~~, \$330.00.

(B) Out-of-state consumer shipping license, ~~initial and renewal~~, \$330.00.

- (C) ~~Retail~~ Vinous beverages retail shipping license, \$250.00.
- (8)(A) For a caterer's license, \$250.00.
  - (B) For a commercial catering license, \$220.00.
  - (C) For a request to cater permit, \$20.00.
- (9) ~~[Repealed.]~~
- (10) ~~[Repealed.]~~
- (11) For up to ten fourth-class licenses, \$70.00.
- (10)(10) For an industrial alcohol ~~distributors~~ distributor's license, \$220.00.
- (11)(11) For a special events permit, \$35.00.
- (12)(12) For a festival permit, \$125.00.
- (13)(13) For ~~a wine~~ an alcoholic beverages tasting permit, \$25.00.
- (14)(14) For an educational sampling event permit, \$250.00.
- (15)(15) For an outside consumption permit, \$20.00.
- (16)(16) For a certificate of approval:
  - (A) For malt beverages, \$2,485.00.
  - (B) For vinous beverages, \$985.00.
- (17)(17) For a solicitor's license, \$70.00.
- (18)(18) For a vinous beverages storage license, \$235.00.
- (19)(19) For a promotional railroad tasting permit ~~for a railroad~~, \$20.00.
- (20)(20) For an ~~art gallery or bookstore~~ special venue serving permit, \$20.00.
- (21)(21) For a fortified wine permit, \$100.00.
- (24) ~~For a public library or museum permit, \$20.00.~~
- (22)(22) For a retail delivery permit, \$100.00.
- (23)(23) For a destination resort master license, \$1,000.00.

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

- (1) Third-class license fees: 55 percent shall go to the Liquor Control Enterprise Fund, and 45 percent shall go to the General Fund and shall fund

alcohol abuse prevention and treatment programs.

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

Sec. 24. 7 V.S.A. § 232 is redesignated and amended to read:

§ ~~232~~ 205. TERMS OF PERMITS AND, LICENSES, AND CERTIFICATES

(a) All permits ~~and, licenses, and certificates~~ shall expire midnight, April 30, of each year ~~and, upon the payment of a new fee,.~~

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

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

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

(B) submission to the local control commissioners with the of an application demonstrating that the licensee satisfies all applicable rules and requirements; and

(C) approval of the liquor control board Board of Liquor and Lottery as provided in section 221, 222, or 227 of this title, provided the licensee is entitled thereto.

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

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

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

Sec 25. 7 V.S.A. § 233 is redesignated and amended to read:

§ ~~233~~ 206. DISPOSAL OF FEES

The control commissioners shall collect all fees for ~~retailers' licenses of the first first- and second-class second-class licenses~~ and shall pay ~~such the~~ fees to the Division and the city and town treasurers of the respective cities and towns where such the fees are collected to be as provided in subsection 204(b) of this chapter. The portion of each fee paid to the city or town may be used as such

~~cities and towns~~ it may direct, less a fee of \$5.00 to be retained by the city or town clerk as a fee for issuing ~~such and recording the license and recording the same.~~ Fees Except as otherwise provided in section 274 and 275 of this title, fees for all other licenses shall be paid to the liquor control board Board of Liquor and Lottery.

Sec. 26. 7 V.S.A. § 234 is redesignated and amended to read:

§ ~~234~~ 207. CHANGE OF LOCATION

~~In case any~~ If a licensee desires to change the location of ~~his~~ its business before the expiration of ~~his~~ its license, ~~upon proper~~ the licensee may submit an application, to the ~~liquor control board~~ Board of Liquor and Lottery, which may amend ~~his~~ the license to cover the new premises without the payment of any additional fee.

Sec. 27. 7 V.S.A. § 208 is added to read:

§ 208. DISPLAY OF LICENSE

All licenses or permits granted under this title shall be conspicuously displayed on the premises for which the license or permit is granted.

Sec. 28. 7 V.S.A. § 235 is redesignated and amended to read:

§ ~~235~~ 209. BANKRUPTCY, DEATH, AND REVOCATION

(a) If a licensee or permittee becomes bankrupt or dies before the expiration of ~~his or her~~ its license or permit, ~~his or her~~ the licensee's or permittee's trustee, executor, or administrator may sell the ~~intoxicating liquors alcohol~~ which that came into ~~his or her~~ its possession to a holder of a license or permit of the same class.

(b) If a license or permit is revoked under the provisions of this title, after ~~such~~ the revocation, the licensee or permittee may sell the ~~intoxicating liquors in his or her~~ alcohol in its possession at the time of ~~such~~ the revocation to a holder of a license or permit of the same class.

(c)(1) ~~All sales under this section shall be accompanied by immediate and actual delivery and shall be made within 30 days after such~~ the bankruptcy, death, or revocation and shall include immediate and actual delivery of the alcohol.

(2) ~~However~~ Notwithstanding subdivision (1) of this subsection, upon application of the executor or administrator of a deceased licensee or permittee, the ~~board~~ Board may transfer the license or permit of the decedent to ~~such~~ the executor or administrator without payment of any additional fee, and the executor or administrator may then carry on the business of the decedent under the license or permit until ~~the~~ its expiration ~~thereof~~.



(d)(1) The holder of a manufacturer's or rectifier's license may pledge or mortgage ~~intoxicating liquor~~ alcoholic beverages manufactured or rectified by ~~such the~~ licensee and ~~such the~~ pledgee or mortgagee may retain possession of ~~such liquor~~ the alcoholic beverages and ~~after condition broken, if the licensee defaults,~~ may sell and dispose of the alcoholic beverages to persons to whom the licensee might lawfully sell ~~such liquors~~ the alcoholic beverages, subject to the same restrictions and regulations as ~~such the~~ licensee, and to ~~such any~~ further restriction and ~~regulation as may be or rules~~ prescribed by the ~~liquor control board~~ Board of Liquor and Lottery with respect to ~~notice to it in advance notice to it~~ of ~~such the~~ sale and determination by it of the persons entitled to buy and the manner of ~~such the~~ sale.

(2) Any sale ~~under such~~ pursuant to a default on a pledge or mortgage shall not be at public auction as required with respect to ~~like~~ similar sales of other property, but shall be upon not less than ten days' notice to the pledgor or mortgagor and for the highest amount which may be offered ~~under the regulations of such liquor control board as aforesaid~~ pursuant to the rules of the Board of Liquor and Lottery.

Sec. 29. 7 V.S.A. § 236 is redesignated and amended to read:

§ ~~236~~ 210. SUSPENSION OR REVOCATION OF LICENSE OR PERMIT;  
ADMINISTRATIVE PENALTY

(a)(1) The control commissioners or the ~~liquor control board~~ Board of Liquor and Lottery shall have power to suspend or revoke any permit or license granted pursuant to this title in the event the person holding ~~such the~~ permit or license shall at any time during the term ~~thereof so~~ of the permit or license conduct ~~his or her~~ its business as to be in violation of this title, the conditions pursuant to which ~~such the~~ permit or license was granted, or of any rule or regulation prescribed by the ~~liquor control board~~ Board of Liquor and Lottery.

(2) No revocation shall be made until the permittee or licensee ~~shall be~~ has been notified and be given a hearing before the ~~liquor control board~~ Board of Liquor and Lottery, unless ~~such the~~ permittee or licensee ~~shall have~~ has been convicted by a court of competent jurisdiction of violating the provisions of this title.

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

(4) Any decision to suspend or revoke a license shall be issued in writing and set forth the reasons for the suspension or revocation and, if

applicable, the duration of the suspension.

(5) A tobacco license may not be suspended or revoked for a first-time violation. Suspension or revocation of a tobacco license shall not affect any liquor license held by the licensee.

(b)(1) As an alternative to and in lieu of the authority to suspend or revoke any permit or license, the ~~liquor control board~~ Board of Liquor and Lottery shall also have the power to impose an administrative penalty of up to \$2,500.00 per violation against a holder of a wholesale dealer's license or a holder of a ~~first~~ first-, ~~second~~ second-, or ~~third class~~ third-class license for a violation of the conditions ~~under which~~ of the license ~~was issued~~ or of this title or of any rule ~~or regulation~~ adopted by the ~~board~~ Board.

(2) The administrative penalty may be imposed after a hearing before the ~~board~~ Board or after the licensee has been convicted by a court of competent jurisdiction of violating the provisions of this title.

(3) The ~~board~~ Board may also impose an administrative penalty under this subsection against a holder of a tobacco license for up to \$100.00 for a first violation and up to \$1,000.00 for subsequent violations.

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

(c) For suspension or revocation proceedings involving a tobacco license or the imposition of an administrative penalty against a tobacco licensee under this section, the ~~commissioner~~ Commissioner, a ~~board~~ Board member designated by the ~~chair~~ Chair, or a hearing officer designated by the ~~chair~~ Chair pursuant to section ~~236a~~ 211 of this title may conduct the hearing and render a decision.

(d)(1) The ~~board~~ Board shall subpoena any person in this ~~state~~ State to appear for a hearing or for a deposition in the same manner as prescribed for judicial procedures.

(2) Sheriffs and witnesses shall receive the same fees for the service of process and attendance before the ~~board~~ Board as are paid in ~~superior court~~ Superior Court.

Sec. 30. 7 V.S.A. § 236a is redesignated and amended to read:

§ ~~236a~~ 211. HEARING OFFICER

(a) The ~~chair~~ Chair of the ~~board~~ Board of Liquor and Lottery may appoint a hearing officer to conduct hearings pursuant to section ~~236~~ 210 of this title. A hearing officer may be a member of the ~~board~~ Board appointed under section ~~236~~ 210 of this title.

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

(c) The hearing officer shall make findings of fact in writing to the ~~board~~ Board in the form of a proposal for decision. A copy of the proposal for decision shall be served upon the parties pursuant to 3 V.S.A. § ~~811~~ 812. Judgment on the hearing officer's proposal for decision shall be rendered by a majority of the ~~board~~ Board.

(d) At least 10 days prior to a hearing ~~before the board~~, the hearing officer shall give written notice of the time and place of the hearing to all parties in the case and shall indicate either that the hearing will be before the Board or the name and title of the person designated to conduct the hearing.

(e) The ~~chair~~ Chair may appoint a hearing officer to hear and finally determine any complaint involving a tobacco license. In such a case, the hearing officer may impose administrative penalties as provided in subsection ~~236(b)~~ 210(b) of this title.

Sec. 31. 7 V.S.A. § 237 is redesignated and amended to read:

§ ~~237~~ 212. COMPLAINTS AND PROSECUTIONS

The ~~commissioner of liquor control~~ Commissioner of Liquor and Lottery or the local control commissioners shall make complaint to the ~~state's attorney~~ State's Attorney or town grand juror of any unlawful furnishing, selling, or keeping for sale of alcohol, ~~spirituous liquor, or malt or vinous beverages or alcoholic beverages~~, and ~~furnish the evidence thereof to such state's attorney~~ provide evidence in support of the complaint to the State's Attorney or town grand juror, who shall prosecute for ~~such~~ the alleged violation.

Sec. 32. 7 V.S.A. § 239 is redesignated and amended to read:

§ ~~239~~ 213. LICENSEE EDUCATION

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

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

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

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

(2) A licensee may comply with this requirement by conducting its own training program on its premises, using information and materials furnished or approved by the Department Division of Liquor Control. A licensee who fails to comply with the requirements of this subsection shall be subject to a suspension of the license issued under this title for no less than one day of the license issued under this title.

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

(1) For a first-class or first- and third-class licensee seminar either ~~in person~~ in-person or online, \$25.00 per person.

(2) For a second-class licensee seminar either ~~in person~~ in-person or online, \$25.00 per person.

(3) For a combination first-class, first- and third-class, and second-class licensee seminar either ~~in person~~ in-person or online, \$25.00 per person.

(4) For a manufacturer's or rectifier's, or fourth-class, or farmers' market licensee seminar either ~~in person~~ in-person or online, \$10.00 per person.

(5) For common carrier seminars either ~~in person~~ in-person or online, \$10.00 per person.

(6) For all special event, festival, educational sampling, ~~art gallery, bookstore, museum and library~~ and special venue serving permit holders for either an in-person or online seminar, \$10.00 per person.

(e) Fees for all seminars listed in this section and under other sections of this title with regards to in-person or online training shall be deposited directly in the Liquor Control Enterprise Fund.

Sec. 33. 7 V.S.A. § 240 is redesignated and amended to read:

§ ~~240~~ 214. PROOF OF FINANCIAL RESPONSIBILITY

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

(b)(1) Proof of financial responsibility and completion of the licensee education program established in section ~~239~~ 213 of this title shall be conditions for a licensee to be permitted to resume operation after a suspension or revocation for any of the reasons in subsection (a) of this section; ~~however,~~

(2) However, at the discretion of the suspending or revoking authority, the licensee may receive a provisional license prior to the time these conditions are met in order to allow for compliance with the education requirement or to obtain the certificate of financial responsibility. A provisional license may not be issued for a period exceeding 60 days.

Sec. 34. 7 V.S.A. § 221 is added to read:

§ 221. FIRST-CLASS LICENSES

(a)(1) With the approval of the Board of Liquor and Lottery, the control commissioners may grant a first-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:

(A) are leased, rented, or owned by the retail dealer;

(B) are devoted primarily to dispensing meals to the public, except in the case of clubs; and

(C) have adequate and sanitary space and equipment for preparing and serving meals.

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

(3) The Division shall post notice of pending applications on its website.

(b)(1) A first-class license permits the holder to sell malt and vinous beverages for consumption only on those premises.

(2) Except as otherwise provided pursuant to sections 271 and 278 of this title, a first-class license holder shall purchase all malt beverages and vinous beverages sold pursuant to the license from Vermont wholesale dealers or packagers.

(c) A retail dealer carrying on business in more than one place shall acquire a first-class license for each place where the retail dealer sells malt or vinous beverages for consumption on the premises.

(d) Partially consumed bottles of vinous beverages or specialty beers that were purchased with a meal may be removed from first-class licensed premises provided the beverages are recapped or resealed.

(e) No person under 18 years of age shall be employed by a first-class licensee as:

(1) a bartender for the purpose of preparing, mixing, or dispensing alcoholic beverages; or

(2) a waitress or waiter for the purpose of serving alcoholic beverages.

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

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

(A) the name and address of the license holder;

(B) a signed copy of the contract;

(C) the name and address of the person contracted to provide the

food;

(D) a copy of the person's license from the Department of Health for the facility in which food is served; and

(E) the person's rooms and meals tax certificate from the Department of Taxes.

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

(g) A hotel that holds a first-class license and places a minibar in any room of a registered guest shall ensure that the minibar is locked and that access to the minibar is restricted to guests of legal drinking age.

(h) The holder of a first-class license may permit a customer to:

(1) possess or carry no more than two open containers of alcoholic beverages; and

(2) maintain control over his or her open container of alcoholic beverages at all times while on the licensed premises.

Sec. 35. 7 V.S.A. § 222 is amended to read:

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

(a)(1) With the approval of the Liquor Control Board of Liquor and Lottery, the control commissioners may grant the following licenses 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:

~~(1) Upon making application and paying the license fee provided in section 231 of this title, a first-class license which authorizes the dealer to sell malt and vinous beverages for consumption only on those premises, and upon satisfying the Liquor Control Board that the premises are leased, rented, or owned by the retail dealer and are devoted primarily to dispensing meals to the public, except clubs, and that the premises have adequate and sanitary space and equipment for preparing and serving meals. The term "public" includes patrons of hotels, boarding houses, restaurants, dining cars, and similar places where meals are served. A retail dealer carrying on business in more than one place shall acquire a first-class license for each place where the retail dealer sells malt and vinous beverages. No malt or vinous beverages shall be sold by a first-class licensee to a minor. Partially consumed bottles of vinous~~

~~beverages or specialty beers that were purchased with a meal may be removed from first-class licensed premises provided the beverages are recapped or resealed.~~

~~(2) Upon making application, paying the license fee provided in section 231 of this title, and upon satisfying the Board that such~~

~~(A) premises are leased, rented, or owned by the retail dealer; and~~

~~(B) are a safe, sanitary, and proper place from which to sell malt and vinous beverages, a second-class license, which shall authorize such dealer.~~

~~(2) The 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 such the licensed premises for consumption off the premises.~~

~~(2) The 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.~~

~~(3) Except as otherwise provided pursuant to sections 225, 271, and 278 of this title, a second-class license holder shall purchase all malt beverages and vinous beverages sold pursuant to its license from Vermont wholesale dealers or packagers.~~

~~(c) A retail dealer carrying on business in more than one place shall be required to acquire a second-class license for each place where the retail dealer sells malt and vinous beverages. No malt or vinous beverages shall be sold by a second-class licensee to a minor.~~

~~(3) No person under the age of 18 shall be employed by a first- or third-class licensee as a bartender for the purpose of preparing, mixing, or dispensing alcoholic beverages. No person under the age of 18 shall be employed by a first- or third-class licensee as a waitress or waiter for the purpose of serving alcoholic beverages.~~

~~(4)(A) A holder of a first-class license may contract with another person to prepare and dispense food on the license holder's premises.~~

~~(B) The first-class license holder shall provide to the Department written notification five business days prior to start of the contract the following information:~~

~~(i) the name and address of the license holder;~~

~~(ii) a signed copy of the contract;~~

~~(iii) the name and address of the person contracted to provide the~~



food;

~~(iv) a copy of the person's license from the Department of Health for the facility in which food is served; and~~

~~(v) the person's rooms and meals tax certificate from the Department of Taxes.~~

~~(C) The holder of the first-class license shall notify the Department within five business days of the termination of the contract to prepare and dispense food. It is the responsibility of the first-class licensee to control all conduct on the premises at all times, including the area in which the food is prepared and stored.~~

~~(5)(A) The holder of a first-class license may serve a sampler flight of up to 32 ounces in the aggregate of malt beverages to a single customer at one time.~~

~~(B) The holder of a first-class license may serve a sampler flight of up to 12 ounces in the aggregate of vinous beverages to a single customer at one time.~~

~~(C) The holder of a third-class license may serve a sampler flight of up to four ounces in the aggregate of spirits or fortified wines to a single customer at one time.~~

~~(6) The Liquor Control Board may grant a fortified wine permit to a second-class licensee if the licensee files an application accompanied by the license fee as provided in section 231 of this title. The holder of a fortified wine permit may sell fortified wines to the public from the licensed premises for consumption off the premises. The Liquor Control Board shall issue no more than 150 fortified wine permits in any single year. The holder of a fortified wine permit shall purchase all fortified wines to be offered for sale to the public pursuant to the permit through the Liquor Control Board at a price equal to no more than 75 percent of the current retail price for the fortified wine established by the Commissioner pursuant to subdivision 107(3)(B) of this title.~~

~~(7)(A)(i) The Liquor Control Board may grant a retail delivery permit to a second-class licensee if the licensee files an application accompanied by the fee provided in section 231 of this title.~~

~~(ii) Notwithstanding subdivision (i) of this subdivision (7)(A), the Liquor Control Board shall not grant a retail delivery permit in relation to a second-class license issued to a licensed manufacturer or rectifier for the manufacturer's or rectifier's premises.~~

~~(B) A retail delivery permit holder may deliver malt beverages or~~

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

~~(i) Deliveries shall only be made by the permit holder or an employee of the permit holder.~~

~~(ii) Deliveries shall only occur between the hours of 9:00 a.m. and 5:00 p.m.~~

~~(iii) Deliveries shall only be made to a physical address located in Vermont.~~

~~(iv) An employee of a retail delivery permit holder shall not be permitted to make deliveries of malt beverages or vinous beverages pursuant to the permit unless he or she has completed a training program approved by the Department as required pursuant to section 239 of this chapter.~~

~~(v) Malt beverages and vinous beverages delivered pursuant to a retail delivery permit shall be for personal use and not for resale.~~

Sec. 36. 7 V.S.A. § 224 is redesignated and amended to read:

§ 224 ~~223~~. THIRD-CLASS LICENSES; OPEN CONTAINERS

~~(a)(1) The Liquor Control Board of Liquor and Lottery may grant to a person who operates a hotel, restaurant, or club, boat, or railroad dining car, or who holds a manufacturer's or rectifier's license, a license of the third class third-class license if the person files an application accompanied by the license fee as provided in section ~~231~~ 204 of this title for the premises in which the business of the hotel, restaurant, or club is carried on or for the boat or railroad dining car.~~

~~(2) The applicant shall satisfy the Board that the applicant is the bona fide owner or lessee of the premises, boat, or railroad dining car and that it is operated for the purpose covered by the license.~~

~~(b) The holder of a A third-class license holder may sell spirits and fortified wines for consumption only on the licensed premises covered by the license. The applicant for a third-class license shall satisfy the Liquor Control Board that the applicant is the bona fide owner or lessee of the premises and that the premises are operated for the purpose covered by the license, boat, or railroad dining car.~~

~~(b)(c) The holder of a first- or first- and third-class license may permit a consumer customer to:~~

~~(1) Possess possess or carry no more than two open containers of alcoholic beverages; and~~

(2) ~~Maintain~~ maintain control over his or her open container of alcoholic beverages at all times while on the licensed premises, boat, or railroad dining car.

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

(2) For a third-class license issued for a dining car or boat, the licensee may procure outside the State of Vermont spirits and fortified wines that are sold pursuant to the license.

(e) No person under 18 years of age shall be employed by a third-class licensee as:

(1) a bartender for the purpose of preparing, mixing, or dispensing alcoholic beverages; or

(2) a waitress or waiter for the purpose of serving alcoholic beverages.

Sec. 37. 7 V.S.A. § 241 is redesignated and amended to read:

§ 241 ~~224~~. FOURTH CLASS LICENSE; RULES:

ADVERTISING FOURTH-CLASS LICENSES

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

(b) At each licensed location, a fourth-class licensee may sell by the unopened container or distribute by the glass, with or without charge, alcoholic beverages manufactured by the licensee.

(1) A licensee may, for consumption at the licensed premises or location, distribute the following amounts of alcoholic beverages to a retail customer:

(A) no more than two ounces of malt beverages or vinous beverages with a total of eight ounces; and

(B) no more than one-quarter ounce of spirits or fortified wine with a total of one ounce.

(2) At a fourth-class license location at the licensee's manufacturing premises, the licensee may distribute by the glass up to four mixed drinks containing a combined total of no more than one ounce of spirits or fortified wine to each retail customer for consumption only on the licensed premises.

(3) At each licensed location, a fourth-class licensee may, pursuant to section 64 of this title, sell malt beverages or vinous beverages, or both by the keg.

(c)(1) At only one fourth-class license location, a licensed manufacturer or rectifier may sell by the unopened container or distribute by the glass, with or without charge, alcoholic beverages produced by no more than five additional manufacturers or rectifiers, provided these beverages are purchased on invoice from the manufacturer or rectifier.

(2) A manufacturer or rectifier may sell its product to no more than five additional manufacturers or rectifiers.

(d) A fourth-class license issued for a farmers' market location shall be valid for all dates of operation for the specific farmers' market location.

(e) Rules and regulations applicable to ~~second-class~~ second-class licenses and pertaining to financial responsibility; ~~education of employees, age of employees, hours of sale, age of purchasers,~~ the selling and furnishing to apparently intoxicated persons; and leases of businesses shall all apply ~~in like manner to fourth-class~~ fourth-class licenses.

(b)(f) Signs and advertising of ~~fourth-class~~ fourth-class licenses at tasting rooms and retail shops other than at the manufacturer's or rectifier's premises shall indicate that the premises are a "tasting room and retail shop," and shall be in lettering not less than 75 percent of the height and width of the lettering setting forth the name of the licensee or establishment.

Sec. 38. 7 V.S.A. § 225 is redesignated and amended to read:

§ ~~225~~ 251. EDUCATIONAL SAMPLING EVENT PERMIT

(a) The Division of Liquor Control Board may grant an educational sampling event permit to a person ~~to conduct an event that is open to the public and at which malt beverages, vinous beverages, fortified wines, or spirits, or all four are served only for the purposes of marketing and educational sampling, provided if:~~

(1) the event is also approved by the local licensing authority. ~~At control commissioners; and~~

(2) at least 15 days prior to the event, ~~an~~ the applicant ~~shall submit~~ submits an application to the ~~Department~~ Division in a form required by the ~~Department~~. The application shall include Commissioner that includes a list of the alcoholic beverages to be acquired for sampling at the event, and the application shall be and is accompanied by a the fee in the amount required pursuant to ~~provided in section 231~~ 204 of this title.

(b) An educational sampling event permit holder is permitted to conduct an

event that is open to the public at which malt beverages, vinous beverages, fortified wines, spirits, or all four are served only for the purposes of marketing and educational sampling.

(c)(1) No more than four educational sampling event permits shall be issued annually to the same person.

(2) An educational sampling event permit shall be valid for no more than four consecutive days.

(d) The permit holder shall ensure all the following:

(1) Attendees at the educational sampling event shall be required to pay an entry fee of no less than \$5.00.

(2)(A) Beverages Malt beverages or vinous beverages for sampling shall be offered in glasses that contain no more than two ounces of either beverage.

(B) Fortified wines and spirits for sampling shall be offered in glasses that contain no more than one quarter ounce of either beverage.

(3) The event shall be conducted in compliance with all the requirements of this title.

~~(b)~~(e) An educational sampling event permit holder:

(1) ~~May~~ may receive shipments directly from a manufacturer, ~~bottler packager~~, certificate of approval holder, wholesale dealer, or importer licensed in Vermont or that provides evidence of licensure in another state or foreign country satisfactory to the Board;

(2) ~~May~~ may transport ~~malt beverages, vinous beverages, fortified wines, and spirits~~ alcoholic beverages to the event site, and those beverages may be served at the event by the permit holder or the holder's employees, volunteers, or representatives of a manufacturer, ~~bottler packager~~, or importer participating in the event, provided they meet the server age and training requirements under section 259 of this chapter; and

(3) ~~[Repealed.]~~

~~(e)~~ All the shall mark all cases and bottles of alcoholic beverages to be served at the event ~~shall be marked by the permit holder~~ "For sampling only. Not for resale."

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

(1) ~~Malt~~ malt beverages:

(A) \$0.265 per gallon of malt beverages served that contain not more than six percent of alcohol by volume at 60 degrees Fahrenheit; and

(B) \$0.55 per gallon of malt beverages served that contain more than six percent of alcohol by volume at 60 degrees Fahrenheit;

(2) Vinous vinous beverages: \$0.55 per gallon served;

(3) Spirituous liquors spirits: \$19.80 per gallon served; and

(4) Fortified fortified wines: \$19.80 per gallon served.

Sec. 39. 7 V.S.A. § 225 is added to read:

§ 225. FORTIFIED WINE PERMITS

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

(2) The Division of Liquor Control shall issue no more than 150 fortified wine permits in any single year.

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

(2) A fortified wine permit holder shall purchase all fortified wines to be offered for sale to the public pursuant to the permit through the Liquor Control Board at a price equal to no more than 75 percent of the current retail price for the fortified wine established by the Commissioner pursuant to subdivision 107(3)(B) of this title.

Sec. 40. 7 V.S.A. § 226 is redesignated and amended to read:

§ 226 272. BOTTLERS' PACKAGER'S LICENSE

(a) The liquor control board Board of Liquor and Lottery may grant to a bottler a license to bottle and sell malt and vinous beverages received by such bottler in bulk upon a packager's license to a person if the person:

(1) submits an application and the payment of;

(2) pays the license fee as provided in section 234 204 of this title; and

(3) upon satisfying satisfies the commissioner of liquor control Commissioner of Liquor and Lottery as to the its compliance with the rules and regulations of the liquor control board Board relating to the cleanliness of the applicant's facilities for storage and bottling of the malt and vinous alcoholic beverages.

(b) A packager's license holder may:

(1) bottle or otherwise package alcoholic beverages the licensee receives in bulk for sale; and

(2) distribute and sell alcoholic beverages that are bottled or otherwise

packaged for sale by the licensee.

(c) A packager's license holder shall comply with the provisions of subsection 274(c) of this subchapter.

Sec. 41. 7 V.S.A. § 226 is added to read:

§ 226. RETAIL DELIVERY PERMITS

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

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

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

(1) Deliveries shall only be made by the permit holder or an employee of the permit holder.

(2) Deliveries shall only occur between the hours of 9:00 a.m. and 5:00 p.m.

(3) Deliveries shall only be made to a physical address located in Vermont.

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

(5) Malt beverages and vinous beverages delivered pursuant to a retail delivery permit shall be for personal use and not for resale.

Sec. 42. 7 V.S.A. § 227 is redesignated and amended to read:

§ ~~227~~ 273. WHOLESALE DEALER'S LICENSE

(a) The ~~liquor control board~~ Board of Liquor and Lottery may grant to a ~~wholesale dealer~~ a license to distribute or sell malt and vinous beverages upon application of such ~~wholesale dealer~~ and the payment of a wholesale dealer's license to a person if the person:

(1) submits an application on a form required by the Board;

(2) pays the license fee as provided in section ~~231~~ 204 of this title; and

~~(3) upon satisfying the liquor control board satisfies the Board as to his or her~~ its qualifications as a wholesale dealer.

~~(b) A wholesale dealer's license holder may distribute or sell malt beverages or vinous beverages to first- and second-class licensees and holders of educational sampling event permits.~~

~~(c)(1) In no event shall a wholesale dealer's license permit carrying holder be permitted to carry on business allowed by a retail dealer's first-class first-class license or second-class second-class license.~~

~~(2) A wholesale dealer's license holder shall comply with the provisions of subsection 274(c) of this subchapter.~~

Sec. 43. 7 V.S.A. § 228 is redesignated and amended to read:

~~§ 228~~ 258. ~~DINING CARS AND BOATS; FIRST- OR THIRD-CLASS LICENSE; PURCHASE OF LIQUORS OUTSIDE STATE; PROMOTIONAL RAILROAD TASTING PERMIT~~

~~(a) The Liquor Control Board may grant to a person that operates a boat or dining car engaged in interstate commerce a license of the first-class or third-class upon the application and payment of the license fee as provided in section 231 of this title. A person that operates a dining car or boat engaged in interstate commerce may procure spirits and fortified wines outside the State of Vermont.~~

~~(b) The Division of Liquor Control Board may grant to a person that operates a railroad a tasting permit that permits the holder to conduct tastings of Vermont-produced alcoholic beverages in the dining car, provided if the person files with the department Division an application along with the permit fee required pursuant to subdivision 231(a)(21) provided in section 204 of this title.~~

Sec. 44. 7 V.S.A. § 238a is redesignated and amended to read:

~~§ 238a~~ 227. ~~OUTSIDE CONSUMPTION PERMITS; FIRST-, THIRD-, AND FOURTH-CLASS LICENSEES~~

~~Pursuant to regulations of the rules of the Board of Liquor and Lottery, the Division of Liquor Control Board, may grant an outside consumption permit may be granted to the holder of a first- or, first- and third-class licenses for all or part of the outside premises of a golf course or to the holder of a, or fourth-class license for all or part of the outside premises of the license holder, provided that such if the permit is first obtained from approved by the local control commissioners and approved by the Board.~~

Sec. 45. 7 V.S.A. § 228 is added to read:



§ 228. SAMPLER FLIGHTS

(a) The holder of a first-class license may serve a sampler flight of up to 32 ounces in the aggregate of malt beverages to a single customer at one time.

(b) The holder of a first-class license may serve a sampler flight of up to 12 ounces in the aggregate of vinous beverages to a single customer at one time.

(c) The holder of a third-class license may serve a sampler flight of up to four ounces in the aggregate of spirits or fortified wines to a single customer at one time.

Sec. 46. 7 V.S.A. § 229 is amended to read:

§ 229. NUMBER OF LICENSES ALLOWED CLUBS

~~Unless specially authorized by the board, it shall be unlawful for a person to hold more than one first class license or more than one second class license at the same time or a first class license and a second class license, or a second class license and a third class license at the same time, or a bottler's license or wholesale dealer's license and a license of any other class at the same time. However, nothing herein shall be construed to prevent a person holding a bottler's license and a wholesale dealer's license at the same time provided such person pays both the license fees as provided in section 231 of this title.~~

(a)(1) Except as otherwise provided in subdivisions (2) and (3) of this subsection, a club shall be permitted to obtain a license under this title if it has existed for at least two consecutive years prior to the date of its application.

(2) A club whose officers and members consist solely of veterans of the U.S. Armed Forces or a subordinate lodge or local chapter of any national fraternal order, which fulfills all requirements of this section except that it has not been in existence for at least two consecutive years, shall be permitted to obtain a license under this title if it has existed for at least six months prior to the date of its application.

(3) A club that is located on and integrally associated with at least a regulation nine-hole golf course shall be permitted to obtain a license under this title if it has existed for at least six months prior to the date of its application.

(b) The premises of a club that is licensed pursuant to this title may be used or leased by a nonmember as a location for a social event as if it were any other licensed commercial establishment.

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

(2) Its affairs and management shall be conducted by a board of directors, executive committee, or similar body chosen by the members at its annual meeting.

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

(B) No member, officer, agent, or employee of a club shall be paid, or directly or indirectly receive, in the form of salary or other compensation, any profits from the disposition or sale of alcoholic beverages to the club's members or guests introduced by members beyond the amount of any salary that may be fixed and voted pursuant to subdivision (A) of this subdivision (3).

(4) An auxiliary member of a club may invite one guest at any one time.

(5)(A) An officer or director of a club may perform the duties of a bartender without receiving any payment for that service, provided the officer or director is in compliance with the requirements of this title that relate to service of alcoholic beverages.

(B) An officer, member, or director of a club may volunteer to perform services at the club other than serving alcoholic beverages, including seating patrons and checking identification, without receiving payment for those services.

(6) An officer, member, or director of a club who volunteers his or her services shall not be considered to be an employee of the club.

Sec. 47. 7 V.S.A. § 238 is redesignated and amended to read:

§ 238 241. ~~CATERER'S LICENSE, GRANTING OF; SALE TO MINORS;~~  
COMMERCIAL CATERING LICENSE

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

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

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

~~(d) No malt or vinous beverages, spirits, or fortified wines shall be sold or served to a minor by a holder of a caterer's license.~~

~~(e) Notwithstanding the provisions of subsection (a) of this section, the~~

~~Liquor Control Board may issue a caterer's license to a licensed manufacturer or rectifier who holds a current first-class license.~~

Sec. 48 7 V.S.A. § 243 is added to read:

§ 243. REQUEST TO CATER PERMIT

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

(1) submits an application for the permit on a form prescribed by the Commissioner;

(2) receives approval for the proposed event from the local control commissioners; and

(3) pays the fee required pursuant to section 204 of this title.

(b) A request to cater permit shall authorize a licensed caterer or commercial caterer to serve alcoholic beverages at an individual event as set forth in the permit.

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

§ 252. SPECIAL EVENT PERMITS

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

(2) A special event permit shall be valid for the duration of each public event or four days, whichever is shorter.

(b)(1) A special event permit holder may sell alcoholic beverages manufactured or rectified by the permit holder by the glass or the unopened bottle.

(2) For purposes of tasting, a special event permit holder may distribute beverages manufactured or rectified by the permit holder with or without charge, provided the beverages are distributed:

(A) by the glass; and

(B) in quantities of no more than two ounces per product and eight ounces total of malt beverages or vinous beverages and no more than one ounce in total of spirits or fortified wines to each individual.

(c)(1) A licensed manufacturer or rectifier may be issued no more than 104 special event permits during a year.

(2) Each manufacturer or rectifier planning to attend a single special

event pursuant to this section may be listed on a single permit for the special event. However, each attendance at a special event shall count toward the manufacturer's or rectifier's annual limit of 104 special event permits.

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

§ 253. FESTIVAL PERMITS

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

(1) received approval from the local control commissioners;

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

(3) paid the fee provided in section 204 of this title.

(b)(1) A festival permit holder may purchase invoiced volumes of malt or vinous beverages directly from a manufacturer or packager licensed in Vermont, or a manufacturer or packager that holds a federal Basic Permit or Brewers Notice or evidence of licensure in a foreign country that is satisfactory to the Board.

(2) The invoiced volumes of malt or vinous beverages may be transported to the site and sold by the glass to the public by the permit holder or its employees and volunteers only during the event.

(c) A festival permit holder shall be subject to the provisions of this title, including section 214 of this title, and the rules of the Board regarding the sale of the alcoholic beverages and shall pay the tax on the malt or vinous beverages pursuant to section 421 of this title.

(d) A person shall be granted no more than four festival permits per year, and each permit shall be valid for no more than four consecutive days.

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

§ 254. SPECIAL VENUE SERVING PERMITS

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

(1) received approval from the local control commissioners;

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

(3) paid the fee provided in section 204 of this title.

(b) A permit holder may purchase malt or vinous beverages directly from a licensed retailer.

(c) A permit holder shall be subject to the provisions of this title and the rules of the Board regarding the service of alcoholic beverages.

(d) A public library or museum may only be granted a permit pursuant to this section for an event held for a charitable or educational purpose at which malt and vinous beverages will be served for a period of not more than six hours.

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

§ 255. RETAIL ALCOHOLIC BEVERAGE TASTING PERMITS

(a) The Division of Liquor Control may grant a licensee a permit to conduct an alcoholic beverage tasting event as provided in subsection (b) of this section if:

(1) the licensee has submitted a written application in a form required by the Commissioner and paid the fee provided in section 204 of this title at least five days prior to the date of the alcoholic beverage tasting event; and

(2) the Commissioner determines that the licensee is in good standing.

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

(1) A second-class licensee.

(A) The permit authorizes the employees of the second-class licensee or of a designated manufacturer or rectifier to dispense to each customer of legal age on the licensee's premises malt or vinous beverages by the glass not to exceed two ounces of each beverage with a total of eight ounces of malt or vinous beverages.

(B) Malt or vinous beverages dispensed at the tasting event shall be from the inventory of the licensee or purchased from a wholesale dealer.

(C) A second-class licensee may be granted up to 48 tasting permits per year. In addition, a second-class licensee may be granted up to five permits per week to conduct a tasting as part of an educational food preparation class or course conducted by the licensee on the licensee's premises.

(2) A licensed manufacturer or rectifier of malt or vinous beverages.

(A) The permit authorizes the licensed manufacturer or rectifier to dispense to each customer of legal age for consumption on the premises of a second-class licensee beverages produced by the manufacturer or rectifier by the glass not to exceed two ounces of each beverage with a total of eight ounces of malt or vinous beverages.

(B) A manufacturer or rectifier may conduct no more than 48 tastings per year.

(3) A licensed wholesale dealer. The permit authorizes a licensed wholesale dealer to dispense malt or vinous beverages for promotional purposes at the wholesale dealer's premises without charge to invited employees of first-, second-, and third-class licensees, provided the invited employees are of legal age.

(c) A vinous beverage or malt beverage tasting event held pursuant to subsection (b) of this section, not including an alcoholic beverage tasting conducted on the premises of the manufacturer or rectifier, shall comply with the following:

(1) continue for no more than six hours, with no more than six beverages to be offered at a single event, and no more than two ounces of any single beverage and no more than a total of eight ounces of malt or vinous beverages to be dispensed to a customer;

(2) serve no more than eight individuals at one time; and

(3) be conducted totally within a designated area that extends no further than 10 feet from the point of service and that is marked by a clearly visible sign that states that no one under 21 years of age may participate in the tasting.

(d) The holder of a permit issued under this section shall keep an accurate accounting of the beverages consumed at a tasting event and shall be responsible for complying with all applicable laws under this title.

(e) The holder of a permit issued under this section that provides alcoholic beverages to a minor or permits an individual under 18 years of age to serve alcoholic beverages at a tasting event under this section shall be fined not less than \$500.00 nor more than \$2,000.00 or imprisoned not more than two years, or both.

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

§ 256. PROMOTIONAL TASTINGS FOR LICENSEES

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

(2) At the request of a holder of a third-class license, a manufacturer or rectifier of spirits or fortified wines may distribute without charge to the third-class licensee's management and staff, provided they are of legal age and are off duty for the rest of the day, one-quarter ounce of each beverage and no

more than a total of one ounce to each individual for the purpose of promoting the beverage.

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

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

(2) The event shall be held on the premises of the first-class licensee.

(3) The first-class licensee shall be responsible for complying with all applicable laws under this title.

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

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

(2) The event shall be held on the premises of the first- or second-class applicant.

(3) The first- or second-class applicant shall be responsible for complying with all applicable laws under this title.

(4) No malt or vinous beverages shall be left behind at the conclusion of the tasting.

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

Sec. 54. 7 V.S.A. § 257 is added to read:

#### § 257. TASTINGS FOR PRODUCT QUALITY ASSURANCE

(a) A licensed manufacturer or rectifier may distribute to its management and staff who are directly involved in the production of the licensee's products, provided they are of legal age and at the licensed premises, samples of the licensee's products for the purpose of assuring the quality of the products.

(b) Each sample of malt beverages or vinous beverages shall be no larger

than two ounces, and each sample of spirits or fortified wines shall be no larger than one-quarter ounce.

(c) No permit is required for a tasting pursuant to this section.

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

§ 259. TASTING EVENTS; AGE AND TRAINING OF SERVERS

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

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

§ 271. MANUFACTURER'S OR RECTIFIER'S LICENSE

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

- (1) malt beverages;
- (2) vinous beverages and fortified wines; or
- (3) spirits and fortified wines.

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

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

(2) malt beverages and vinous beverages may be manufactured or rectified for sale to packagers or wholesale dealers, or for export, or both.

(c) A licensed manufacturer of vinous beverages or fortified wines may receive from another manufacturer licensed in or outside this State bulk shipments of vinous beverages to rectify with the licensee's own product, provided that the vinous beverages or fortified wines produced by the licensed manufacturer may contain no more than 25 percent imported vinous beverages.

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

(2) For a manufacturer of malt beverages, the premises of the manufacturer may include up to two licensed establishments that are located on the contiguous real estate of the license holder, provided the manufacturer



owns or has direct control over both establishments.

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

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

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

Sec. 57. REPEAL

7 V.S.A. chapter 11 (Certificates of Approval) is repealed.

Sec. 58. 7 V.S.A. § 274 is added to read:

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

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

(1) Submits an application on a form prescribed by the Board, including any additional information that the Board may deem necessary.

(2) Agrees to comply with the rules of the Board.

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

(b) A certificate of approval shall permit the holder to export malt or vinous beverages, or sell malt or vinous beverages to holders of packagers' or wholesale dealers' licenses issued under section 272 or 273 of this title, or both.

(c) A holder of a packager's or a wholesale dealer's license issued under this title shall not purchase within or outside the State, or import or cause to be imported into the State, any malt or vinous beverages unless the person, manufacturer, or distributor from which the beverages are obtained holds a

valid certificate of approval or packager's license.

(d)(1) The Board of Liquor and Lottery may suspend or revoke a certificate of approval if the holder fails to comply with the rules of the Board or to submit reports to the Commissioner of Taxes in accordance with all applicable laws and rules.

(2)(A) A certificate of approval shall not be revoked unless the holder has been given a hearing following reasonable notice.

(B) Notice of a revocation or suspension shall be sent to each holder of a packager's or wholesale dealer's license prior to the effective date of the revocation or suspension.

(e) A person who violates a provision of this section shall be fined not more than \$300.00 or imprisoned not more than one year, or both, for each offense and shall forfeit any license issued under the provisions of this title.

Sec. 59. REPEAL

7 V.S.A. chapter 13 (Solicitor's License) is repealed.

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

§ 275. SOLICITOR'S LICENSE

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

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

(2) Submits to the Board a recommendation by the vendor to be represented by the applicant that indicates the applicant is qualified to hold a solicitor's license.

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

(b) A solicitor's license holder may solicit orders for and promote the sale of malt or vinous beverages by canvassing or interviewing holders of licenses issued under the provisions of this title.

(c) The Board of Liquor and Lottery may suspend or revoke a solicitor's license for failure to comply with any rule of the Board or for other cause. A

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

(d) A person who solicits orders for, or promotes the sale of malt or vinous beverages, or attempts to solicit or promote the sale of malt or vinous beverages by canvassing or interviewing a holder of a license issued under the provisions of this title, without having first obtained a solicitor's license as provided in this section, or who makes a false or fraudulent statement or representation in an application for the license or in connection with an application shall be imprisoned not more than six months or fined not more than \$500.00, or both.

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

§ 276. INDUSTRIAL ALCOHOL DISTRIBUTOR'S LICENSE

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

(b) Alcohol sold under an industrial alcohol distributor's license may only be used for manufacturing, mechanical, medicinal, and scientific purposes.

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

§ 277. MALT AND VINOUS BEVERAGE CONSUMER SHIPPING LICENSE

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

(2) An in-state consumer shipping license may be renewed annually by submitting to the Division the fee provided in section 204 of this title accompanied by a copy of the licensee's current Vermont manufacturer's license.

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

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

accompanied by the licensee's current out-of-state manufacturer's license.

(3) As used in this section, "out-of-state" means any state other than Vermont, any territory or possession of the United States, and does not include a foreign country.

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

(2) A licensee shall not ship more than 12 cases of malt beverages containing no more than 36 gallons of malt beverages or no more than 12 cases of vinous beverages containing no more than 29 gallons of vinous beverages to any one Vermont resident in any calendar year.

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

(A) deliver beverages pursuant to an invoice that includes the name of the licensee and the name and address of the purchaser;

(B) on delivery, require a valid authorized form of identification, as defined in section 589 of this title, from a recipient who appears to be under 30 years of age; and

(C) require the recipient to sign an electronic or paper form or other acknowledgment of receipt.

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

§ 278. VINOUS BEVERAGE RETAIL SHIPPING LICENSE

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

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

(c) A retail shipping license holder, including the holder's affiliates, franchises, and subsidiaries, may sell up to 5,000 gallons of vinous beverages per year directly to first- or second-class licensees and deliver the beverages by common carrier, the manufacturer's or rectifier's own vehicle, or the vehicle of an employee of a manufacturer or rectifier, provided that the beverages are

sold on invoice, and no more than 100 gallons per month are sold to any single first- or second-class licensee.

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

(e) Vinous beverages sold under this section may be delivered by the vehicle of a second-class license holder if the second-class licensee cannot obtain the vinous beverages from a wholesale dealer.

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

§ 279. CONSUMER AND RETAIL SHIPPING LICENSES; GENERAL REQUIREMENTS

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

(1) Ensure that all containers of alcoholic beverages are shipped in a container that is clearly labeled: “contains alcohol; signature of individual 21 years of age or older required for delivery.”

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

(3) Retain a copy of each record of sale for a minimum of five years from the date of shipping.

(4) Report at least twice per year to the 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:

(A) the total amount of malt or vinous beverages shipped into or within the State during the preceding six months if a holder of a consumer shipping license or during the preceding 12 months if a holder of a retail shipping license;

(B) the names and addresses of the purchasers to whom the beverages were shipped; and

(C) the date purchased, the quantity and value of each shipment, and, if applicable, the name of the common carrier used to make each delivery.

(5) Pay to the Commissioner of Taxes the tax required pursuant to section 421 of this title on the malt or vinous beverages shipped pursuant to this subchapter and comply with the provisions of 32 V.S.A. chapter 233, 24 V.S.A. § 138, and any other legally authorized local sales taxes. Delivery in this State shall be deemed to constitute a sale in this State at the place of delivery and shall be subject to all appropriate taxes levied by the State of

Vermont.

(6) Permit the State Treasurer, the 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 Board of Liquor and Lottery, Department of Liquor and Lottery, Division of Liquor Control, or any other State agency and the Vermont State courts concerning enforcement of this or other applicable laws and rules.

(8) Not have any direct or indirect financial interest in a Vermont wholesale dealer or retail dealer, including a first-, second-, or third-class licensee.

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

(10) Comply with the beverage container deposit redemption system pursuant to 10 V.S.A. chapter 53.

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

§ 280. COMMON CARRIERS; REQUIREMENTS

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

(b) No employee of a certified common carrier may deliver malt or vinous beverages until that employee completes the training required pursuant to subsection 213(c) of this title.

(c) A certified common carrier shall deliver only malt or vinous beverages that have been shipped by the holder of a license issued under section 277 or 278 of this subchapter or vinous beverages that have been shipped by the holder of a vinous beverage storage license issued under section 283 of this subchapter.

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

§ 281. PROHIBITIONS

(a)(1) Except as otherwise provided in section 226 of this title, direct shipments of malt or vinous beverages are prohibited if the shipment is not specifically authorized and in compliance with sections 277–280 of this subchapter.

(2) Any person who knowingly makes, participates in, imports, or

receives a direct shipment of malt or vinous beverages from a person who does not hold a license, permit, or certificate pursuant to sections 226 or 277–280 of this title may be fined not more than \$1,000.00 or imprisoned not more than one year, or both.

(b) The holder of a license issued pursuant to section 277 or 278 of this title or a common carrier that ships malt or vinous beverages to an individual under 21 years of age shall be fined not less than \$1,000.00 or more than \$3,000.00 or imprisoned not more than two years, or both.

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

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

§ 282. RULEMAKING

The Board of Liquor and Lottery and the Commissioner of Taxes may adopt rules and forms necessary to implement sections 277–281 of this subchapter.

Sec. 68. 7 V.S.A. § 68 is redesignated and amended to read:

§ ~~68~~ 283. VINOUS BEVERAGE STORAGE AND SHIPPING LICENSE

(a) ~~The liquor control board~~ Board of Liquor and Lottery may, pursuant to rules adopted by the Board, grant a vinous beverage storage and shipping license to a person ~~who operates~~ that submits an application and pays the fee provided in section 204 of this title.

(b)(1) A vinous beverage storage and shipping licensee may operate a climate-controlled storage facility in which vinous beverages owned by another person are stored for a fee ~~a license that allows the licensee to store and~~ may transport vinous beverages on which all applicable taxes already have been paid.

(2) A vinous beverage storage facility may also accept shipments from any licensed in-state or out-of-state vinous beverage manufacturer that has an in-state or out-of-state consumer shipping license pursuant to section ~~66~~ 277 of this title.

(3) Vinous beverages stored by the licensee may be transported only for shipment to the owner of the beverages or to another licensed vinous beverage storage facility, and the beverages shall be shipped only by common carrier in compliance with ~~subsection 66(f)~~ section 280 of this title. ~~The licensee shall pay a fee pursuant to subdivision 231(a)(20) of this title. A license under this section shall be issued pursuant to rules adopted by the board.~~

(c) A person granted a license pursuant to this section may not sell or resell any vinous beverages stored at the storage facility.

Sec. 69. 7 V.S.A. § 421 is amended to read:

§ 421. TAX ON MALT AND VINOUS BEVERAGES

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

(b) A ~~bottler packager or wholesaler~~ wholesale dealer may sell malt or vinous beverages to any duly authorized agency of the U.S. Armed Forces on ~~the Ethan Allen Air Force Reservation in the towns of Colchester and Essex or the firing range of the U.S. Armed Forces in the towns of Bolton, Jericho, and Underhill and at the Air Force bases at St. Albans and at the North Concord Air Force Station at North Concord or any other U.S. Armed Forces' installation presently existing in the State or which may in the future be established as though to a retail dealer but without the payment of the gallonage tax, subject to the filing of the returns hereinafter as provided in subsection (c) of this section.~~

(c)(1) For the purpose of ascertaining the amount of tax, on the filing dates set out in subdivision (2) of this subsection according to tax liability, each ~~bottler and wholesaler~~ packager, wholesale dealer, manufacturer, or rectifier shall transmit to the Commissioner of Taxes, upon a form prepared and furnished by the Commissioner, a statement or return under oath or affirmation showing the quantity of malt and vinous beverages sold by the ~~bottler or wholesaler~~ packager, wholesale dealer, manufacturer, or rectifier during the preceding filing period, and report any other information requested by the Commissioner accompanied by payment of the tax required by this section. The amount of tax computed under subsection (a) of this section shall be rounded to the nearest whole cent. At the same time this form is due, each ~~bottler and wholesaler~~ packager, wholesale dealer, manufacturer, or rectifier also shall transmit to the Commissioner in electronic format a separate report showing the description, quantity, and price of malt and vinous beverages sold



by the ~~bottler or wholesaler~~ packager, wholesale dealer, manufacturer, or rectifier to each retail dealer as defined in ~~subdivision 2(18)~~ section 2 of this title; provided, however, for direct sales to retail dealers by manufacturers or rectifiers of vinous beverages, the report required by this subsection may be submitted in a nonelectronic format.

(2) Where the tax liability for the immediately preceding full calendar year has been (or would have been in cases when the business was not operating for the entire year):

(A) \$2,000.00 or less, then payment of the tax and submission of the documents required by this section shall be due and payable in quarterly installments on or before the 25th day of the calendar month succeeding the quarter ending the last day of March, June, September, and December of each year; or

(B) ~~More~~ more than \$2,000.00, then payment of the tax and submission of the documents required by this section shall be due and payable monthly on or before the 25th (23rd of February) day of the month following the month for which the tax is due.

(d) The exemption provided in this section for beverages sold on any U.S. Armed Forces' installation presently existing in the State is allowed only if the sales are evidenced by a proper voucher or affidavit in a form prescribed by the Commissioner of Taxes, which shall be a part of the return filed.

(e) A person ~~or corporation~~ failing to pay the tax when due, or failing to make returns as required by this section, shall be subject to and governed by the provisions of 32 V.S.A. §§ 3202 and 3203.

(f) ~~All holders of a license of the first- or second-class shall purchase all malt and vinous beverages from Vermont wholesalers or bottlers. [Repealed.]~~

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

#### § 423. RULES

(a) The Commissioner of Taxes and the ~~Liquor Control Board~~ of Liquor and Lottery shall adopt ~~such~~ rules as ~~they deem~~ necessary for the proper administration and collection of the tax imposed under section 422 of this title.

\* \* \*

Sec. 71. 7 V.S.A. § 425 is amended to read:

#### § 425. TAXES A PERSONAL DEBT; ACTION FOR RECOVERY

All taxes imposed by this title and all increases, interest, and penalties ~~thereon~~ on those taxes, from the time they become due and payable, shall become a personal debt, from the person liable to pay the ~~same~~, amounts due

to the ~~state~~ State of Vermont, ~~to~~ and may be recovered in ~~an~~ a civil action ~~on~~ this statute brought pursuant to this section.

Sec. 72. 7 V.S.A. chapter 17 is redesignated to read:

CHAPTER 17. SALE TO INTOXICATED PERSONS  
AND PUBLIC CHARGES

Sec. 73. 7 V.S.A. § 501 is amended to read:

§ 501. UNLAWFUL SALE OF INTOXICATING LIQUORS ALCOHOLIC BEVERAGES; CIVIL ACTION FOR DAMAGES

(a) Action for damages. A spouse, child, guardian, employer, or other person who is injured in person, property, or means of support by an intoxicated person, or in consequence of the intoxication of any person, shall have a right of action in his or her own name, jointly or severally, against any person or persons who have caused in whole or in part ~~such~~ the intoxication by selling or furnishing ~~intoxicating liquor~~ alcoholic beverages:

(1) to a minor as defined in section 2 of this title;

(2) to a person apparently under the influence of ~~intoxicating liquor~~ alcohol;

(3) to a person after legal serving hours; or

(4) to a person ~~whom~~ who it would be reasonable to expect would be under the influence of ~~intoxicating liquor~~ alcohol as a result of the amount of ~~liquor~~ alcoholic beverages served by the defendant to that person.

(b) Survival of action; joint action. Upon the death of either party, the action and right of action shall survive to or against the party's executor or administrator. The party injured or his or her legal representatives may bring either a joint action against the person intoxicated ~~and~~, the person or persons who furnished the ~~liquor~~ alcoholic beverages, and an owner who may be liable under subsection (c) of this section, or a separate action against either or any of them.

(c) Landlord liability.

(1) If the ~~intoxicating liquor~~ alcoholic beverages were sold or furnished to the intoxicated person in a rented building, the owner may be joined as a defendant in the action, and judgment ~~therein~~ in the action may be rendered against the owner, if the owner of the building or in the case of a corporation, its agent, knew or had reason to know that ~~intoxicating liquor~~ alcoholic beverages were sold or furnished by the tenant:

(1)(A) to minors as defined in section 2 of this title;

~~(2)(B)~~ to persons apparently under the influence of ~~intoxicating liquor~~ alcohol;

~~(3)(C)~~ to persons after legal serving hours; or

~~(4)(D)~~ to persons ~~whom~~ who it would be reasonable to expect would be under the influence of ~~intoxicating liquor~~ alcohol as a result of the amount of ~~liquor~~ alcoholic beverages served to them by the tenant.

(2) It shall be an affirmative defense to an action against an owner that the owner took reasonable steps to prevent the sale of ~~intoxicating liquor~~ alcoholic beverages under the circumstances described in this subsection or to evict the tenant.

(d) Statute of limitations. An action to recover ~~for~~ damages under this section shall be commenced within two years after the cause of action accrues, and not after.

(e) Evidence.

(1) In an action brought under this section, evidence of responsible actions taken or not taken is admissible, if otherwise relevant.

(2) Responsible actions may include, ~~but are not limited to,~~ instruction of servers as to laws governing the sale of alcoholic beverages, training of servers regarding intervention techniques, admonishment to patrons or guests concerning laws regarding the consumption of ~~intoxicating liquor~~ alcoholic beverages, and inquiry under the methods provided by law as to the age or degree of intoxication of the persons involved.

(f) Right of contribution. A defendant in an action brought under this section has a right of contribution from any other responsible person or persons, which may be enforced in a separate action brought for that purpose.

(g) Social host.

(1) Except as set forth in subdivision (2) of this subsection, nothing in this section shall create a statutory cause of action against a social host for furnishing ~~intoxicating liquor~~ alcoholic beverages to any person without compensation or profit, ~~if the social host is not a licensee or required to be a licensee under this title.~~ However, this subdivision shall not be construed to limit or otherwise affect the liability of a social host for negligence at common law.

(2) A social host who knowingly furnishes ~~intoxicating liquor~~ alcoholic beverages to a minor may be held liable under this section if the social host knew, or a reasonable person in the same circumstances would have known, that the person who received the ~~intoxicating liquor~~ alcoholic beverages was a minor.

(h) Definitions. For the purpose of As used in this section:

(1) “Apparently under the influence of ~~intoxicating liquor~~ alcohol” means a state of intoxication accompanied by a perceptible act or series of actions which present signs of intoxication.

(2) “Social host” means a person who is not the holder of a liquor license or permit under this title and is not required to hold a license or permit under this title to hold a liquor license.

Sec. 74. 7 V.S.A. § 502 is amended to read:

§ 502. MINORS; PAYMENT OF DAMAGES RECOVERED

All damages recovered by a minor in ~~such an~~ an action under section 501 of this chapter shall be paid over to ~~such the~~ the minor or to his or her guardian on ~~such whatever~~ such terms as the court may order.

Sec. 75. 7 V.S.A. § 503 is amended to read:

§ 503. SATISFACTION OF JUDGMENT; REVOCATION OF LICENSE

If ~~a judgment recovered against a licensee under the provisions of~~ fails to satisfy a judgment entered under section 501 of this title ~~remains unsatisfied for 30 days after the entry thereof~~ the judgment is entered, the ~~board of local control commissioners or the liquor control board~~ Board of Liquor and Lottery shall revoke ~~his~~ its license. A license shall not be granted to a person against whom ~~such a~~ a judgment has been recovered, until the same judgment is satisfied.

Sec. 76. 7 V.S.A. § 504 is amended to read:

§ 504. ~~ACTION FOUNDED ON TORT; CERTIFIED EXECUTION~~

~~A judgment for the plaintiff under section 501 of this title shall be treated as rendered in an action founded on tort. At the time of such judgment, the court shall adjudge that the cause of action arose from the wilful and malicious act of the defendant, and that he or she ought to be confined in close jail, and a certificate thereof shall be stated in or upon the execution. [Repealed.]~~

Sec. 77. 7 V.S.A. § 505 is amended to read:

§ 505. ~~NOTICE TO PROHIBIT SALES TO CERTAIN PERSONS~~

~~The father, mother, husband, wife, child, brother, sister, guardian, or employer of a person may, in writing, notify any board of control commissioners as defined in section 2 of this title, who may, on investigation, forbid the sale or furnishing of spirits, fortified wines, or malt or vinous beverages, or all four, by licensees as defined in section 2 of this title, within the jurisdiction of that board of control commissioners to that person.~~

[Repealed.]

Sec. 78. 7 V.S.A. § 506 is amended to read:

§ 506. ~~RECORD OF NOTICES~~

~~(a) Such board of control commissioners shall place on file the notices received under section 505 of this title and they shall be open to public inspection at reasonable times, except that the notices of a husband, father, wife, child, mother or a sister provided for in section 505 of this title shall not be open to inspection nor be disclosed by such board of control commissioners. Upon receipt of a notice, such board of control commissioners may, upon investigation, give written notice forbidding the sale or furnishing of spirits, fortified wines, or malt and vinous beverages, or all four to such person and to all licensees within the jurisdiction of such board of control commissioners.~~

~~(b) Copies of all notices sent by a board of control commissioners shall be furnished forthwith to the Commissioner of Liquor Control who may upon receipt of such copy forbid the sale of spirits and fortified wines by any State agency or agencies to such person. [Repealed.]~~

Sec. 79. 7 V.S.A. § 561 is amended to read:

§ 561. ~~AUTHORITY OF LIQUOR CONTROL INVESTIGATORS;  
ARREST FOR UNLAWFULLY MANUFACTURING,  
POSSESSING, OR TRANSPORTING ALCOHOLIC BEVERAGES;  
SEIZURE OF PROPERTY~~

\* \* \*

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

Sec. 80. 7 V.S.A. § 563 is redesignated and amended to read:

§ ~~563~~ 562. SEARCH WARRANTS

(a) If a ~~state's attorney~~ State's Attorney, the ~~commissioner of liquor control~~ Commissioner of Liquor and Lottery, or an ~~inspector investigator~~ duly acting for the liquor control board Board of Liquor and Lottery, or a control commissioner, or a town grand juror or two reputable citizens of the county, make a complaint under oath or affirmation, ~~before to~~ before to a judge of a ~~criminal division~~ the Criminal Division of the ~~superior court~~ Superior Court, that he or she or they have reason to believe that ~~malt or vinous beverages or spirituous liquor~~ alcoholic beverages or alcohol are kept or deposited for sale or distribution contrary to law, or that alcohol is manufactured or possessed contrary to law, in any kind of vehicle, air or water craft, or other conveyance, or a dwelling house, store, shop, steamboat, or water craft of any kind, depot, railway car, motor vehicle or land or air carriage of any kind, warehouse or other building or place in the county, the judge shall issue a warrant to search the premises described in the complaint.

(b) If the ~~liquor~~ alcoholic beverages or alcohol is found ~~therein~~ there under circumstances warranting the belief that it is intended for sale or distribution contrary to law, or if the alcohol is found ~~therein~~ in that place under circumstances warranting the belief that it is unlawfully manufactured or possessed, or if any still, or any other apparatus for the manufacture of alcohol is found ~~therein~~ in that place, the officer shall seize and convey the ~~same~~ alcoholic beverages, alcohol, or still or other apparatus to some a secure place of security, and keep it until ~~final action is had thereon~~ the court renders a final judgment on it.

Sec. 81. 7 V.S.A. 564 is redesignated and amended to read:

§ ~~564~~ 563. SEARCH OF PREMISES WITHOUT WARRANT

(a) A ~~sheriff, deputy sheriff, constable, police~~ law enforcement officer, selectboard member, or grand juror who has information that ~~malt, vinous, and spirituous liquor~~ alcoholic beverages or alcohol is kept with intent to sell, or is sold contrary to law in a ~~tent, shanty, hut, or place of any kind for selling refreshments in a~~ any kind of public place for selling refreshments, except a dwelling houses house, on or near the ~~ground~~ grounds of a ~~cattle show, agricultural exhibition, military muster, or public occasion of any kind,~~ shall search ~~such~~ the suspected place without a warrant.

(b)(1) If ~~such~~ the officer finds ~~such liquor~~ alcoholic beverages or alcohol upon the premises, he or she shall seize ~~the same~~ it and apprehend the keeper of ~~such~~ the place and take him or her, without the ~~liquor so seized~~ alcoholic beverages or alcohol, forthwith or as soon as conveniently may be practicable, before a district judge of the Criminal Division of the Superior Court in whose the jurisdiction where the same alcoholic beverages or alcohol is found, and

~~thereupon such.~~

~~(2) The officer shall make a written complaint under oath, subscribed by him or her, or affirmation to such magistrate the judge, setting forth the details of the finding of such liquor the alcoholic beverages or alcohol.~~

~~(c)(1) Upon proof that the liquor is intoxicating and that the same was the alcoholic beverages or alcohol were found in the possession of the accused in a tent, shanty, or other a public place, with intent to sell contrary to law, the liquor seized alcoholic beverages or alcohol shall be adjudged forfeited and disposed of by order of such magistrate the court, as provided in this chapter. Such~~

~~(2) The owner or keeper shall be proceeded against, as provided in pursuant to this chapter, for keeping such malt and vinous beverage, spirituous liquor, the alcoholic beverages or alcohol with intent to sell.~~

Sec. 82. 7 V.S.A. § 565 is redesignated and amended to read:

§ ~~565~~ 564. NOTICE OF SEIZURE; HEARING; FEES

The An officer who makes a seizure of malt, vinous or spirituous liquor or pursuant to section 562 or 563 of this chapter seizes alcoholic beverages, alcohol, or a still or other apparatus for the manufacture of alcohol, with or without a warrant, shall forthwith promptly give notice thereof of the seizure to a grand juror of the town in which such the seizure is made, or to the state's attorney State's Attorney of the county. ~~Such~~ The grand juror or ~~state's attorney~~ State's Attorney shall then attend and act in behalf of the state State at the hearing against the liquor seized alcoholic beverages, alcohol, still, or apparatus so seized, and the. An officer making the a seizure without a warrant shall be allowed the same fees as if he or she had acted under a warrant.

Sec. 83. 7 V.S.A. § 566 is redesignated and amended to read:

§ ~~566~~ 565. ARREST OF OWNER OF SEIZED PROPERTY

The officer shall promptly apprehend and bring forthwith before the magistrate court the owner and, keeper, and all persons having the custody of, or exercising any control over, the liquor alcoholic beverages, alcohol, or other property seized pursuant to section 562 or 563 of this chapter, either whether as principal, clerk, servant, or agent.

Sec. 84. 7 V.S.A. § 567 is redesignated and amended to read:

§ ~~567~~ 566. ARREST OF OWNER OF BUILDING

If the owner or keeper of such liquor the alcoholic beverages, alcohol, or other property seized pursuant to section 562 or 563 of this chapter is unknown

to the officer, or if a person is not found in possession or custody of the ~~same seized alcoholic beverages, alcohol, or other property~~, the officer shall apprehend and bring before the ~~magistrate court~~ the owner or occupant of the building or apartments in which ~~such liquor~~ the seized alcoholic beverages, alcohol, or other property was found, if ~~known to him or can be by him ascertained~~ he or she knows or can ascertain the person's identity.

Sec. 85. 7 V.S.A. § 568 is redesignated and amended to read:

§ ~~568~~ 567. FORFEITURE OF SEIZED PROPERTY

(a) If, ~~upon~~ after a hearing, it appears the court determines that ~~such liquor~~ the alcoholic beverages, alcohol, or other property seized pursuant to section 562 or 563 of this chapter was intended for sale, distribution, or use contrary to law, it shall be adjudged forfeited and condemned. ~~When liquor~~

(b) Alcoholic beverages, alcohol, or other property that is adjudged forfeited and condemned under this section, ~~it shall be turned over to the commissioner of liquor control~~ Commissioner of Liquor and Lottery for the benefit of the state State.

Sec. 86. 7 V.S.A. § 569 is redesignated and amended to read:

§ ~~569~~ 568. COSTS OF FORFEITURE AND CONDEMNATION PROCEEDINGS

Upon condemnation of ~~such liquor~~ alcoholic beverages, alcohol, or other property pursuant to section 567 of this title, any ~~and all persons~~ person apprehended and brought before ~~such magistrate~~ the court under sections ~~564 563 and 566~~ 565 of this title shall be liable ~~to pay~~ for the costs of ~~such~~ the proceedings, if, in the judgment of the ~~magistrate court~~, any of them by themselves, or through clerks, servants, or agents, ~~shall have been:~~

(1) engaged in, or aided in, assisted in, or abetted the keeping of such liquor the alcoholic beverages, alcohol, or other property for unlawful sale, distribution, or use, ~~or have been;~~

(2) were privy thereto, to the keeping of the alcoholic beverages, alcohol, or other property for unlawful sale, distribution, or use; ~~or have~~

(3) knowingly permitted the use of any building or apartments by them the person owned or controlled, for the storing or keeping of such liquor the alcoholic beverages, alcohol, or other property for such unlawful sale, distribution, or use.

Sec. 87. 7 V.S.A. § 570 is redesignated and amended to read:

§ ~~570~~ 569. EXECUTION FOR COSTS

~~Against any and all persons by the magistrate adjudged~~ If the court



~~determines that a person is liable to pay for the costs, in case of the proceedings pursuant to section 568 of this title and the costs are not paid, the magistrate court, after a hearing, shall issue an execution in favor of the state State and against the body or bodies of the persons, person that is liable for the costs; upon which. The execution shall be certified as follows: "This execution is issued for the costs of the seizure and condemnation of intoxicating liquor alcoholic beverages, alcohol, or a still or other apparatus for the manufacture of alcohol that was kept in violation of law." Persons committed upon the executions shall not be admitted to the liberties of the jail yard.~~

Sec. 88. 7 V.S.A. § 571 is amended to read:

~~§ 571. SEARCH OF VEHICLE OR CRAFT WITHOUT WARRANT~~

~~If a sheriff, deputy sheriff, constable, police officer, Commissioner of Liquor Control or inspector duly acting for the Liquor Control Board, or State Police has reason to believe and does believe, that a person is engaged in the act of smuggling, delivering, or transporting, in violation of law, malt or vinous beverages, spirits, fortified wines, or alcohol in any wagon, buggy, automobile, motor vehicle, air or water craft, or other vehicle, he or she shall search for and seize without warrant, malt or vinous beverages, spirits, fortified wines, or alcohol found therein being smuggled, delivered, or transported contrary to law. Whenever malt or vinous beverages, spirits, fortified wines, or alcohol, transported unlawfully or alcohol possessed illegally shall be seized by such officer, he or she shall take possession of the vehicle, team, automobile, boat, air or water craft, or other conveyance and shall arrest the person in charge thereof. [Repealed.]~~

Sec. 89. 7 V.S.A. § 572 is redesignated and amended to read:

~~§ 572~~ 570. FORFEITURE AND CONDEMNATION OF SEIZED VEHICLE OR CRAFT

(a) ~~If such an officer seizes malt or vinous beverages, spirits, fortified wines, alcoholic beverages or alcohol and takes possession of a vehicle, team, automobile, boat, air or water craft, or other conveyance in which such malt or vinous beverages, spirits, fortified wines, or alcohol is being unlawfully transported or in which alcohol is unlawfully possessed, without a warrant, he or she shall forthwith promptly make a complaint, under oath, subscribed by him or her, or affirmation to a judge of the Criminal Division of the Superior Court, in whose the jurisdiction the same was seized where the seizure occurred. Thereupon the~~

(b) ~~The same proceedings shall be had as with respect to the liquor alcoholic beverages or alcohol and the vehicle and team or automobile, motor~~

~~vehicle, boat, air or water craft, or other conveyances as would be had if malt or vinous beverages, spirits, or fortified wines had been seized, except that if the vehicle and team, or automobile, boat, air or water craft, or other conveyance, shall be finally is adjudged forfeited and condemned the same, it shall, upon the written order of the magistrate court, shall be sold at a public sheriff's sale for the benefit of the State. The officer making the sale shall make a return in writing to the court issuing such that issued the order of sale with the proceeds thereof from the sale, less his or her expenses and fees for keeping and selling the same vehicle, air or water craft, or other conveyance, which fees shall be the same as for the sale of personal property upon execution.~~

Sec. 90. 7 V.S.A. § 573 is redesignated and amended to read:

§ ~~573~~ 572. PROCEEDS OF SALE OF CONDEMNED VEHICLE OR CRAFT

(a) From the net proceeds of such a sale pursuant to section 571 of this title, the court shall pay all liens, according to their priority which are that:

(1) are established by intervention or otherwise at the time the court enters the judgment of forfeiture being adjudged or in other proceedings brought for such that purpose, as being; and

(2) are bona fide and having been were created without the owner's having any knowledge that the carrying vehicle was being used or was to would be used for the illegal transportation transport of malt or vinous beverages, spirits, fortified wines, alcoholic beverages or alcohol and.

(b) The court shall pay the balance of the proceeds to the State Treasurer, as provided for the payment of fines under the provisions of law.

Sec. 91. 7 V.S.A. § 574 is redesignated and amended to read:

§ ~~574~~ 573. RIGHTS OF OWNER; ADJOURNED HEARING

(a) Nothing herein in this chapter shall be construed to prejudice the rights of the a bona fide owner of any such a vehicle, air or water craft, or other conveyance to have it returned to his or her possession upon affirmative proof by the owner that he or she had no express or implied knowledge that such conveyance it was being used or was to be used for the illegal transportation of malt or vinous beverages, spirits, fortified wines, alcoholic beverages or alcohol, and the owner shall be entitled to a return of the same if provided he or she appears enters an appearance before adjudication the court has entered a judgment of forfeiture.

(b)(1) If upon, following a hearing, the person in charge of any such a vehicle, air or water craft, or other conveyance does not appear is determined

not to be the its owner thereof and no person shall claim such conveyance has claimed it, further the hearing shall be continued to a date certain, and the taking of such the vehicle, air or water craft, or other conveyance and the date of the adjourned hearing shall be advertised in some a newspaper, published in the town or county where it was taken and or, if there be is no newspaper published in such the town or county, then in a newspaper having circulation in such the county, once a week for three successive weeks.

(2) The magistrate Commissioner of Finance and Management shall provide the court conducting the hearing shall be allowed by the Commissioner of Finance and Management with the cost of such the advertising.

Sec. 92. 7 V.S.A. § 575 is redesignated and amended to read:

§ 575 574. REOPENING OF FORFEITURE PROCEEDING

(a) At any time within one year after such a vehicle, air or water craft, or other conveyance shall have has been adjudged forfeited, and upon notice to the state's attorney of the county, a claimant may provide notice to the State's Attorney of the county and, upon showing that he or she had no knowledge of the forfeiture hearing, may apply to the court or magistrate before whom former proceedings were had to that entered the judgment of forfeiture to have the case reopened, provided he or she shall. The court may require the claimant to give security by way of recognizance posting a bond to the state, with State in a sufficient sureties in such sum, as the court directs, conditioned that on the claimant will prosecute prosecuting his or her claim to effect and pay paying the costs awarded against him or her.

(b) If upon rehearing such the claimant establishes his or her claim, the court or magistrate shall certify to the commissioner of finance and management Commissioner of Finance and Management the amount of such the claim, not exceeding which shall not exceed the net amount actually realized by the state State from the sale of such the vehicle, air or water craft, or other conveyance, and the commissioner of finance and management Commissioner of Finance and Management shall issue his or her warrant therefor to pay the sum.

Sec. 93. 7 V.S.A. § 576 is redesignated and amended to read:

§ 576 575. CLAIM BY OWNER, KEEPER, OR POSSESSOR FOR SEIZED GOODS OR APPARATUS; BOND

(a)(1) When the owner, keeper, or possessor of malt, vinous, or spirituous liquor or alcoholic beverages, alcohol, or a still or other apparatus for the manufacture of alcohol seized under the provisions of this title, appears and makes a claim to the same seized alcoholic beverages, alcohol, or other

property, he or she shall file a written claim with the ~~magistrate court~~ before whom which the proceedings are pending, ~~setting~~.

(2) The claim shall set forth his or her interest in the liquor seized alcoholic beverages, alcohol, or other property, and the reasons why it should not be adjudged forfeited.

~~(b) He or she shall also~~ The court may require the claimant to give security by way of recognizance posting a bond to the state State, with sufficient sureties, in such a sufficient sum as the court directs, conditioned that he or she will prosecute on the claimant prosecuting his or her claim to effect and pay paying the costs awarded against him or her.

Sec. 94. 7 V.S.A. § 577 is redesignated and amended to read:

§ ~~577~~ 576. APPEAL; BOND

~~An appeal shall not be allowed to the~~ If a claimant elects to appeal from the judgment of the court until he or she gives security by way of recognizance under this chapter, the court may require that he or she give security by posting a bond to the state State, with sufficient sureties, in such a sufficient sum, as the court directs, conditioned that he or she will prosecute on the claimant's prosecuting his or her appeal to effect and pay paying the costs awarded against him or her.

Sec. 95. 7 V.S.A. § 578 is redesignated and amended to read:

§ ~~578~~ 577. JUDGMENT AGAINST CLAIMANT; FORFEITURE; COSTS

If the court renders judgment is against the claimant pursuant to section 575 or 576 of this title, the liquor alcoholic beverages or alcohol and the casks or vessels containing the same alcoholic beverages or alcohol shall be adjudged forfeited and condemned, as provided in this title chapter, and the court shall also enter judgment shall be rendered against the claimant for all costs of prosecution incurred after the filing of his or her claim.

Sec. 96. 7 V.S.A. § 579 is redesignated and amended to read:

§ ~~579~~ 578. DISPOSITION OF LIQUOR CONDEMNED ON APPEAL

If the appellant fails to enter and prosecute his or her appeal pursuant to section 576 of this title, or if judgment is against him or her on appeal, the court in which such the appeal is finally decided shall order the liquor alcoholic beverages or alcohol to be disposed of as in the case of liquor alcoholic beverages or alcohol adjudged forfeited and condemned under an order of a district judge of the Criminal Division of the Superior Court pursuant to section 567 of this title.

Sec. 97. 7 V.S.A. § 580 is redesignated and amended to read:

§ ~~580~~ 579. SEIZED PROPERTY TAKEN BY WRIT OF REPLEVIN

If ~~liquor~~ alcoholic beverages, alcohol, or other property seized by an officer under the provisions of this ~~title~~ chapter is taken from his or her possession by a writ of replevin, it shall not be delivered to the claimant, but shall be held by the officer serving ~~such~~ the writ, until the final determination of the seizure action; whereupon the same. Upon the final determination of the action, the alcoholic beverages, alcohol, or other property held by the officer who served the writ shall be delivered to the party in whose favor judgment is rendered, or to ~~such an~~ an officer as who has authority to hold or dispose of ~~the same~~ it under the original seizure proceedings.

Sec. 98. 7 V.S.A. § 581 is redesignated and amended to read:

§ ~~581~~ 580. SEIZURE PROCEEDINGS WITHOUT DELAY BY REPLEVIN

Proceedings on the seizure of malt, vinous or spirituous liquor or alcoholic beverages, alcohol, or a still or other apparatus for the manufacture of alcohol, except final execution, shall not be delayed by a replevin ~~thereof of the seized alcoholic beverages, alcohol, or other property,~~ but the cause shall proceed to final judgment as if the action for replevin had not been commenced.

Sec. 99. 7 V.S.A. § 582 is redesignated and amended to read:

§ ~~582~~ 581. COSTS AGAINST OWNER OR KEEPER

If proceedings for the condemnation of ~~malt, vinous, spirituous liquor or alcoholic beverages, alcohol,~~ or a still or other apparatus for the manufacture of alcohol result in the prosecution and conviction of the owner or keeper ~~thereof of the alcoholic beverages, alcohol, or other property~~ for an offense ~~hereunder~~ under this title, the costs in ~~such~~ the proceedings shall be taxed against ~~such~~ the owner or keeper.

Sec. 100. 7 V.S.A. § 584 is redesignated and amended to read:

§ ~~584~~ 582. SALE OF LIQUOR TAKEN BY ATTACHMENT OR ON EXECUTION

~~Malt, vinous, or spirits and fortified wines~~ Alcoholic beverages lawfully taken by attachment or on execution issued by a court of this State may be sold by a duly authorized officer as other personal property taken on execution, but only to the persons and institutions to which ~~liquor~~ alcoholic beverages may be sold under the provisions of this title.

Sec. 101. 7 V.S.A. § 585 is redesignated and amended to read:

§ ~~585~~ 583. ENFORCEMENT AS STATE EXPENSE

Fees payable and expenses incurred under the provisions of this title shall be paid by the ~~state~~ State.

Sec. 102. 7 V.S.A. § 586 is amended to read:

§ 586. ~~NOTICE TO FEDERAL GOVERNMENT~~

~~When a person is convicted of or pleads guilty to furnishing or selling intoxicating liquor contrary to law, the court shall forthwith give notice thereof to the United States district director of internal revenue for this district, if such court has reason to believe that such person has not paid any special tax imposed by the United States government upon dealers in intoxicating liquors. [Repealed.]~~

Sec. 103. 7 V.S.A. § 588 is redesignated and amended to read:

§ ~~588~~ 584. SUFFICIENCY OF SPECIFICATION

If a specification is required in prosecutions for offenses under this title, it shall be sufficient to specify the offenses with ~~such~~ as much certainty as to the time, place, and person as the prosecutor is able to provide, and the ~~same~~ the specifications provided may be amended ~~upon~~ at trial. When the specifications set forth the sale or furnishing of alcoholic beverages or alcohol to any unknown person or persons ~~unknown~~, the witnesses may be inquired of as to ~~such~~ those transactions. If the name of the person is disclosed, it may be added to the specifications, and upon ~~such~~ any terms as related to postponement of the trial as the court deems reasonable.

Sec. 104. 7 V.S.A. § 589 is redesignated and amended to read:

§ ~~589~~ 585. TAX RECEIPT ALCOHOL DEALER REGISTRATION AS EVIDENCE

~~The receipt for or record of the payment of the United States special tax as liquor seller~~ A copy or record of a person's Alcohol Dealer Registration with the U.S. Alcohol and Tobacco Tax and Trade Bureau shall be prima facie evidence that the person named therein in the registration keeps for sale and sells ~~intoxicating liquors~~ alcoholic beverages or alcohol.

Sec. 105. 7 V.S.A. § 590 is redesignated and amended to read:

§ ~~590~~ 587. FINES AND COSTS

Fines collected under this title shall be remitted to the ~~general fund~~ General Fund. Costs collected under this title shall be remitted to the ~~liquor control fund~~ Liquor Control Enterprise Fund.

Sec. 106. 7 V.S.A. § 598 is amended to read:

§ 598. ~~FORM OF NOTICE TO FEDERAL GOVERNMENT~~

~~The notice to the United States district director of internal revenue shall be in substance as follows:~~

I hereby notify you that \_\_\_\_\_ of \_\_\_\_\_ in the county of \_\_\_\_\_ and state of Vermont, has this day been convicted of or has pleaded guilty to the crime of furnishing or selling intoxicating liquor, contrary to law. I give you this information so that you may, if you desire, investigate as to whether or not said \_\_\_\_\_ has paid the special internal revenue tax to the United States government. [Repealed.]

Sec. 107. 7 V.S.A. § 600 is redesignated and amended to read:

§ ~~600~~ 588. FEES OF SHERIFF, CONSTABLE, OR POLICE OFFICER

When a sheriff, constable, or police officer makes a search for intoxicating liquor by direction of a lawful under this title pursuant to a warrant, he or she shall receive as fees for such services \$2.00 a fee for the search, \$0.15 a mile for actual travel reimbursement for mileage at the rate set pursuant to 32 V.S.A. § 1267, and such the sum as that he or she shall actually pay paid out for necessary assistance, if deemed reasonable by the commissioner of finance and management;

(1) the Commissioner of Liquor and Lottery deems the amount to be reasonable; and if

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

Sec. 108. 7 V.S.A. § 602 is redesignated as follows:

§ ~~602~~ 589. EXHIBITION OF CARD

Sec. 109. 7 V.S.A. § 603 is redesignated and amended to read:

§ ~~603~~ 590. LIQUOR CONTROL BOARD OF LIQUOR AND LOTTERY;  
RULES

The ~~liquor control board~~ Board of Liquor and Lottery shall make adopt rules and regulations as necessary to effectuate the purposes of section 602 589 of this title.

Sec. 110. 7 V.S.A. § 651 is amended to read:

§ 651. SOLICITING ORDERS

A person who, for himself or herself or as agent, takes or solicits orders for the sale of malt or vinous beverages, except for licensees or from agencies of the U.S. Army Armed Forces as specified in section 421 of this title, or of spirits or fortified wines shall be imprisoned not more than six months nor less than three months or fined not more than \$500.00 nor less than \$100.00, or both.

Sec. 111. 7 V.S.A. § 652 is amended to read:

§ 652. TRANSPORTATION

A person who, by himself or herself, or through a clerk or agent, brings into the ~~state~~ State, or conveys or transports over or along a railroad or public highway, or by land, air, or water, ~~malt or vinous beverages or spirituous liquor~~ alcoholic beverages, or alcohol which the person knows or has reason to believe is to be unlawfully kept, sold, or furnished, shall be imprisoned not more than six months nor less than three months or fined not more than \$500.00 nor less than \$100.00, or both.

Sec. 112. 7 V.S.A. § 654 is amended to read:

§ 654. ~~TAMPERING WITH SAMPLES~~

~~A person who tampers with samples of alcohol, malt or vinous beverages or spirituous liquor taken for analysis under this chapter shall be imprisoned not more than 12 months nor less than six months or fined not more than \$500.00 nor less than \$100.00, or both. [Repealed.]~~

Sec. 113. 7 V.S.A. § 655 is amended to read:

§ 655. BARTER

(a) A licensee or permittee who shall be imprisoned not more than 12 months nor less than six months or fined not more than \$1,000.00 nor less than \$300.00, or both, if the licensee or permittee:

(1) purchases or receives wearing apparel, tools, implements of trade or husbandry, household goods, furniture, or provisions, directly or indirectly, by way of sale or barter, the consideration of for which is, in whole or in part is, malt or vinous beverages or spirituous liquor alcoholic beverages or alcohol or the price thereof, of the alcoholic beverages or alcohol; or

(2) receives such article apparel, tools, implements of trade or husbandry, household goods, furniture, or provisions in pawn for such beverage or liquor alcoholic beverages or alcohol or the price thereof, shall be imprisoned not more than twelve months nor less than six months or fined not more than \$1,000.00 nor less than \$300.00, or both of the alcoholic beverages or alcohol.

(b) On A person's license or permit issued under this title shall be revoked following a conviction thereof, his or her license or permit shall be revoked under subsection (a) of this section.

Sec. 114. 7 V.S.A. § 658 is amended to read:

§ 658. SALE OR FURNISHING TO MINORS; ENABLING  
CONSUMPTION BY MINORS; MINORS CAUSING DEATH OR



## SERIOUS BODILY INJURY

(a) ~~No~~ A person shall not:

(1) sell or furnish ~~malt or vinous beverages, spirits, or fortified wines~~ alcoholic beverages to a person under ~~the age of 21~~ years of age; or

(2) knowingly enable the consumption of ~~malt or vinous beverages, spirits, or fortified wines~~ alcoholic beverages by a person under ~~the age of 21~~ years of age.

(b) As used in this section, “enable the consumption of ~~malt or vinous beverages, spirits, or fortified wines~~ alcoholic beverages” means creating a direct and immediate opportunity for a person to consume ~~malt or vinous beverages, spirits, or fortified wines~~ alcoholic beverages.

(c) A person who violates subsection (a) of this section shall be fined not less than \$500.00 nor more than \$2,000.00 or imprisoned not more than two years, or both. However, an employee of a licensee or an employee of a ~~State-~~State liquor agency, who in the course of employment violates subdivision (a)(1) of this section:

(1) during a compliance check conducted by a law enforcement officer as defined in 20 V.S.A. § 2358:

(A) shall be assessed a civil penalty of not more than \$100.00 for the first violation, and a civil penalty of not less than \$100.00 nor more than \$500.00 for a second violation that occurs more than one year after the first violation; and

(B) shall be subject to the criminal penalties provided in this subsection for a second violation within a year of the first violation, and for a third or subsequent violation within three years of the first violation.

(2) may plead as an affirmative defense that:

(A) the purchaser exhibited and the employee carefully viewed photographic identification that complied with section ~~602~~ 589 of this title and indicated the purchaser to be 21 years of age or older; and

(B) an ordinary prudent person would believe the purchaser to be of legal age to make the purchase; and

(C) the sale was made in good faith, based upon the reasonable belief that the purchaser was of legal age to purchase alcoholic beverages.

(d) A person who violates subsection (a) of this section, where the person under ~~the age of 21~~ years of age, while operating a motor vehicle on a public highway causes death or serious bodily injury to himself or herself or to another person as a result of the violation, shall be imprisoned not more than

five years or fined not more than \$10,000.00, or both.

Sec. 115. 7 V.S.A. § 659 is amended to read:

§ 659. REFUSAL OR NEGLECT OF OFFICERS TO PERFORM DUTIES

(a) ~~The sheriffs of the several counties and their county sheriffs, sheriff's deputies, constables, officers or members of the village or city police, state police~~ State Police, and ~~inspectors~~ investigators of the ~~liquor control board~~ are hereby empowered, and it is hereby made their Board of Liquor and Lottery shall have the authority and duty to see that the provisions of this title and the rules and regulations made as authorized adopted by the ~~liquor control board~~ herein provided for Board of Liquor and Lottery pursuant to this title are enforced within their respective jurisdictions. Any such officer who wilfully willfully refuses or neglects to perform the duties imposed upon him or her by this section shall be fined not more than \$500.00 or imprisoned not more than 90 days, or both.

(b) A control commissioner, ~~state's attorney~~ State's Attorney, or town grand juror who wilfully willfully refuses or neglects to investigate a complaint for a violation of this chapter, when accompanied by evidence in support thereof of the complaint, shall be fined \$300.00.

Sec. 116. 7 V.S.A. § 665 is amended to read:

§ 665. PRESCRIPTIONS FOR OTHER THAN MEDICAL USE

~~A physician who gives a prescription for spirituous liquor, when he knows or has reason to believe it is not necessary for medicinal use, shall be fined not more than \$200.00 for the first offense and \$500.00 for each subsequent offense. [Repealed.]~~

Sec. 117. 7 V.S.A. § 666 is redesignated and amended to read:

§ ~~666~~ 660. ADVERTISING

(a) ~~No~~ A person shall not display on outside billboards or signs erected on the highway any advertisement of any kind of ~~malt, vinous beverage or spirituous liquor~~ relating to alcoholic beverages, or indicate where ~~the same alcoholic beverages~~ may be procured. ~~However, the prohibition contained in this section shall not apply to a motor vehicle lawfully transporting in transit malt, vinous beverage or spirituous liquor from a place in another state to a place in another state.~~ A person who violates any provision of this section shall be fined not more than \$100.00 nor less than \$10.00, for each offense, and ~~such a conviction for a violation shall be cause for revoking the person's license after conviction~~ issued under this title.

(b) ~~Advertising of malt or vinous~~ Notwithstanding subsection (a) of this section, advertising of alcoholic beverages on vehicles a motor vehicle

lawfully transporting alcoholic beverages or on a vehicle drawn by horses shall be permitted.

(c)(1) ~~The alcoholic alcohol~~ content of any malt beverage shall not be set forth or stated in any advertising or promotion ~~thereof~~ of the beverage in any medium.

(2) ~~No~~ A person shall not advertise or promote the sale of any fermented beverage made from malt by indicating in any way that the beverage has a higher alcoholic content than other similar beverages.

(3) ~~However~~ Notwithstanding subdivisions (1) and (2) of this subsection, the alcoholic content of a malt beverage may be set forth on its label or packaging.

Sec. 118. 7 V.S.A. § 667 is redesignated and amended to read:

§ ~~667~~ 661. VIOLATIONS OF TITLE

(a)(1) A person, ~~partnership, association, or corporation who~~ that furnishes, sells, ~~exposes,~~ or keeps with intent to sell, or bottles or prepares for sale any ~~malt or vinous beverages, spirits, or fortified wines~~ alcoholic beverages, except as authorized by this title, or sells, barter, transports, imports, exports, delivers, prescribes, furnishes, or possesses alcohol, except as authorized by the ~~Liquor Control Board of Liquor and Lottery,~~ or ~~who~~ that unlawfully manufactures alcohol or possesses a still or other apparatus for the manufacture of alcohol shall be imprisoned not more than 12 months nor less than three months or fined not more than \$1,000.00 nor less than \$100.00, or both.

(2) For a subsequent conviction ~~thereof~~ under subdivision (1) of this subsection within one year, ~~such a~~ a person, ~~partnership, association, or corporation~~ shall be imprisoned not more than three years nor less than six months or fined not more than \$2,000.00 nor less than \$500.00, or both.

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

(c) The provisions of subsection (b) of this section shall not apply to a violation of subsection 1005(a) of this title, relating to purchase of tobacco products by a person less than 18 years of age.

Sec. 119. 7 V.S.A. § 668 is redesignated and amended to read:

§ ~~668~~ 662. LIMIT OF SENTENCE

A sentence of imprisonment under this title, ~~either cumulative or on failure to pay fine and costs,~~ shall not exceed ~~the~~ a term of three years.

Sec. 120. 7 V.S.A. § 671 is redesignated and amended to read:

§ ~~671~~ 65. PURCHASE OF KEGS OF MALT BEVERAGES

Any ~~person~~ individual who, within 60 days of purchase, fails to return a keg, ~~as defined in section 64 of this title,~~ sold pursuant to section 64 of this chapter to the ~~second-class~~ second-class or fourth-class licensee from which the keg was purchased shall be fined not more than \$200.00.

Sec. 121. 7 V.S.A. § 701 is amended to read:

§ 701. DEFINITIONS

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

(1) “Certificate of approval” ~~shall mean~~ means an authorization by the ~~liquor control board~~ Board of Liquor and Lottery pursuant to section 274 of this title to a manufacturer or distributor of malt beverages or vinous beverages, or both not licensed under the provisions of this title, to sell ~~such those~~ beverages ~~either to holders of bottlers~~ a packager’s or wholesale ~~dealers~~ licenses dealer’s license issued by the ~~board~~ Board ~~under the provisions of~~ pursuant to section ~~226~~ 272 or ~~227~~ 273 of this title.

(2) “Franchise” or “agreement” shall mean one or more of the following:

(A) a commercial relationship between a wholesale dealer and a certificate of approval holder or a manufacturer of a definite duration or indefinite duration, ~~which~~ that is or is not in writing and ~~which~~ relationship has been in existence for at least one year;

(B) a relationship ~~whereby~~ that has been in existence for at least one year in which the wholesale dealer is granted the right to offer and sell the brands of ~~beer~~ malt beverages or ~~wine~~ vinous beverages offered by the certificate of approval holder or manufacturer ~~and which~~ relationship has been ~~in existence for at least one year;~~

(C) a relationship ~~whereby~~ that has been in existence for at least one year in which the wholesale dealer, as an independent business, constitutes a component of a certificate of approval holder’s or manufacturer’s distribution system ~~and which~~ relationship has been ~~in existence for at least one year;~~

(D) a relationship ~~whereby~~ that has been in existence for at least one year in which the wholesale dealer’s business is substantially associated with the certificate of approval holder’s or manufacturer’s brand, advertising, or other commercial symbol designating the manufacturer ~~and which~~ relationship

has been in existence for at least one year;

(E) a relationship ~~whereby~~ that has been in existence for at least one year in which the wholesale dealer's business is substantially reliant on the certificate of approval holder or manufacturer for the continued supply of ~~beer malt beverages~~ or wine and ~~which relationship has been in existence for at least one year~~ vinous beverages; and

(F) a written or oral arrangement for a definite or indefinite period ~~whereby~~ that has been in existence for at least one year in which a certificate of approval holder or manufacturer grants to a wholesale dealer a license to use a trade name, trade mark, service mark, or related characteristic, and in which there is a community of interest in the marketing of goods or services at wholesale, retail, by lease, or otherwise and ~~which arrangement has been in existence for at least one year.~~

(3) "Franchisee" means any ~~beer malt beverages~~ or wine vinous beverages wholesale dealer to whom a franchise or agreement as defined ~~herein in this section~~ is granted or offered, or any ~~beer malt beverages~~ or wine vinous beverages certificate of approval holder or manufacturer who is a party to a franchise or agreement as defined ~~herein in this section.~~

(4) "Franchisor" means any ~~beer malt beverages~~ or wine vinous beverages certificate of approval holder or manufacturer who enters into any franchise or agreement with a ~~beer malt beverages~~ or wine vinous beverages wholesale dealer, or any ~~beer malt beverages~~ or wine vinous beverages certificate of approval holder or manufacturer who is a party to a franchise or agreement as defined ~~herein in this section.~~

(5) "Territory" or "sales territory" ~~shall mean~~ means the area of sales responsibility designated by any agreement or franchise between any franchisee or franchisor for the brand or brands of any franchisor or manufacturer.

(6) ~~As used herein,~~ brand "Brand" and "brands" are synonymous with label and labels.

Sec. 122. 7 V.S.A. § 702 is amended to read:

#### § 702. PROHIBITED ACTS BY MANUFACTURER

No A manufacturer shall not:

(1) induce or coerce, or attempt to induce or coerce, any wholesale dealer to accept delivery of any alcoholic beverage, any form of advertisement, or any other commodity, ~~which shall not have been~~ that was not ordered by the wholesale dealer;

(2) induce or coerce, or attempt to induce or coerce, any wholesale

dealer to do any illegal act or thing by threatening to cancel or terminate ~~his~~ beer the wholesale dealer's malt beverages or ~~wine~~ vinous beverages franchise agreement; or

(3) fail or refuse to deliver promptly to a wholesale dealer after the receipt of ~~his~~ its order any ~~beer~~ malt beverages or ~~wine~~ vinous beverages when the product is publicly advertised for immediate sale.

Sec. 123. 7 V.S.A. § 703 is amended to read:

§ 703. CANCELLATION OF FRANCHISE

Notwithstanding the terms, provisions, or conditions of any agreement or franchise, no certificate of approval holder or manufacturer shall cancel, terminate, or refuse to continue a franchise, or cause a wholesale dealer to relinquish a franchise, unless good cause is shown to exist.

Sec. 124. 7 V.S.A. § 704 is amended to read:

§ 704. 120 ~~DAYS~~ DAYS' NOTICE FOR CANCELLATION;  
RECTIFICATION

(a)(1) Except as provided in subsection (c) of this section, a certificate of approval holder or manufacturer shall provide a franchisee or agreement holder at least 120 ~~days~~ days' written notice of any intent to terminate or cancel any franchise or agreement.

(2) The notice shall state the causes and reasons for the intended termination or cancellation. The franchisee shall have ~~such~~ 120 days in which to rectify any claimed deficiency.

(b) The ~~superior court~~ Superior Court, upon petition and after due notice to both parties and the opportunity to be heard, shall decide whether good cause exists to allow termination or cancellation of the franchise or agreement.

(c) The notice provisions of subsection (a) of this section may be waived if the reason for termination, cancellation, or nonrenewal is insolvency, the occurrence of an assignment for the benefit of creditors, bankruptcy, or if the certificate of approval holder or manufacturer is able to prove to the court that ~~such~~ providing the required notice would do irreparable harm to the marketing of ~~his~~ its product.

Sec. 125. 7 V.S.A. § 705 is amended to read:

§ 705. EXCLUSIVE TERRITORIES

No certificate of approval holder or manufacturer, who ~~shall designate~~ designates a sales territory for which ~~any~~ a wholesale dealer shall be primarily responsible or in which ~~any~~ a wholesale dealer is required to concentrate its efforts, shall enter into any franchise or agreement with any other wholesale

dealer for the purpose of establishing an additional franchisee for its brand or brands of ~~beer~~ malt beverages or ~~wine~~ vinous beverages in the territory being primarily served or concentrated upon by a the first licensed wholesale dealer.

Sec. 126. 7 V.S.A. § 706 is amended to read:

§ 706. SALE TO RETAILERS BY FRANCHISEES

No franchisee ~~who shall be~~ that is granted a sales territory for which the franchisee shall be primarily responsible or in which the franchisee is required to concentrate its efforts shall make any sale or delivery of ~~beer~~ malt beverages or ~~wine~~ vinous beverages to any retail licensee whose place of business is not within the sales territory granted to the franchisee.

Sec. 127. 7 V.S.A. § 707 is amended to read:

§ 707. SALE OR TRANSFER; PURCHASE BY MANUFACTURER

(a) A wholesale dealer wishing to sell or otherwise transfer ~~his~~ its interests in a franchise shall give at least 90 days' written notice to the certificate of approval holder or manufacturer, prior to ~~such~~ the sale or transfer. The notice of intended sale or transfer shall give the full name and address of the proposed transferee, along with full details outlining the qualifications of the proposed transferee which, in the opinion of the wholesale dealer, make the proposed transferee competent to operate the franchise.

(b) In the event the certificate of approval holder or manufacturer wishes to resist the proposed sale or transfer to the proposed transferee, ~~he~~ the certificate of approval holder or manufacturer shall petition the ~~superior court~~ Superior Court for a hearing no later than 60 days prior to the date of the proposed sale or transfer, ~~clearly stating his~~. The petition shall clearly state the certificate of approval holder's or manufacturer's reasons for resisting the proposed sale or transfer.

(c) Upon receipt of a petition brought resisting a sale or transfer, the ~~superior court~~ Superior Court shall hold a hearing on the proposed transfer or sale. The court shall make a full inquiry into the qualifications of the proposed transferee, and shall determine whether or not ~~such~~ the proposed transferee is in a position to substantially continue the operations of the franchise, to assume the obligations of the franchise holder, and to conduct the business in a manner ~~which~~ that will ~~serve to~~ protect the legitimate interests of the certificate of approval holder or manufacturer.

(d) ~~In the event~~ If the ~~superior court~~ Superior Court finds the proposed transferee to be qualified to operate the franchise, it shall approve the transfer of the franchise to the proposed transferee ~~shall be approved~~.

Sec. 128. 7 V.S.A. § 709 is redesignated to read:

§ ~~709~~ 708. MERGER OF FRANCHISOR

Sec. 129. 7 V.S.A. § 710 is redesignated to read:

§ ~~740~~ 709. HEIRS, SUCCESSORS, AND ASSIGNS

Sec. 130. REPEAL

7 V.S.A. chapter 25 (rathskellars) is repealed.

Sec. 131. 7 V.S.A. § 1002 is amended to read:

§ 1002. LICENSE REQUIRED; APPLICATION; FEE; ISSUANCE

(a)(1) No person shall engage in the retail sale of tobacco products, tobacco substitutes, or tobacco paraphernalia, ~~or provide a vending machine for their sale in his or her place of business without a tobacco license obtained from the Department~~ Division of Liquor Control; ~~provided, however, that no.~~

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

(3) Tobacco licenses and tobacco substitute endorsements shall expire at midnight, April 30, of each year.

(b)(1) The Board shall prepare and issue tobacco license and tobacco substitute endorsement forms and applications. These shall be incorporated into the liquor license forms and applications prepared and issued under this title.

(2) The licenses issued under this section shall be entitled "LIQUOR LICENSE," "LIQUOR-TOBACCO LICENSE," or "TOBACCO LICENSE," as applicable. The endorsements issued under this section shall be entitled "TOBACCO SUBSTITUTE ENDORSEMENT."

(3) The Board shall also provide simple instructions for licensees designed to assist them in complying with the provisions of this chapter.

(c) Each tobacco license and tobacco substitute endorsement shall be prominently displayed on the premises identified in the license.

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

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

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



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

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

\* \* \*

Sec. 132. 7 V.S.A. § 1002a is amended to read:

§ 1002a. LICENSEE EDUCATION

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

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

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

(2) Ensure that every employee involved in the sale of tobacco products completes a ~~Department~~ Division of Liquor Control in-person or online training program or other training programs approved by the ~~Department~~ Division before the employee begins selling or providing tobacco products, and at least once every 24 months thereafter. A licensee may comply with this subdivision by conducting its own training program on its premises using information and materials furnished by the ~~Department~~ Division of Liquor Control. A licensee ~~who~~ that fails to comply with the requirements of this subsection shall be subject to suspension of ~~the~~ its tobacco license for no less than one day.

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

Sec. 133. 7 V.S.A. § 1003 is amended to read:

§ 1003. SALE OF TOBACCO PRODUCTS; TOBACCO SUBSTITUTES;  
TOBACCO PARAPHERNALIA; REQUIREMENTS;  
PROHIBITIONS

(a) A person shall not sell or provide tobacco products, tobacco substitutes, or tobacco paraphernalia to any person ~~younger than~~ under 18 years of age.

~~(b) Beginning August 28, 1997, vending machines selling tobacco products, tobacco substitutes, or tobacco paraphernalia are prohibited. This subsection shall not apply to a vending machine that is located in a commercial establishment in which by law no person younger than 18 years of age is permitted to enter at any time. A single vending machine may not be used to sell other commodities in combination with tobacco products, tobacco substitutes, or tobacco paraphernalia. A violation of this subsection shall result in the seizure of the vending machine.~~

~~(c) Beginning January 1, 2001, and subject to receiving any necessary exemption from preemption from the U.S. Food and Drug Administration, all All vending machines selling tobacco products are prohibited.~~

~~(d)~~(c)(1) Persons holding a tobacco license may only display or store tobacco products or tobacco substitutes:

(A) behind a sales counter or in any other area of the establishment that is inaccessible to the public; or

(B) in a locked container.

(2) This subsection shall not apply to the following:

(A) a display of tobacco products that is located in a commercial establishment in which by law no person ~~younger than~~ under 18 years of age is permitted to enter at any time;

(B) cigarettes in unopened cartons and smokeless tobacco in unopened multipack containers of 10 or more packages, any of which shall be displayed in plain view and under the control of a responsible employee so that removal of the cartons or multipacks from the display can be readily observed by that employee; or

(C) cigars and pipe tobacco stored in a humidor on the sales counter in plain view and under the control of a responsible employee so that the removal of these products from the humidor can be readily observed by that employee.

~~(e)~~(d) The sale and the purchase of bidis is prohibited. A person who holds a tobacco license who sells bidis as prohibited by this subsection shall be fined not more than \$500.00. A person who purchases bidis from any source shall be fined not more than \$250.00.

~~(f)~~(e) No person holding a tobacco license shall sell cigarettes or little cigars individually or in packs that contain fewer than 20 cigarettes or little cigars.

~~(g)~~(f) As used in this section, “little cigars” means any rolls of tobacco wrapped in leaf tobacco or any substance containing tobacco, other than any roll of tobacco which is a cigarette within the meaning of 32 V.S.A. § 7702(1), and as to which 1,000 units weigh not more than three pounds.

Sec. 134. 7 V.S.A. 1004 is amended to read:

§ 1004. PROOF OF AGE FOR THE SALE OF TOBACCO PRODUCTS;  
TOBACCO SUBSTITUTES; TOBACCO PARAPHERNALIA

(a) A person shall exhibit proper proof of his or her age upon demand of a person licensed under this chapter, an employee of a licensee, or a law enforcement officer. If the person fails to provide ~~such~~ proper proof of age, the licensee shall be entitled to refuse to sell tobacco products, tobacco substitutes, or tobacco paraphernalia to the person. The sale or furnishing of tobacco products, tobacco substitutes, or tobacco paraphernalia to a person exhibiting proper proof of age shall be prima facie evidence of a licensee’s compliance with section 1007 of this title.

(b) As used in this section, “proper proof of age” means ~~a photographic motor vehicle operator’s license, a valid passport, a U.S. Military identification card, or a photographic nondriver motor vehicle identification card obtained from the Department of Motor Vehicles~~ a valid authorized form of identification as defined in section 589 of this title.

Sec. 135. 7 V.S.A. § 1005 is amended to read:

§ 1005. PERSONS UNDER 18 YEARS OF AGE; POSSESSION OF  
TOBACCO PRODUCTS; MISREPRESENTING AGE OR  
PURCHASING TOBACCO PRODUCTS; PENALTY

(a)(1) A person under 18 years of age shall not possess, purchase, or attempt to purchase tobacco products, tobacco substitutes, or tobacco paraphernalia unless the person is an employee of a holder of a tobacco license and is in possession of tobacco products, tobacco substitutes, or tobacco paraphernalia to effect a sale in the course of employment.

(2) A person under 18 years of age shall not misrepresent his or her age to purchase or attempt to purchase tobacco products, tobacco substitutes, or tobacco paraphernalia.

(b) A person who possesses tobacco products, tobacco substitutes, or tobacco paraphernalia in violation of ~~this subsection~~ (a) of this section shall be subject to having the tobacco products, tobacco substitutes, or tobacco

paraphernalia immediately confiscated and shall be further subject to a civil penalty of \$25.00. An action under this subsection shall be brought in the same manner as a traffic violation pursuant to 23 V.S.A. chapter 24.

(b)(c) A person under 18 years of age who misrepresents his or her age by presenting false identification to purchase tobacco products, tobacco substitutes, or tobacco paraphernalia shall be fined not more than \$50.00 or provide up to 10 hours of community service, or both.

Sec. 136. 7 V.S.A. 1006 is amended to read:

§ 1006. POSTING OF SIGNS

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

(b) A person violating this section shall be guilty of a misdemeanor and fined not more than \$100.00.

Sec. 137. 7 V.S.A. § 1007 is amended to read:

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

(a) ~~An individual who~~ A person that sells or furnishes tobacco products, tobacco substitutes, or tobacco paraphernalia to a person under 18 years of age shall be subject to a civil penalty of not more than \$100.00 for the first offense and not more than \$500.00 for any subsequent offense. An action under this section shall be brought in the same manner as for a traffic violation pursuant to 23 V.S.A. chapter 24 and shall be brought within 24 hours of the occurrence of the alleged violation.

(b)(1) The ~~Department~~ Division of Liquor Control shall conduct or contract for compliance tests of tobacco licensees as frequently and as comprehensively as necessary to ensure consistent statewide compliance with the prohibition on sales to ~~minors~~ persons under 18 years of age of at least 90 percent for buyers who are 16 or 17 years of age. An individual under 18 years of age participating in a compliance test shall not be in violation of ~~7 V.S.A. § section~~ 1005 of this title.

(2) Any violation by a tobacco licensee of subsection 1003(a) of this

title and this section after a first sale violation or during a compliance test conducted within six months of a previous violation shall be considered a multiple violation and shall result in the minimum license suspension in addition to any other penalties available under this title. Minimum license suspensions for multiple violations shall be assessed as follows:

- (A) Two violations one weekday;
- (B) Three violations two weekdays;
- (C) Four violations three weekdays;
- (D) Five violations three weekend days, Friday through Sunday.

(3) The ~~Department~~ Commissioner shall report to the House Committee on General, Housing and Military Affairs, the Senate Committee on Economic Development, Housing and General Affairs, and the Tobacco Evaluation and Review Board annually, on or before January 15, the methodology and results of compliance tests conducted during the previous year. The provisions of 2 V.S.A. § 20(d) (expiration of required reports) shall not apply to the required report to be made under this subsection.

Sec. 138. 7 V.S.A. § 1008 is amended to read:

§ 1008. RULEMAKING

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

Sec. 139. 7 V.S.A. § 1009 is amended to read:

§ 1009. CONTRABAND AND SEIZURE

Any cigarettes or other tobacco products that have been sold, offered for sale, or possessed for sale in violation of section 1003 of this title, 20 V.S.A. § 2757, 32 V.S.A. § 7786, or 33 V.S.A. § 1919, and any commercial cigarette rolling machines possessed or utilized in violation of section 1011 of this title, shall be deemed contraband, and shall be subject to seizure by the Commissioner, the Commissioner's agents or employees, the Commissioner of Taxes, or any agent or employee ~~thereof~~ of the Commissioner of Taxes, or by any ~~peace law enforcement~~ peace law enforcement officer of this State when directed to do so by the Commissioner. All cigarettes or other tobacco products seized shall be destroyed.

Sec. 140. 7 V.S.A. § 1010 is amended to read:

§ 1010. INTERNET SALES

(a) As used in this section:

- (1) "Cigarette" has the same ~~definition as that found at~~ meaning as in

32 V.S.A. § 7702(1).

(2) [Repealed.]

(3) “Licensed wholesale dealer” has the same ~~definition as that found at~~ meaning as in 32 V.S.A § 7702(5).

(4) “Little cigars” has the same ~~definition as that found at~~ meaning as in 32 V.S.A. § 7702(6).

(5) “Retail dealer” has the same ~~definition as that found at~~ meaning as in 32 V.S.A. § 7702(10).

(6) “Roll-your-own tobacco” has the same ~~definition as that found at~~ meaning as in 32 V.S.A § 7702(11).

(7) “Snuff” has the same ~~definition as that found at~~ meaning as in 32 V.S.A. § 7702(13).

(b) No person shall cause cigarettes, roll-your-own tobacco, little cigars, or snuff, ordered or purchased by mail or through a computer network, telephonic network, or other electronic network, to be shipped to anyone other than a licensed wholesale dealer or retail dealer in this State.

(c) No person shall, with knowledge or reason to know of the violation, provide substantial assistance to a person in violation of this section.

(d) A violation of this section is punishable as follows:

(1) A knowing or intentional violation of this section shall be punishable by imprisonment for not more than five years or a fine of not more than \$5,000.00, or both.

(2) In addition to or in lieu of any other civil or criminal remedy provided by law, upon a determination that a person has violated this section, the Attorney General may impose a civil penalty in an amount not to exceed \$5,000.00 for each violation. For purposes of this subsection, each shipment or transport of cigarettes, roll-your-own tobacco, little cigars, or snuff shall constitute a separate violation.

(3) The Attorney General may seek an injunction to restrain a threatened or actual violation of this section.

(4) In any action brought pursuant to this section, the State shall be entitled to recover the costs of investigation, of expert witness fees, of the action, and reasonable attorney’s fees.

(5) A person who violates this section engages in an unfair and deceptive trade practice in violation of the State’s Consumer Protection Act, 9 V.S.A. §§ 2451 et seq.

(6) If a court determines that a person has violated the provisions of this section, the court shall order any profits, gain, gross receipts, or other benefit from the violation to be disgorged and paid to the State Treasurer for deposit in the General Fund.

(7) Unless otherwise expressly provided, the penalties or remedies, or both, under this section are in addition to any other penalties and remedies available under any other law of this State.

Sec. 141. 7 V.S.A. § 1011 is amended to read:

§ 1011. COMMERCIAL CIGARETTE ROLLING MACHINES

(a) A person shall not possess or use a cigarette rolling machine for commercial purposes.

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

(1) The revocation or termination of any license, permit, appointment, or commission under this chapter.

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

(c) Penalties assessed under subsection (b) of this section shall be paid into the General Fund.

(d) A person who violates subsection (a) of this section shall be imprisoned for not more than three years or fined not more than \$100,000.00, or both.

(e) This section shall not apply to the possession of a cigarette rolling machine intended solely for personal use by individuals who do not intend to offer the resulting product for resale.

(f) A cigarette rolling machine capable of rolling 200 cigarettes in fewer than 15 minutes is shall be presumed to be for commercial purposes.

Sec. 142. 7 V.S.A. § 1012 is amended to read:

§ 1012. LIQUID NICOTINE; PACKAGING

(a) Unless specifically preempted by federal law, no person shall manufacture, regardless of location, for sale in; offer for sale in; sell in or into the stream of commerce in; or otherwise introduce into the stream of commerce in Vermont:

(1) any liquid or gel substance containing nicotine unless that product is contained in child-resistant packaging; or

(2) any nicotine liquid container unless that container constitutes child-

resistant packaging.

(b) As used in this section:

(1) “Child-resistant packaging” means packaging that is designed or constructed to be significantly difficult for children under five years of age to open or obtain a toxic or harmful amount of the substance ~~contained therein~~ in the container within a reasonable time and not difficult for normal adults to use properly, but does not mean packaging which all ~~such~~ children under five years of age cannot open or obtain a toxic or harmful amount of the substance in the container within a reasonable time.

(2) “Nicotine liquid container” means a bottle or other container of a nicotine liquid or other substance containing nicotine ~~which~~ that is sold, marketed, or intended for use in a tobacco substitute. The term does not include a container containing nicotine in a cartridge that is sold, marketed, or intended for use in a tobacco substitute if the cartridge is prefilled and sealed by the manufacturer and not intended to be opened by the consumer.

Sec. 143. 10 V.S.A. § 1522 is amended to read:

§ 1522. BEVERAGE CONTAINERS; DEPOSIT

(a) Except with respect to beverage containers which contain liquor, a deposit of not less than five cents shall be paid by the consumer on each beverage container sold at the retail level and refunded to the consumer upon return of the empty beverage container. With respect to beverage containers of volume greater than 50 ml. which contain liquor, a deposit of 15 cents shall be paid by the consumer on each beverage container sold at the retail level and refunded to the consumer upon return of the empty beverage container. The difference between liquor bottle deposits collected and refunds made is hereby retained by the ~~liquor control fund~~ Liquor Control Enterprise Fund for administration of this subsection.

\* \* \*

Sec. 144. 10 V.S.A. § 6605f is amended to read:

§ 6605f. WASTE MANAGEMENT PERSONNEL BACKGROUND  
REVIEW

(a) Disqualifying criteria. Any nongovernmental entity or person applying for a certification under section 6605, 6605a, or 6606 of this title, for interim certification under section 6605b of this title, or for a waste transportation permit under section 6607a of this title, shall be denied certification or other authorization if the Secretary finds:

(1) that the applicant or any person required to be listed on the disclosure statement pursuant to subdivision (b)(1) of this section has been



convicted of any of the following disqualifying offenses in this or any other jurisdiction within the 10 years preceding the date of the application:

\* \* \*

(L) ~~trafficking in alcoholic beverages as defined in~~ unlawfully selling, bartering, possessing, furnishing, or transporting alcohol pursuant to 7 V.S.A. § 561;

\* \* \*

Sec. 145. 12 V.S.A. § 7156 is amended to read:

§ 7156. EFFECT OF EMANCIPATION

\* \* \*

(b) The order of emancipation shall not affect the status of the minor in the applicability of any provision of law which requires specific age requirements under the ~~state~~ State or federal constitution or any ~~state~~ State or federal law including laws that prohibit the sale, purchase, or consumption of ~~intoxicating liquor~~ alcoholic beverages to or by a person under 21 years of age.

Sec. 146. 13 V.S.A. § 6505 is amended to read:

§ 6505. PAYMENT

~~The commissioner of finance and management~~ Commissioner of Finance and Management shall allow counsel so employed a reasonable compensation for his or her services and expenses and shall issue his or her warrant for the amount allowed. Compensation shall not be allowed where it appears to the ~~commissioner~~ Commissioner that the prosecution was superfluous and instituted to enhance costs, nor in the trial of a person upon a complaint for intoxication or for any other offense against the ~~chapter title~~ relating to ~~intoxicating liquors~~ alcoholic beverages, except where the respondent pleads not guilty.

Sec. 147. 18 V.S.A. § 4249 is amended to read:

§ 4249. TRANSPORTATION OF ALCOHOL, TOBACCO, OR REGULATED DRUGS INTO PLACES OF DETENTION

(a) No person shall knowingly carry or introduce or cause to be carried or introduced into a lockup, jail, prison, or correctional facility:

(1) ~~alcohol, malt or vinous beverages, or spirituous liquor~~ alcoholic beverages;

\* \* \*

Sec. 148. 18 V.S.A. § 4254 is amended to read:

§ 4254. IMMUNITY FROM LIABILITY

\* \* \*

(b) A person who, in good faith and in a timely manner, seeks medical assistance for someone who is experiencing a drug overdose shall not be cited, arrested, or prosecuted for a violation of this chapter or cited, arrested, or prosecuted for procuring, possessing, or consuming alcohol by someone under age 21 years of age pursuant to 7 V.S.A §§ ~~§ 656 and 657~~ or for providing to or enabling consumption of alcohol by someone under age 21 years of age pursuant to 7 V.S.A. § 658(a)-(c).

(c) A person who is experiencing a drug overdose and, in good faith, seeks medical assistance for himself or herself or is the subject of a good faith request for medical assistance shall not be cited, arrested, or prosecuted for a violation of this chapter or cited, arrested, or prosecuted for procuring, possessing, or consuming alcohol by someone under age 21 years of age pursuant to 7 V.S.A. §§ ~~§ 656 and 657~~ or for providing to or enabling consumption of alcohol by someone under age 21 years of age pursuant to 7 V.S.A. § 658(a)-(c).

(d) A person who seeks medical assistance for a drug overdose or is the subject of a good faith request for medical assistance pursuant to subsection (b) or (c) of this section shall not be subject to any of the penalties for violation of 13 V.S.A. § 1030 (violation of a protection order), for a violation of this chapter or 7 V.S.A §§ ~~§ 656 and 657~~, for being at the scene of the drug overdose, or for being within close proximity to any person at the scene of the drug overdose.

(e) A person who seeks medical assistance for a drug overdose or is the subject of a good faith request for medical assistance pursuant to subsection (b) or (c) of this section shall not be subject to any sanction for a violation of a condition of pretrial release, probation, furlough, or parole for a violation of this chapter or 7 V.S.A §§ ~~§ 656 and 657~~ for being at the scene of the drug overdose or for being within close proximity to any person at the scene of the drug overdose.

\* \* \*

Sec. 149. 20 V.S.A. § 1817 is amended to read:

§ 1817. REPORTS OF LAW ENFORCEMENT OFFICER; ACCIDENTS  
INVOLVING ~~LIQUOR~~ ALCOHOL

Any law enforcement officer who, upon investigation of a motor vehicle accident or other incident involving the use of ~~intoxicating liquor~~ alcohol, shall inquire whether the person involved in the accident or incident was served or furnished ~~intoxicating liquor~~ alcoholic beverages at a licensed establishment

and, if the officer determines that a person was served or furnished ~~intoxicating liquor~~ alcoholic beverages at a licensed establishment, the officer shall so inform ~~in writing~~ the appropriate licensee or licensees in writing. A law enforcement officer shall not be subject to civil liability for an omission or failure to comply with a provision of this section.

Sec. 150. 20 V.S.A. § 2358 is amended to read:

§ 2358. MINIMUM TRAINING STANDARDS; DEFINITIONS

\* \* \*

(b) The Council shall offer or approve basic training and annual in-service training for each of the following three levels of law enforcement officer certification in accordance with the scope of practice for each level, and shall determine by rule the scope of practice for each level in accordance with the provisions of this section:

\* \* \*

(2) Level II certification.

(A) An applicant for certification as a Level II law enforcement officer shall first complete Level II basic training and may then become certified in a specialized practice area as set forth in subdivision (B)(ii) of this subdivision (2). Level II basic training shall include training to respond to calls regarding alleged crimes in progress and to react to the circumstances described in subdivision (B)(iii) of this subdivision (2).

(B)(i) Except as provided in subdivisions (ii) and (iii) of this subdivision (B), the scope of practice of a Level II law enforcement officer shall be limited to investigating the following matters:

(I) ~~7 V.S.A. § 657 (person under 21 years of age misrepresenting age procuring, possessing, or consuming alcoholic beverages; third or subsequent offense); [Repealed.]~~

(II) 7 V.S.A. § 658 (sale or furnishing to minors; enabling consumption by minors);

\* \* \*

Sec. 151. 23 V.S.A. § 1134 is amended to read:

§ 1134. MOTOR VEHICLE OPERATOR; CONSUMPTION OR POSSESSION OF ALCOHOL

(a) A person shall not consume alcoholic beverages while operating a motor vehicle on a public highway. As used in this section, “alcoholic beverages” shall have the same meaning as ~~“intoxicating liquor”~~ “alcohol” as

defined in section 1200 of this title.

\* \* \*

Sec. 152. 23 V.S.A. § 1134a is amended to read:

§ 1134a. MOTOR VEHICLE PASSENGER; CONSUMPTION OR  
POSSESSION OF ALCOHOL

(a) Except as provided in subsection (c) of this section, a passenger in a motor vehicle shall not consume alcoholic beverages or possess any open container which contains alcoholic beverages in the passenger area of any motor vehicle on a public highway. As used in this section, “alcoholic beverages” shall have the same meaning as ~~“intoxicating liquor”~~ “alcohol” as defined in section 1200 of this title.

\* \* \*

Sec. 153. 23 V.S.A. § 1200 is amended to read:

§ 1200. DEFINITIONS

As used in this subchapter:

\* \* \*

(4) ~~“Intoxicating liquor”~~ “Alcohol” includes alcohol, malt beverages, ~~spirituous liquors~~ spirits, ~~fortified wines~~, and vinous beverages, as defined in 7 V.S.A. § 2, and any beverage or liquid containing any of them.

\* \* \*

(7) ~~“Highway” shall be defined~~ has the same meaning as in subdivision 4(13) of this title, except that for purposes of this subchapter, “highway” does not include the driveway which serves only a single-family or two-family residence of the operator. This exception shall not apply if a person causes the death of a person, causes bodily injury to a person, or causes damage to the personal property of another person, while operating a motor vehicle on a driveway in violation of section 1201 of this subchapter.

\* \* \*

(9)(A) “Ignition interlock restricted driver’s license” or “ignition interlock RDL” or “RDL” means a restricted license or privilege to operate a motor vehicle issued by the Commissioner allowing a resident whose license or privilege to operate has been suspended or revoked for operating under the influence of ~~intoxicating liquor~~ alcohol or in excess of legal limits of alcohol concentration, or for refusing an enforcement officer’s reasonable request for an evidentiary test, to operate a motor vehicle, other than a commercial motor vehicle as defined in section 4103 of this title, installed with an approved

ignition interlock device.

(B) “Ignition interlock certificate” means a restricted privilege to operate a motor vehicle issued by the Commissioner allowing a nonresident whose privilege to operate a motor vehicle in Vermont has been suspended or revoked for operating under the influence of ~~intoxicating liquor~~ alcohol or in excess of legal limits of alcohol concentration, or for refusing an enforcement officer’s reasonable request for an evidentiary test, to operate a motor vehicle, other than a commercial motor vehicle as defined in section 4103 of this title, installed with an approved ignition interlock device.

\* \* \*

Sec. 154. 23 V.S.A. § 3207a is amended to read:

§ 3207a. OPERATING UNDER THE INFLUENCE OF ~~INTOXICATING LIQUOR~~ ALCOHOL OR DRUGS; SWI

(a) A person shall not operate, attempt to operate, or be in actual physical control of a snowmobile on any lands, waters, or public highways of this State:

(1) when the person’s alcohol concentration is 0.08 or more; or

(2) when the person is under the influence of ~~intoxicating liquor~~ alcohol; or

(3) when the person is under the influence of any other drug or under the combined influence of alcohol and any other drug to a degree which renders the person incapable of safely operating a snowmobile.

(b) A person who is a habitual user of or under the influence of any narcotic drug or who is under the influence of any other drug, substance, or inhalant other than ~~intoxicating liquor~~ alcohol to a degree which renders the person incapable of safely operating a snowmobile may not operate, attempt to operate, or be in actual physical control of a snowmobile.

\* \* \*

(e) As used in this section, “~~intoxicating liquor~~” includes “alcohol,” includes “alcohol,” “malt beverages,” “~~spirituous liquors~~ spirits,” “fortified wines,” and “vinous beverages” as defined in 7 V.S.A. § 2, and any beverage or liquid containing any of them.

\* \* \*

Sec. 155. 23 V.S.A. § 3323 is amended to read:

§ 3323. OPERATING UNDER THE INFLUENCE OF ~~INTOXICATING LIQUOR~~ ALCOHOL OR DRUGS; B.W.I.

(a) A person shall not operate, attempt to operate, or be in actual physical

control of a vessel on the waters of this State while:

(1) there is 0.08 percent or more by weight of alcohol in his or her blood, as shown by analysis of his or her breath or blood; or

(2) under the influence of ~~intoxicating liquor~~ alcohol; or

(3) under the influence of any other drug or under the combined influence of alcohol and any other drug to a degree which renders the person incapable of operating safely.

(b) ~~For purposes of As used in this section, “intoxicating liquor” includes “alcohol,”~~ includes “alcohol,” “malt beverages,” “spirituous liquors spirits,” “fortified wines,” and “vinous beverages” as defined in 7 V.S.A. § 2, and any beverage or liquid containing any of the foregoing them.

(c) A person who is a habitual user of or under the influence of any narcotic drug or who is under the influence of any other drug, substance, or inhalant other than ~~intoxicating liquor~~ alcohol to a degree which renders the person incapable of safely operating a vessel may not operate, attempt to operate, or be in actual physical control of a vessel. The fact that a person charged with a violation of this section is or has been entitled to use such drug under the laws of this State shall not constitute a defense against any charge of violating this section.

\* \* \*

Sec. 156. 23 V.S.A. § 3506 is amended to read:

§ 3506. OPERATION

\* \* \*

(b) An all-terrain vehicle may not be operated:

\* \* \*

(8) While the operator is under the influence of drugs or ~~intoxicating beverages~~ alcohol as defined by this title.

\* \* \*

Sec. 157. 24 V.S.A. § 301 is amended to read:

§ 301. PENALTY FOR REFUSAL TO ASSIST

A person being required in the name of the State by a sheriff, deputy sheriff, high bailiff, deputy bailiff, or constable, who neglects or refuses to assist ~~such an~~ the officer in the execution of his or her office, in a criminal cause, ~~or~~ in the preservation of the peace, ~~or~~ in the apprehension and securing of a person for a breach of the peace, ~~or~~ in a search and seizure of ~~intoxicating liquors~~ alcohol as defined in 7 V.S.A. § 2 or in transporting ~~such liquors~~ the

alcohol when seized, or in a case of escape or rescue of persons arrested on civil process, shall be fined not more than \$500.00, unless the circumstances under which his or her assistance is called for amount to a riot, in which case he or she shall be imprisoned not more than six months or fined not more than \$100.00, or both.

Sec. 158. 29 V.S.A. § 902 is amended to read:

§ 902. DUTIES OF COMMISSIONER OF BUILDINGS AND GENERAL SERVICES

\* \* \*

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

\* \* \*

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

\* \* \*

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

Sec. 159. 32 V.S.A. § 10203 is amended to read:

§ 10203. DISTRIBUTION; RETAIL PURCHASE AND SALE

\* \* \*

(f) Break-open tickets shall not be sold at premises licensed to sell alcoholic beverages except at clubs for clubs as defined in 7 V.S.A. § ~~2(7)~~ 2. However, a nonprofit organization may sell break-open tickets at premises licensed to sell alcoholic beverages if, notwithstanding 13 V.S.A. § 2143(e), all proceeds from the sale of the break-open tickets are used by the nonprofit organization exclusively for charitable, religious, educational, and civic undertakings, with only the following costs deducted from the proceeds:

(1) the actual cost of the break-open tickets;

(2) the prizes awarded;

(3) the reasonable legal fees necessary to organize the nonprofit organization and to ~~assure~~ ensure compliance with all legal requirements; and

(4) the reasonable accounting fees necessary to account for the proceeds from the sale of the break-open tickets.

\* \* \*

Sec. 160. 33 V.S.A. § 5102 is amended to read:

§ 5102. DEFINITIONS AND PROVISIONS OF GENERAL APPLICATION

As used in the juvenile judicial proceedings chapters, ~~unless the context otherwise requires:~~

\* \* \*

(9) “Delinquent act” means an act designated a crime under the laws of this State, or of another state if the act occurred in another state, or under federal law. A delinquent act shall include a violation of 7 V.S.A. §§ § 656 and 657; however, it shall not include:

(A) snowmobile offenses in 23 V.S.A. chapter 29, subchapter 1 and motorboat offenses in 23 V.S.A. chapter 29, subchapter 2, except for violations of sections 3207a, 3207b, 3207c, 3207d, and 3323;

(B) motor vehicle offenses committed by an individual who is at least 16 years of age, except for violations of 23 V.S.A. chapter 13, subchapter 13 and of 23 V.S.A. § 1091.

\* \* \*

Sec. 161. REPLACEMENTS

In the following sections, the phrase “intoxicating liquor” or “intoxicating liquors,” wherever it appears, shall be replaced with “alcohol”:

(1) 5 V.S.A. §§ 427, 3728, and 3729;

(2) 9 V.S.A. § 3807;

(3) 13 V.S.A. §§ 4017, 5041, 5042, 5301, and 7601;

(4) 23 V.S.A. §§ 308, 1130, 1201, 1204, 1211, 1213, 1218, 3206, 3207d, 3311, 3325, 3326, 3905, and 4116; and

(5) 32 V.S.A. § 805.

Sec. 162. REVIEW OF FINES AND PENALTIES; REPORT

The Commissioner of Liquor and Lottery shall review the adequacy and effectiveness of all fines and penalties in Title 7 to determine which fines and penalties, if any, require an amendment to improve their efficacy and operation in concert with the regulatory and enforcement provisions of Title 7. On or before January 15, 2018, the Commissioner shall submit a written report to the House Committees on General, Housing and Military Affairs and on Judiciary, and the Senate Committees on Economic Development, Housing and General Affairs and on Judiciary regarding his or her findings and any



recommendations for legislative action.

\* \* \* Merger of State Lottery into Department of Liquor and Lottery \* \* \*

Sec. 163. FINDINGS AND PURPOSE

(a) The General Assembly finds that:

(1) The Department of Liquor Control and the State Lottery serve similar roles in Vermont's government by generating significant revenue for the State through the sales of a controlled product.

(2) The similarities between the roles and functions of the Department of Liquor Control and the State Lottery create the potential for the two entities to merge and collaborate in carrying out their respective functions and missions.

(3) Merging the Department of Liquor Control and State Lottery into a single Department of Liquor and Lottery will enable the State to deliver services more effectively and efficiently to the public.

(4) Merging the Department of Liquor Control and the State Lottery into a single Department of Liquor and Lottery will also enable the State to realize significant cost savings by eliminating redundancy, improving accountability, providing for more efficient use of specialized expertise and facilities, and promoting the effective sharing of best practices and state-of-the-art technology.

(b) Accordingly, it is the intent of the General Assembly to:

(1) create a combined Department of Liquor and Lottery that will be a successor to and continuation of the Department of Liquor Control and the State Lottery; and

(2) create a Board of Liquor and Lottery that shall be the successor to and a continuation of the Liquor Control Board and the Lottery Commission.

Sec. 164. REPEALS

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

Sec. 165. 31 V.S.A. § 654 is redesignated and amended to read:

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

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

\* \* \*

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

\* \* \*

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

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

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

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

\* \* \*

Sec. 166. 31 V.S.A. § 654a is redesignated and amended to read:

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

(a) 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 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. The ~~Commission Board~~ shall adopt rules under 3 V.S.A. chapter 25 to govern the establishment and operation of any multijurisdictional lottery game authorized by this section.

\* \* \*

(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. 167. 31 V.S.A. § 655 is redesignated and amended to read:

§ ~~655~~ 653. LICENSE FEES

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

Sec. 168. 31 V.S.A. § 656 is redesignated and amended to read:

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

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

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

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

Sec. 169. 31 V.S.A. § 657 is redesignated and amended to read:

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

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

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

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

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

(3) license sales agents and suspend or revoke any license in accordance with the provisions of this chapter and the rules of the Commission Board;

(4) act as Secretary to the Commission Board, but as a nonvoting member of the Commission Board;

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

(6) annually prepare a budget and submit it to the Commission Board.

Sec. 170. 31 V.S.A. § 658 is redesignated and amended to read:

§ ~~658~~ 656. STATE LOTTERY FUND

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

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

\* \* \*

Sec. 171. 31 V.S.A. § 659 is redesignated and amended to read:

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

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

Board deems advisable.

Sec. 172. 31 V.S.A. § 660 is redesignated and amended to read:

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

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

Sec. 173. 31 V.S.A. § 661 is redesignated and amended to read:

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

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

\* \* \*

(4) No member of the ~~Commission~~ Board of Liquor and Lottery or employee of the ~~Commission~~ Board of 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. 174. 31 V.S.A. § 662 is redesignated to read:

§ ~~662~~ 660. UNCLAIMED PRIZE MONEY

Sec. 175. 31 V.S.A. § 663 is redesignated to read:

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

Sec. 176. 31 V.S.A. § 665 is redesignated to read:

§ ~~665~~ 662. PENALTIES

Sec. 177. 31 V.S.A. § 666 is redesignated to read:

§ ~~666~~ 663. PUBLICATION OF ODDS

Sec. 178. 31 V.S.A. § 667 is redesignated 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(e)~~ 654(c) of this title.

Sec. 179. 3 V.S.A. § 212 is amended to read:

§ 212. DEPARTMENTS CREATED

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

\* \* \*

(14) The Department of Liquor Control and Lottery

\* \* \*

Sec. 180. 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 Board of Liquor and Lottery

\* \* \*

Sec. 181. 2016 Acts and Resolves No. 144, Sec. 20 is amended to read:

Sec. 20. COMMISSIONER OF LIQUOR CONTROL AND LOTTERY;  
CURRENT TERM; APPOINTMENT OF SUCCESSOR

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

Sec. 182. BOARD OF LIQUOR AND LOTTERY; DEPARTMENT OF  
LIQUOR AND LOTTERY; POWERS AND DUTIES

On July 1, 2017:

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

(B) The rules of the Liquor Control Board and the Lottery Commission in effect on July 1, 2017 shall be the rules of the Board of Liquor and Lottery until they are amended or repealed.

(2)(A) The Department of Liquor and Lottery shall assume all the

powers, duties, rights, and responsibilities of the Department of Liquor Control and the State Lottery.

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

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

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

#### Sec. 183. LEGISLATIVE COUNCIL; PREPARATION OF A DRAFT BILL

On or before January 15, 2018, the Office of Legislative Council shall prepare and submit a draft bill to the House Committees on General, Housing and Military Affairs and on Government Operations and the Senate Committees on Economic Development, Housing and General Affairs and on Government Operations that makes statutory amendments of a technical nature and identifies all statutory sections that the General Assembly may need to amend substantively to effect the intent of this act.

#### Sec. 184. DEPARTMENT OF LIQUOR AND LOTTERY; FUNCTIONS AND DUTIES; EFFECTIVENESS; REPORT

The Commissioner Liquor and Lottery, in consultation with the Board of Liquor and Lottery, shall examine the effectiveness of the Department of Liquor and Lottery in fulfilling its functions and duties and shall identify specific measures to enhance the Department's ability to carry out its functions and duties effectively and efficiently. On or before November 15, 2017, the Chair of the Board shall submit a written report to the Governor and the General Assembly of his or her findings and recommendations for legislative action.

\* \* \* Casino Events Hosted by Nonprofit Organizations \* \* \*

Sec. 185. 13 V.S.A. § 2143 is amended to read:

#### § 2143. NONPROFIT ORGANIZATIONS

(a) Notwithstanding the provisions of this chapter, a nonprofit organization, as defined in 32 V.S.A. § 10201(5), may organize and execute, and an individual may participate in lotteries, raffles, or other games of chance for the purpose of raising funds to be used in charitable, religious, educational, and civic undertakings or used by fraternal organizations to provide direct support to charitable, religious, educational, or civic undertakings with which they are affiliated. Except as provided in subsection (d) of this section,

gambling machines and other mechanical devices described in section 2135 of this title shall not be utilized under authority of this section.

\* \* \*

(d) Casino events shall be limited as follows:

(1) A location may be the site of no more than:

(A) one casino event in any calendar quarter; or

(B) three casino events in any calendar year, as long as there are at least 15 days between each event.

(2) A location that is owned by a nonprofit, as defined in 32 V.S.A. § 10201(5), may be the site of no more than ~~three casino events in any calendar quarter and no more than 12 casino events in any calendar year~~ two casino events in any calendar month as long as there are at least ~~15~~ 10 days between each event.

(3) A nonprofit organization, as defined in 32 V.S.A. § 10201(5), may organize and execute no more than:

(A) ~~one casino event in any calendar quarter; or~~

(B) ~~three casino events in any calendar year, as long as there are at least 15 days between each event~~ month.

(4) ~~For the purposes of~~ As used in this subsection, “casino event” means an event held during any 24-hour period at which any game of ~~change~~ chance is conducted except those prohibited by ~~13 V.S.A. § subdivision~~ 2135(a)(1) or (2) of this title. A “casino event” shall not include a fair, bazaar, field days, agricultural exposition, or similar event ~~which~~ that utilizes a wheel of fortune, chuck-a-luck, or other such games commonly conducted at such events, or break-open tickets, bingo, a lottery, or a raffle.

(e) Games of chance shall be limited as follows:

(1) All proceeds raised by a game of chance shall be used exclusively for charitable, religious, educational, and civic undertakings after deducting:

(A) reasonable expenses, as determined by fair market value, of purchasing or renting materials and equipment used for the game of chance ~~and~~, of printing advertisements, and of the direct purchase of advertising through established media, such as newspapers, radio, and television; and

(B) reasonable expenses, as determined by fair market value, for rent for the premises on which the game of ~~change~~ chance is executed, ~~except that rent paid prior to August 1, 1994, pursuant to a written lease in effect on June 1, 1994, and not subject to cancellation, may be deducted, whether or not such~~



~~rent is reasonable, and repairs and upkeep to the premises for nonprofit organizations having ownership in premises; and~~

(C) prizes awarded to players as limited in subdivision (4) of this subsection (e); and

(D) payments to persons as limited in subdivision (2) of this subsection (e).

\* \* \*

(6) A nonprofit organization shall not organize and execute games of chance on more than two days in any calendar week, nor shall games of chance be organized and executed at any location on more than two days in any calendar week, except that:

(A) Casino events may be conducted only as permitted under subsection (d) of this section.

\* \* \*

~~(D) Agricultural fairs qualified to receive a State stipend pursuant to 31 V.S.A. § 617 may organize and execute games of chance for not more than 12 consecutive days during the fair once each calendar year. [Repealed.]~~

\* \* \*

\* \* \* Division of Liquor Control; Raffles of Rare and Unusual Products \* \* \*  
Sec. 186. 7 V.S.A. § 5 is added to read:

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

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

(1) Tickets to enter the raffle shall only be available for purchase to a member of the general public who is 21 years of age or older.

(2) Tickets for the raffle shall be sold at a price fixed by the Commissioner.

(3) All notices or advertisements relating to the raffle shall clearly state:

(A) the price of a raffle ticket;

(B) the date of the drawing;

(C) the sales price of each rare and unusual spirit or fortified

wine; and

(D) that the winning prize will be the right to purchase the rare and unusual spirit or fortified wine for the specified sales price.

(4) No Board member or employee of the Department, and no immediate family member of a Board member or employee of the Department shall be permitted to enter the raffle.

(b) The proceeds from the sale of tickets for each raffle shall be used by the Division to provide direct support to nonprofit organizations that are qualified for tax exempt status pursuant to Section 501(c) of the federal Internal Revenue Code and whose primary mission is to provide educational programming related to the prevention of underage alcohol consumption.

(c) As used in this section, "rare and unusual spirits and fortified wines" means spirits and fortified wines that are distributed or allocated to the Board in an amount that is insufficient for general distribution to local agency stores and for which the Commissioner determines that an extraordinary level of public demand exists.

#### Sec. 187. EFFECTIVE DATE

This act shall take effect on July 1, 2017.

And that after passage the title of the bill be amended to read:

An act relating to modernizing and reorganizing Title 7 and creating the Department of Liquor and Lottery.

(Committee vote: 5-0-0)

(No House amendments.)

**Reported favorably by Senator Sirotkin for the Committee on Finance.**

The Committee recommends that the bill ought to pass in concurrence with proposal of amendment as recommended by the Committee on Economic Development, Housing and General Affairs.

(Committee vote: 7-0-0)

#### **House Proposal of Amendment**

#### **S. 23**

An act relating to juvenile jurisdiction.

The House proposes to the Senate to amend the bill by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 13 V.S.A. § 5401 is amended to read:

§ 5401. DEFINITIONS

As used in this subchapter:

\* \* \*

(15)(A) “Conviction” means a judgment of guilt following a verdict or finding of guilt, a plea of guilty, a plea of nolo contendere, an Alford Plea, or a judgment of guilt pursuant to a deferred sentence. A sex offender whose sentence is deferred shall have no duty to register after successful completion of the terms of the deferred sentence agreement for the duration specified in the agreement.

(B) A sex offender treated as a youthful offender pursuant to 33 V.S.A. chapter 52A shall have no duty to register unless the offender’s youthful offender status is revoked and he or she is sentenced for the offense in the Criminal Division of Superior Court.

\* \* \*

Sec. 2. 28 V.S.A. chapter 16 is added to read:

CHAPTER 16. YOUTHFUL OFFENDERS

§ 1161. POWERS AND RESPONSIBILITIES OF THE COMMISSIONER REGARDING SUPERVISION OF YOUTHFUL OFFENDERS

In accordance with 33 V.S.A. chapter 52A, the Commissioner shall be charged with the following powers and responsibilities regarding supervision of youthful offenders:

(1) consistent with 33 V.S.A. § 5284(d), to designate a case manager who, together with a case manager appointed by the Commissioner for Children and Families, will determine the lead Department to preside over the case plan and the provision of services to youths who are adjudicated as youthful offenders;

(2) together with the Commissioner for Children and Families, to maintain the general supervision of youths adjudicated as youthful offenders and placed on conditions of juvenile probation; and

(3) to supervise the administration of probation services and establish policies and standards regarding youthful offender probation investigation, supervision, case work, record keeping, and the qualification of probation officers working with youthful offenders.

§ 1162. METHODS OF SUPERVISION

(a) Electronic monitoring. The Commissioner may utilize an electronic monitoring system to supervise a youthful offender placed on juvenile probation.

(b) Graduated sanctions.

(1) If ordered by the court pursuant to a modification of a youthful offender disposition under 33 V.S.A. § 5285(c)(1), the Commissioner may sanction the youthful offender in accordance with rules adopted pursuant to subdivision (2) of this subsection.

(2) The Department of Corrections shall adopt rules pursuant to 3 V.S.A. chapter 25 that establish graduated sanction guidelines for a youthful offender who violates the terms of his or her probation.

Sec. 3. 33 V.S.A. § 5102 is amended to read:

§ 5102. DEFINITIONS AND PROVISIONS OF GENERAL APPLICATION

As used in the juvenile judicial proceedings chapters, unless the context otherwise requires:

\* \* \*

(2) “Child” means any of the following:

\* \* \*

(C) An individual who has been alleged to have committed or has committed an act of delinquency after becoming 10 years of age and prior to becoming ~~18~~ 22 years of age; provided, however:

(i) that an individual who is alleged to have committed an act specified in subsection 5204(a) of this title after attaining ~~the age of 10~~ 12 years of age but not ~~the age of 14~~ years of age may be treated as an adult as provided therein;

\* \* \*

(9) “Delinquent act” means an act designated a crime under the laws of this State, or of another state if the act occurred in another state, or under federal law. A delinquent act shall include 7 V.S.A. §§ ~~656 and 657~~ § 656; however, it shall not include:

(A) snowmobile offenses in 23 V.S.A. chapter 29, subchapter 1 and motorboat offenses in 23 V.S.A. chapter 29, subchapter 2, except for violations of sections 3207a, 3207b, 3207c, 3207d, and 3323;

(B) pursuant to 4 V.S.A. § 33(b), felony motor vehicle offenses committed by an individual who is at least 16 years of age or older, except for violations of 23 V.S.A. chapter 13, subchapter 13 and of 23 V.S.A. § 1091.

\* \* \*

(22) “Party” includes the following persons:

- (A) the child with respect to whom the proceedings are brought;
- (B) the custodial parent, the guardian, or the custodian of the child in all instances except a hearing on the merits of a delinquency petition;
- (C) the noncustodial parent for the purposes of custody, visitation, and such other issues ~~which~~ that the ~~Court~~ court may determine are proper and necessary to the proceedings, provided that the noncustodial parent has entered an appearance;
- (D) the State's Attorney;
- (E) the Commissioner for Children and Families;
- (F) such other persons as appear to the ~~Court~~ court to be proper and necessary to the proceedings; and
- (G) in youthful offender cases brought under 33 V.S.A. chapter 52A, the Commissioner of Corrections.

\* \* \*

Sec. 4. 33 V.S.A. § 5112 is amended to read:

§ 5112. ATTORNEY AND GUARDIAN AD LITEM FOR CHILD

(a) The Court shall appoint an attorney for a child who is a party to a proceeding brought under the juvenile judicial proceedings chapters.

(b) The Court shall appoint a guardian ad litem for a child under 18 years of age who is a party to a proceeding brought under the juvenile judicial proceedings chapters. In a delinquency proceeding, a parent, guardian, or custodian of the child may serve as a guardian ad litem for the child, providing his or her interests do not conflict with the interests of the child. The guardian ad litem appointed under this section shall not be a party to that proceeding or an employee or representative of such party.

Sec. 5. 33 V.S.A. chapter 52A is added to read:

CHAPTER 52A. YOUTHFUL OFFENDERS

§ 5280. COMMENCEMENT OF YOUTHFUL OFFENDER PROCEEDINGS IN THE FAMILY DIVISION

(a) A proceeding under this chapter shall be commenced by:

- (1) the filing of a youthful offender petition by a State's Attorney; or
- (2) transfer to the Family Court of a proceeding from the Criminal Division of the Superior Court as provided in section 5281 of this title.

(b) A State's Attorney may commence a proceeding in the Family Division of the Superior Court concerning a child who is alleged to have committed an

offense after attaining 16 years of age but not 22 years of age that could otherwise be filed in the Criminal Division.

(c) If a State's Attorney files a petition under subdivision (a)(1) of this section, the case shall proceed as provided under subsection 5281(b) of this title.

#### § 5281. MOTION IN CRIMINAL DIVISION OF SUPERIOR COURT

(a) A motion may be filed in the Criminal Division of the Superior Court requesting that a defendant under 22 years of age in a criminal proceeding who had attained 12 years of age but not 22 years of age at the time the offense is alleged to have been committed be treated as a youthful offender. The motion may be filed by the State's Attorney, the defendant, or the court on its own motion.

(b) Upon the filing of a motion under this section or the filing of a youthful offender petition pursuant to section 5280 of this title, the Family Division shall hold a hearing pursuant to section 5283 of this title. Pursuant to section 5110 of this title, the hearing shall be confidential. Copies of all records relating to the case shall be forwarded to the Family Division. Conditions of release and any Department of Corrections supervision or custody shall remain in effect until the Family Division accepts the case for treatment as a youthful offender and orders conditions of juvenile probation pursuant to section 5284 of this title, or the case is otherwise concluded.

(c)(1) If the Family Division rejects the case for youthful offender treatment pursuant to subsection 5284 of this title, the case shall be transferred to the Criminal Division. The conditions of release imposed by the Criminal Division shall remain in effect, and the case shall proceed as though the motion for youthful offender treatment or youthful offender petition had not been filed.

(2) Subject to Rule 11 of the Vermont Rules of Criminal Procedure and Rule 410 of the Vermont Rules of Evidence, the Family Division's denial of the motion for youthful offender treatment and any information related to the youthful offender proceeding shall be inadmissible against the youth for any purpose in the subsequent Criminal Division proceeding.

(d) If the Family Division accepts the case for youthful offender treatment, the case shall proceed to a confidential merits hearing or admission pursuant to sections 5227–5229 of this title.

#### § 5282. REPORT FROM THE DEPARTMENT

(a) Within 30 days after the case is transferred to the Family Division or a youthful offender petition is filed in the Family Division, unless the court extends the period for good cause shown, the Department for Children and

Families shall file a report with the Family Division of the Superior Court.

(b) A report filed pursuant to this section shall include the following elements:

(1) a recommendation as to whether diversion is appropriate for the youth because the youth is a low to moderate risk to reoffend;

(2) a recommendation as to whether youthful offender status is appropriate for the youth; and

(3) a description of the services that may be available for the youth.

(c) A report filed pursuant to this section is privileged and shall not be disclosed to any person other than:

(1) the Department;

(2) the court;

(3) the State's Attorney;

(4) the youth, the youth's attorney, and the youth's guardian ad litem;

(5) the youth's parent, guardian, or custodian if the youth is under 18 years of age, unless the court finds that disclosure would be contrary to the best interest of the child;

(6) the Department of Corrections; or

(7) any other person when the court determines that the best interests of the youth would make such a disclosure desirable or helpful.

#### § 5283. HEARING IN FAMILY DIVISION

(a) Timeline. A youthful offender status hearing shall be held no later than 35 days after the transfer of the case from the Criminal Division or filing of a youthful offender petition in the Family Division.

(b) Notice. Notice of the hearing shall be provided to the State's Attorney; the youth; the youth's parent, guardian, or custodian; the Department; and the Department of Corrections.

(c) Hearing procedure.

(1) If the motion is contested, all parties shall have the right to present evidence and examine witnesses. Hearsay may be admitted and may be relied on to the extent of its probative value. If reports are admitted, the parties shall be afforded an opportunity to examine those persons making the reports, but sources of confidential information need not be disclosed.

(2) All youthful offender proceedings shall be confidential.

(d) Burden of proof. The burden of proof shall be on the moving party to prove by a preponderance of the evidence that a child should be granted youthful offender status. If the court makes the motion, the burden shall be on the youth.

(e) Further hearing. On its own motion or the motion of a party, the court may schedule a further hearing to obtain reports or other information necessary for the appropriate disposition of the case.

§ 5284. YOUTHFUL OFFENDER DETERMINATION AND DISPOSITION ORDER

(a) In a hearing on a motion for youthful offender status, the court shall first consider whether public safety will be protected by treating the youth as a youthful offender. If the court finds that public safety will not be protected by treating the youth as a youthful offender, the court shall deny the motion and transfer the case to the Criminal Division of the Superior Court pursuant to subsection 5281(d) of this title. If the court finds that public safety will be protected by treating the youth as a youthful offender, the court shall proceed to make a determination under subsection (b) of this section.

(b)(1) The court shall deny the motion if the court finds that:

(A) the youth is not amenable to treatment or rehabilitation as a youthful offender; or

(B) there are insufficient services in the juvenile court system and the Department for Children and Families and the Department of Corrections to meet the youth's treatment and rehabilitation needs.

(2) The court shall grant the motion if the court finds that:

(A) the youth is amenable to treatment or rehabilitation as a youthful offender; and

(B) there are sufficient services in the juvenile court system and the Department for Children and Families and the Department of Corrections to meet the youth's treatment and rehabilitation needs.

(c) If the court approves the motion for youthful offender treatment after an adjudication pursuant to subsection 5281(d) of this title, the court:

(1) shall approve a disposition case plan and impose conditions of juvenile probation on the youth; and

(2) may transfer legal custody of the youth to a parent, relative, person with a significant relationship with the youth, or Commissioner, provided that any transfer of custody shall expire on the youth's 18th birthday.

(d) The Department for Children and Families and the Department of



Corrections shall be responsible for supervision of and providing services to the youth until he or she reaches 22 years of age. Both Departments shall designate a case manager who together shall appoint a lead Department to have final decision-making authority over the case plan and the provision of services to the youth. The youth shall be eligible for appropriate community-based programming and services provided by both Departments.

§ 5285. MODIFICATION OR REVOCATION OF DISPOSITION

(a) If it appears that the youth has violated the terms of juvenile probation ordered by the court pursuant to subdivision 5284(c)(1) of this title, a motion for modification or revocation of youthful offender status may be filed in the Family Division of the Superior Court. The court shall set the motion for hearing as soon as practicable. The hearing may be joined with a hearing on a violation of conditions of probation under section 5265 of this title. A supervising juvenile or adult probation officer may detain in an adult facility a youthful offender who has attained 18 years of age for violating conditions of probation.

(b) A hearing under this section shall be held in accordance with section 5268 of this title.

(c) If the court finds after the hearing that the youth has violated the terms of his or her probation, the court may:

(1) maintain the youth's status as a youthful offender, with modified conditions of juvenile probation if the court deems it appropriate;

(2) revoke the youth's status as a youthful offender and transfer the case with a record of the petition, affidavit, adjudication, disposition, and revocation to the Criminal Division for sentencing; or

(3) transfer supervision of the youth to the Department of Corrections with all of the powers and authority of the Department and the Commissioner under Title 28, including graduated sanctions and electronic monitoring.

(d) If a youth's status as a youthful offender is revoked and the case is transferred to the Criminal Division pursuant to subdivision (c)(2) of this section, the court shall hold a sentencing hearing and impose sentence. When determining an appropriate sentence, the court may take into consideration the youth's degree of progress toward rehabilitation while on youthful offender status. The Criminal Division shall have access to all Family Division records of the proceeding.

§ 5286. REVIEW PRIOR TO 18 YEARS OF AGE

(a) If a youth is adjudicated as a youthful offender prior to reaching 18 years of age, the Family Division shall review the youth's case before he or

she reaches 18 years of age and set a hearing to determine whether the court's jurisdiction over the youth should be continued past 18 years of age. The hearing may be joined with a motion to terminate youthful offender status under section 5285 of this title. The court shall provide notice and an opportunity to be heard at the hearing to the State's Attorney, the youth, the Department for Children and Families, and the Department of Corrections.

(b) After receiving a notice of review under this section, the State may file a motion to modify or revoke pursuant to section 5285 of this title. If such a motion is filed, it shall be consolidated with the review under this section and all options provided for under section 5285 of this title shall be available to the court.

(c) The following reports shall be filed with the court prior to the hearing:

(1) The Department for Children and Families and the Department of Corrections shall jointly report their recommendations, with supporting justifications, as to whether the Family Division should continue jurisdiction over the youth past 18 years of age and, if continued jurisdiction is recommended, propose a case plan for the youth to ensure compliance with and completion of the juvenile disposition.

(2) If the Departments recommend continued supervision of the youthful offender past 18 years of age, the Departments shall report on the services which would be available for the youth.

(d) If the court finds that it is in the best interest of the youth and consistent with community safety to continue the case past 18 years of age, it shall make an order continuing the court's jurisdiction up to 22 years of age. The Department for Children and Families and the Department of Corrections shall jointly develop a case plan for the youth and coordinate services and share information to ensure compliance with and completion of the juvenile disposition.

(e) If the court finds that it is not in the best interest of the youth to continue the case past 18 years of age, it shall terminate the disposition order, discharge the youth, and dismiss the case in accordance with subsection 5287(c) of this title.

#### § 5287. TERMINATION OR CONTINUANCE OF PROBATION

(a) A motion may be filed at any time in the Family Division requesting that the court terminate the youth's status as a youthful offender and discharge him or her from probation. The motion may be filed by the State's Attorney, the youth, the Department, or the court on its own motion. The court shall set the motion for hearing and provide notice and an opportunity to be heard at the hearing to the State's Attorney, the youth, the Department for Children and

Families and the Department of Corrections.

(b) In determining whether a youth has successfully completed the terms of probation, the Court shall consider:

(1) the degree to which the youth fulfilled the terms of the case plan and the probation order;

(2) the youth's performance during treatment;

(3) reports of treatment personnel; and

(4) any other relevant facts associated with the youth's behavior.

(c) If the court finds that the youth has successfully completed the terms of the probation order, it shall terminate youthful offender status, discharge the youth from probation, and file a written order dismissing the Family Division case. The Family Division shall provide notice of the dismissal to the Criminal Division, which shall dismiss the criminal case.

(d) Upon discharge and dismissal under subsection (c) of this section, all records relating to the case in the Criminal Division shall be expunged, and all records relating to the case in the Family Court shall be sealed pursuant to section 5119 of this title.

(e) If the court denies the motion to discharge the youth from probation, the court may extend or amend the probation order as it deems necessary.

#### § 5288. RIGHTS OF VICTIMS IN YOUTHFUL OFFENDER PROCEEDINGS

(a) The victim in a proceeding involving a youthful offender shall have the following rights:

(1) to be notified by the prosecutor in a timely manner when a court proceeding is scheduled to take place and when a court proceeding to which he or she has been notified will not take place as scheduled;

(2) to be present during all court proceedings subject to the provisions of Rule 615 of the Vermont Rules of Evidence and to express reasonably his or her views concerning the offense and the youth;

(3) to request notification by the agency having custody of the youth before the youth is released from a residential facility;

(4) to be notified by the prosecutor as to the final disposition of the case;

(5) to be notified by the prosecutor of the victim's rights under this section.

(b) In accordance with court rules, at a hearing on a motion for youthful

offender treatment, the court shall ask if the victim is present and, if so, whether the victim would like to be heard regarding disposition. In ordering disposition, the court shall consider any views offered at the hearing by the victim. If the victim is not present, the court shall ask whether the victim has expressed, either orally or in writing, views regarding disposition and shall take those views into consideration in ordering disposition.

(c) No youthful offender proceeding shall be delayed or voided by reason of the failure to give the victim the required notice or the failure of the victim to appear.

(d) As used in this section, "victim" shall have the same meaning as in 13 V.S.A. § 5301(4).

Sec. 6. 33 V.S.A. § 5291 is amended to read:

§ 5291. DETENTION OR TREATMENT OF MINORS CHARGED AS  
DELINQUENTS IN SECURE FACILITIES FOR THE  
DETENTION OR TREATMENT OF DELINQUENT CHILDREN

~~(a) Unless ordered otherwise at or after a temporary care hearing, the Commissioner shall have sole authority to place the child who is in the custody of the Department in a secure facility for the detention or treatment of minors.~~

~~(b) Upon a finding at the temporary care hearing that no other suitable placement is available and the child presents a risk of injury to him- or herself, to others, or to property, the Court may order that the child be placed in~~ Prior to disposition, the court shall have the sole authority to place a child who is in the custody of the Department in a secure facility used for the detention or treatment of delinquent children until the Commissioner determines that a suitable placement is available for the child. The court shall not order placement in a secure facility without a recommendation from the Department that placement in a secure facility is necessary. Alternatively, the Court may order that the child be placed in a secure facility used for the detention or treatment of delinquent children for up to seven days. Any order for placement at a secure facility shall expire at the end of the seventh day following its issuance unless, after hearing, the Court extends the order for a time period not to exceed seven days. The court order shall include a finding that no other suitable placement is available and the child presents a risk of injury to others or to property.

(b) Absent good cause shown and notwithstanding section 5227 of this title, when a child is placed in a secure facility pursuant to subsection (a) of this section and remains in a secure facility for 45 days following the preliminary hearing, the merits hearing shall be held and merits adjudicated within 45 days of the date of the preliminary hearing or the court shall dismiss the petition with prejudice. If merits have been found, the court shall review

the secure facility placement order at the merits hearing.

(c) If a child is placed in a secure facility pursuant to subsection (a) of this section and secure facility placement continues following the merits hearing review pursuant to subsection (b) of this section, the court shall, within 35 days of the merits adjudication:

(1) hold the disposition hearing, or, if disposition is not held within 35 days;

(2) hold a hearing to review the continued secure facility placement.

(d) A child placed in a secure facility on an order pursuant to subsections (a), (b), or (c) of this section with a finding that no other suitable placement is available and the child presents a risk of harm to others or to property shall be entitled to an independent, second evidentiary hearing, which shall be a hearing de novo by a single justice of the Vermont Supreme Court. The Chief Justice may make an appointment or special assignment in accordance with 4 V.S.A. § 22 to conduct the de novo hearing required by this subsection. Unless the parties stipulate to the admission of portions of the trial court record, the de novo review shall be a new evidentiary hearing without regard to the record compiled before the trial court.

(e) Following disposition, the Commissioner shall have the sole authority to place a child who is in the custody of the Department in a secure facility for the detention or treatment of delinquent children pursuant to the Department's administrative policies on admission.

#### Sec. 7. VERMONT SUPREME COURT; RULEMAKING

The Vermont Supreme Court shall review the youthful offender proceedings statutes and consider a proposed new or amended rule for adoption on or before July 1, 2018 to make clear that a youth is waiving the right to trial by jury in cases where a youth is adjudicated in the Family Division pursuant to 33 V.S.A. §§ 5281 and 5227–5229, youthful offender status is revoked, and a criminal record of the petition, adjudication, disposition and revocation is sent to the Criminal Division pursuant to 33 V.S.A. §5285 for sentencing.

#### Sec. 8. REPEALS

(a) 33 V.S.A. § 5104 (retention of jurisdiction over youthful offenders) is repealed on July 1, 2018.

(b) 33 V.S.A. § 5280 (commencement of youthful offender proceedings in the Family Division) is repealed on July 1, 2018.

(c) 33 V.S.A. § 5281 (motion in Criminal Division of Superior Court) is repealed on July 1, 2018.

(d) 33 V.S.A. § 5282 (report from the Department) is repealed on July 1, 2018.

(e) 33 V.S.A. § 5283 (hearing in Family Division) is repealed on July 1, 2018.

(f) 33 V.S.A. § 5284 (determination and order) is repealed on July 1, 2018.

(g) 33 V.S.A. § 5285 (modification or revocation of disposition) is repealed on July 1, 2018.

(h) 33 V.S.A. § 5286 (review prior to the age of 18) is repealed on July 1, 2018.

(i) 33 V.S.A. § 5287 (termination or continuance of probation) is repealed on July 1, 2018.

(j) 33 V.S.A. § 5288 (rights of victims in youthful offender proceedings) is repealed on July 1, 2018.

#### Sec. 9. EFFECTIVE DATES

This act shall take effect on July 1, 2017, except for Secs. 2 (Chapter 16), 5 (Chapter 52A), and 6 (detention or treatment of minors charged as delinquents in secure facilities for the detention or treatment of delinquent children) which shall take effect on July 1, 2018.

#### **Proposal of amendment to House proposal of amendment to S. 23 to be offered by Senator Sears**

Senator Sears moves to concur in the House proposal of amendment with further proposals of amendment as follows:

First: In Sec. 5, 33 V.S.A. chapter 52A § 5283(c), by striking out subdivision (2) in its entirety and inserting in lieu thereof a new subdivision (2) to read as follows:

(2) Hearings under subsection 5284(a) of this title shall be open to the public. All other youthful offender proceedings shall be confidential.

Second: In Sec. 5, 33 V.S.A. chapter 52A § 5285(d), after the word “toward” by inserting the words or regression from

Third: In Sec. 6, 33 V.S.A. § 5291(a), after the word “injury” by inserting the following: to himself or herself, and after the word “others” by inserting the following: ;

Fourth: By inserting a new section to be numbered Sec. 7a to read as follows:

Sec. 7a. 2016 Acts and Resolves No.153, Sec. 39 is amended to read:

Sec. 39. EFFECTIVE DATES

\* \* \*

(b) Sec. 16 (powers and responsibilities of the Commissioner regarding juvenile services) shall take effect on July 1, ~~2017~~ 2018.

\* \* \*

**ORDERED TO LIE**

**S. 88.**

An act relating to increasing the smoking age from 18 to 21 years of age.

**Pending Question:** Shall the recommendation of amendment of the Committee on Health and Welfare be amended as moved by Senator Ingram?

**CONCURRENT RESOLUTIONS FOR NOTICE**

**Concurrent Resolutions For Notice Under Joint Rule 16**

The following joint concurrent resolutions have been introduced for approval by the Senate and House. They will be adopted by the Senate unless a Senator requests floor consideration before the end of the session of the next legislative day. Requests for floor consideration should be communicated to the Secretary's Office.

**H.C.R. 123-139** (For text of Resolutions, see Addendum to House Calendar for April 20, 2017)

**CONFIRMATIONS**

The following appointments will be considered by the Senate, as a group, under suspension of the Rules, as moved by the President *pro tempore*, for confirmation together and without debate, by consent thereby given by the Senate. However, upon request of any senator, any appointment may be singled out and acted upon separately by the Senate, with consideration given to the report of the Committee to which the appointment was referred, and with full debate; and further, all appointments for the positions of Secretaries of Agencies, Commissioners of Departments, Judges, Magistrates, and members of the Public Service Board shall be fully and separately acted upon.

Melissa Bailey of Bolton – Commissioner, Department of Mental Health (term 1/5/17 – 2/28/17) – By Sen. Lyons for the Committee on Health and Welfare. (3/30/17)

Melissa Bailey of Bolton – Commissioner, Department of Mental Health (term 3/1/17 – 2/28/19) – By Sen. Lyons for the Committee on Health and Welfare. (3/30/17)

Al Gobeille of Shelburne - Secretary, Agency of Human Services (term 1/5/17 – 2/28/17) – By Sen. Ayer for the Committee on Health and Welfare. (3/30/17)

Al Gobeille of Shelburne - Secretary, Agency of Human Services (term 3/1/17 – 2/28/19) – By Sen. Ayer for the Committee on Health and Welfare. (3/30/17)

Cory Gustafson of Montpelier – Commissioner, Department of Vermont Health Access (term 1/5/17 – 2/28/17) – By Sen. Cummings for the Committee on Health and Welfare. (3/30/17)

Cory Gustafson of Montpelier – Commissioner, Department of Vermont Health Access (term 3/1/17 – 2/28/19) – By Sen. Cummings for the Committee on Health and Welfare. (3/30/17)

Monica Hutt of Williston – Commissioner, Department of Aging and Independent Living (term 1/5/17 - 2/28/17) - By Sen. McCormack for the Committee on Health and Welfare. (3/30/17)

Monica Hutt of Williston – Commissioner, Department of Aging and Independent Living (term 3/1/17 - 2/28/19) - By Sen. McCormack for the Committee on Health and Welfare. (3/30/17)

Mark A. Levine, M.D. of Shelburne – Commissioner, Department of Health (term 1/5/17 – 2/28/17) – By Sen. Lyons for the Committee on Health and Welfare. (3/30/17)

Mark A. Levine, M.D. of Shelburne – Commissioner, Department of Health (term 3/1/17 – 2/28/19) – By Sen. Lyons for the Committee on Health and Welfare. (3/30/17)

Kenneth Schatz of South Burlington – Commissioner, Department for Children and Families (term 1/5/17 – 2/28/17) – By Sen. Ingram for the Committee on Health and Welfare. (3/30/17)

Kenneth Schatz of South Burlington – Commissioner, Department for Children and Families (term 1/5/17 – 2/28/19) – By Sen. Ingram for the Committee on Health and Welfare. (3/30/17)

David Fenster of Middlebury – Superior Court Judge – By Sen. Sears for the Committee on Judiciary. (4/18/17)

Elizabeth Mann of Norwich – Superior Court Judge – By Sen. Nitka for the Committee on Judiciary. (4/18/17)

Matthew Valerio of Proctor – Defender General – By Sen. Sears for the Committee on Judiciary. (4/18/17)



Sabina Haskell of Burlington – Chair, Vermont State Lottery Commission – Sen. Baruth for the Committee on Economic Development, Housing and General Affairs. (4/19/17)

Wendy Knight of Panton – Commissioner, Department of Tourism and Marketing – Sen. Mullin for the Committee on Economic Development, Housing and General Affairs. (4/19/17)

Diane Snelling of Hinesburg – Chair, Natural Resources Board (term 1/5/17 – 2/28/17) – Sen. Pearson for the Committee on Natural Resources and Energy. (4/19/17)

Diane Snelling of Hinesburg – Chair, Natural Resources Board (term 3/1/17 – 2/28/19) – Sen. Pearson for the Committee on Natural Resources and Energy. (4/19/17)

Michael Snyder of Stowe - Commissioner, Department of Forest, Parks and Recreation - Sen. Rodgers for the Committee on Natural Resources and Energy. (4/19/17)

Robin Lunge of Berlin – Member, Green Mountain Care Board – Sen. Ayer for the Committee on Health and Welfare. (4/21/17)

Lisa Menard of Waterbury – Commissioner, Department of Corrections – Sen. Branagan for the Committee on Institutions. (4/21/17)

Janette Bombardier of Colchester – Trustee, Vermont State Colleges Board of Trustees – Sen. Mullin for the Committee on Education. (4/19/17)

John Carroll of Norwich – Member, State Board of Education – Sen. Baruth for the Committee on Education. (4/19/17)

Elizabeth Courtney of Montpelier – Member, Natural Resources Board – Sen. Pearson for the Committee on Natural Resources and Energy. (4/19/17)

Martha Illick of Charlotte – Member, Natural Resources Board – Sen. Pearson for the Committee on Natural Resources and Energy. (4/19/17)

John O’Keefe of Manchester – Member, State Board of Education – Sen. Baruth for the Committee on Education. (4/19/17)

Sam Guy of Morrisville – Member, Liquor Control Board – Sen. Sirotkin for the Committee on Economic Development, Housing and General Affairs. (4/20/17)

Emily Wadhams of Burlington – Member, Vermont Housing and Conservation Board – Sen. Sirotkin for the Committee on Economic Development, Housing and General Affairs. (4/20/17)

Susan Popowski of Northfield – Member, Vermont State Lottery Commission – Sen. Mullin for the Committee on Economic Development, Housing and General Affairs. (4/21/17)

**PUBLIC HEARINGS**

**April 20, 2017 - 10:00 am - Noon** - Room 10 - Re: Federal 2018 Farm Bill: Constituent Input - Senate Committee on Agriculture and House Committee on Agriculture and Forest Products.