

# Senate Calendar

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MONDAY, MAY 01, 2017

SENATE CONVENES AT: 3:00 P.M.

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**ACTION CALENDAR**

**UNFINISHED BUSINESS OF THURSDAY, APRIL 27, 2017**

**House Proposal of Amendment**

**S. 72**

An act relating to requiring telemarketers to provide accurate caller identification information.

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

\* \* \* Telemarketers; Accurate Caller I.D. Information \* \* \*

Sec. 1. 9 V.S.A. chapter 63, subchapter 1 is amended to read:

Subchapter 1. General Provisions

\* \* \*

§ 2464a. PROHIBITED TELEPHONE SOLICITATIONS

(a) Definitions. As used in this section, section 2464b, and section 2464c of this title:

(1) “Customer” means a customer, residing or located in Vermont, of a company providing telecommunications service as defined in 30 V.S.A. § 203(5).

(2) “Caller identification information” means information a caller identification service provides regarding the name and number of the person calling.

(3) “Caller identification service” means a service that allows a subscriber of the service to have the telephone number, and where available, the name of the calling party transmitted contemporaneously with the telephone call and displayed on a device in or connected to the subscriber’s telephone.

(4) “Federal functional regulator” means a federal functional regulator as defined in 15 U.S.C. § 6809(2).

~~(3)~~(5) “Financial institution” means a financial institution as defined in 15 U.S.C. § 6809(3).

~~(4)~~(6) “Tax-exempt organization” means an organization described in Section 501(c) of the Internal Revenue Service Code (26 U.S.C. § 501(c)).

~~(5)~~(7) “Telemarketer” means any telephone solicitor. However, “telemarketer” does not include any telephone solicitor who is otherwise registered or licensed with, or regulated or chartered by, the Secretary of State, the Public Service Board, the Department of Financial Regulation, or the Department of Taxes, or is a financial institution subject to regulations adopted pursuant to 15 U.S.C. § 6804(a) by a federal functional regulator. Telephone solicitors registered with the Department of Taxes to collect Vermont income withholding, sales and use, or meals and rooms tax, but not registered with any other agency listed in this subdivision, shall provide to the Secretary of State an address and agent for the purpose of submitting to the jurisdiction of the Vermont courts in any action brought for violations of this section.

~~(6)~~(8) “Telephone solicitation”:

(A) means the solicitation by telephone of a customer for the purpose of encouraging the customer to contribute to an organization ~~which~~ that is not a tax-exempt organization, or to purchase, lease, or otherwise agree to pay consideration for money, goods, or services; and

(B) does not include:

(i) telephone calls made in response to a request or inquiry by the called customer;

(ii) telephone calls made by or on behalf of a tax-exempt organization, an organization incorporated as a nonprofit organization with the State of Vermont, or an organization in the process of applying for tax-exempt status or nonprofit status;

(iii) telephone calls made by a person not regularly engaged in the activities listed in subdivision (A) of this subdivision ~~(6)~~(8); or

(iv) telephone calls made to a person with whom the telephone solicitor has an established business relationship.

~~(7)~~(9) “Telephone solicitor” means any person placing telephone solicitations, or hiring others, on an hourly, commission, or independent contractor basis, to conduct telephone solicitations.

(b) Prohibition; Caller Identification Information.

(1) No telemarketer shall make a telephone solicitation to a telephone number in Vermont without having first registered in accordance with section 2464b of this title.

(2) No person shall make any telephone call to a telephone number in Vermont ~~which~~ that violates the Federal Trade Commission’s Do Not Call Rule, 16 C.F.R. subdivision 310.4(b)(1)(iii), or the Federal Communication Commission’s Do Not Call Rule, 47 C.F.R. subdivision 64.1200(c)(2) and

subsection (d), as amended from time to time.

(3)(A) A person who places a telephone call to make a telephone solicitation, or to induce a charitable contribution, donation, or gift of money or other thing of value, shall transmit or cause to be transmitted to a caller identification service in use by the recipient of the call:

(i) the caller's telephone number; and

(ii) if made available by the caller's carrier, the caller's name.

(B) Notwithstanding subdivision (A) of this subdivision (3), a caller may substitute for its own name and number the name and the number, which is answered during regular business hours, of the person on whose behalf the caller places the call.

(c) Violation. A violation of this section shall constitute a violation of section 2453 of this title. Each prohibited telephone call shall constitute a separate violation. In considering a civil penalty for violations of subdivision (b)(2) of this section, the court may consider, among other relevant factors, the extent to which a telephone solicitor maintained and complied with procedures designed to ensure compliance with the rules of the Federal Communications Commission and the Federal Trade Commission.

(d) Criminal Penalties. A telemarketer who makes a telephone solicitation in violation of subdivision (b)(1) of this section shall be imprisoned for not more than 18 months or fined not more than \$10,000.00, or both. It shall be an affirmative defense, for a telemarketer with five or fewer employees, that the telemarketer did not know, and did not consciously avoid knowing, that Vermont has a requirement of registration of telemarketers. Each telephone call shall constitute a separate solicitation under this section. This section shall not be construed to limit a person's liability under any other civil or criminal law.

#### § 2464b. REGISTRATION OF TELEMARETERS

(a) Every telemarketer shall register with the Secretary of State, on a form approved by the Secretary. In the case of a telemarketer who hires, whether on an hourly, commission, or independent contractor basis, one or more persons to conduct telephone solicitations, only the person who causes others to conduct telephone solicitations need register. The Secretary of State may adopt rules prescribing the manner in which registration under this section shall be conducted, including a requirement of notice to the Secretary by the telemarketer when the telemarketer ceases to do business in Vermont.

(b) The Secretary of State shall require that each telemarketer designate an agent for the purpose of submitting to the jurisdiction of the Vermont courts in any action brought for violations of section 2464a of this title.

(c) The Secretary of State shall collect the following fees when a document described in this section is delivered to the Office of the Secretary of State for filing:

(1) Registration: \$125.00.

(2) Statement of change of designated agent or designated office, or both: \$25.00, not to exceed \$1,000.00 per filer per calendar year.

#### § 2464c. PRIVATE CAUSE OF ACTION

Any person who receives a telephone call in violation of subsection 2464a(b) of this title may bring an action in Superior Court for damages, injunctive relief, punitive damages in the case of a willful violation, and reasonable costs and attorney's fees. The ~~Court~~ court may issue an award for the person's actual damages or \$500.00 for a first violation, or \$1,000.00 for each subsequent violation, whichever is greater. In considering the amount of punitive damages, the ~~Court~~ court may consider, among other relevant factors, the extent to which a telephone solicitor maintained and complied with procedures designed to ensure compliance with the requirements of sections 2464a and 2464b of this title. This section shall not limit any other claims the person may have under applicable law.

\* \* \*

\* \* \* Data Brokers \* \* \*

#### Sec. 2. DATA BROKERS; RECOMMENDATION

(a) Findings. The General Assembly finds that:

(1) The data broker industry brings benefits to society by:

(A) providing data necessary for the operation of both the public and private sectors;

(B) supporting the critical flow of information for interstate and intrastate commerce; and

(C) aiding in securing and protecting consumer identities.

(2) Despite these benefits, concerns have arisen about the data broker industry, including:

(A) how the data broker industry or persons accessing the industry may directly or indirectly harm vulnerable populations;

(B) the use of the data broker industry by those who harass, stalk, and otherwise harm others;

(C) whether appropriate safeguards are in place to assure that our most sensitive information is not sold to identity thieves, scammers, and other criminals; and

(D) the impact of the data broker industry on the privacy, dignity, and well-being of the people of Vermont.

(b) Recommendation. On or before December 15, 2017, the Commissioner of Financial Regulation and the Attorney General, in consultation with industry and consumer stakeholders, shall submit a recommendation or draft legislation to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs reflecting:

(1) an appropriate definition of the term “data broker”;

(2) whether and, if so, to what extent the data broker industry should be regulated by the Commissioner of Financial Regulation or the Attorney General;

(3) additional consumer protections that data broker legislation should seek to include that are not addressed within the framework of existing federal and State consumer protection laws; and

(4) proposed courses of action that balance the benefits to society that the data broker industry brings with actual and potential harms the industry may pose to consumers.

### Sec. 3. EFFECTIVE DATE

This act shall take effect on passage.

### **Proposal of amendment to House proposal of amendment to S. 72 to be offered by Senator Cummings**

Senator Cummings moves that the Senate concur in the House proposal of amendment with the following proposal of amendment thereto:

By striking out Sec. 2 and the accompanying reader assistance (data brokers) in their entirety and by inserting in lieu thereof a new Sec. 2 and reader assistance to read as follows:

\* \* \* AG Recommendations; Data Brokers; Privacy Rules for Internet Service Providers and Edge Providers \* \* \*

### Sec. 2. ATTORNEY GENERAL; CONSUMER PROTECTION; RECOMMENDATIONS; DATA BROKERS; INTERNET SERVICE PROVIDERS AND EDGE PROVIDERS

(a)(1) Data broker findings. The General Assembly finds that:

(A) The data broker industry brings benefits to society by:

(i) providing data necessary for the operation of both the public and private sectors;



(ii) supporting the critical flow of information for interstate and intrastate commerce; and

(iii) aiding in securing and protecting consumer identities.

(B) Despite these benefits, concerns have arisen about the data broker industry, including:

(i) how the data broker industry or persons accessing the industry may directly or indirectly harm vulnerable populations;

(ii) the use of the data broker industry by those who harass, stalk, and otherwise harm others;

(iii) whether appropriate safeguards are in place to ensure that our most sensitive information is not sold to identity thieves, scammers, and other criminals; and

(iv) the impact of the data broker industry on the privacy, dignity, and well-being of the people of Vermont.

(2) Data broker recommendation. On or before December 15, 2017, the Commissioner of Financial Regulation and the Attorney General, in consultation with industry and consumer stakeholders, shall submit a recommendation or draft legislation to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs reflecting:

(A) an appropriate definition of the term “data broker”;

(B) whether and, if so, to what extent the data broker industry should be regulated by the Commissioner of Financial Regulation or the Attorney General;

(C) additional consumer protections that data broker legislation should seek to include that are not addressed within the framework of existing federal and State consumer protection laws; and

(D) proposed courses of action that balance the benefits to society that the data broker industry brings with actual and potential harms the industry may pose to consumers.

(b)(1) Telecommunications privacy rule recommendation. On or before December 15, 2018, the Attorney General, in consultation with the Commissioner of Public Service, and in consultation with industry and consumer stakeholders, shall submit a recommendation or draft legislation to the Senate Committees on Finance and on Economic Development, Housing and General Affairs and the House Committees on Commerce and Economic Development and on Energy and Technology reflecting whether and to what

extent the State should adopt privacy and data security rules applicable to telecommunications service providers subject to the jurisdiction of the Public Service Board under 30 V.S.A. § 203(5), including

(A) broadband Internet access service providers; and

(B) to the extent permitted by federal law, “edge providers,” which shall include any individual or entity that provides any content, application, or service over the Internet, and any individual or entity that provides a device used for accessing any content, application, or service over the Internet.

(2) In making the recommendation, the Attorney General shall consider the following:

(A) Whether any proposed rules should be modeled after the Federal Communications Commission’s 2016 Privacy Order, WC Docket No. 16-106, FCC 16-148, adopted October 27, 2016 and released November 2, 2016.

(B) Whether any rules should include:

(i) disclosure requirements pertaining to a provider’s privacy policies;

(ii) opt-in or opt-out procedures for obtaining customer approval to use and share sensitive or nonsensitive customer proprietary information, respectively; and

(iii) data security and data breach notification requirements.

(C) Proposed courses of action that balance the benefits to society that the telecommunications industry brings with actual and potential harms the industry may pose to consumers.

(D) Such other factors and considerations the Attorney General deems relevant to making recommendations pursuant to this section.

(3) Working group coordination. The Attorney General in consultation with the Commissioner of Public Service, at their discretion, may consult with or otherwise incorporate this review into the working group process established in subsection (a) of this section.

**UNFINISHED BUSINESS OF FRIDAY, APRIL 28, 2017**

**House Proposal of Amendment**

**S. 10**

An act relating to liability for the contamination of potable water supplies.

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:

\* \* \* Contaminated Potable Water Supplies \* \* \*

Sec. 1. 10 V.S.A. § 6615e is added to read:

§ 6615e. RELIEF FOR CONTAMINATED POTABLE WATER SUPPLIES

(a) Definitions. As used in this section:

(1) “Public water system” means any system or combination of systems owned or controlled by a person that provides drinking water through pipes or other constructed conveyances to the public and that has at least 15 service connections or serves an average of at least 25 individuals daily for at least 60 days out of the year. A “public water system” includes all collection, treatment, storage, and distribution facilities under the control of the water supplier and used primarily in connection with the system, and any collection or pretreatment storage facilities not under the control of the water supplier that are used primarily in connection with the system. “Public water system” shall also mean any part of a system that does not provide drinking water, if use of such a part could affect the quality or quantity of the drinking water supplied by the system. “Public water system” shall also mean a system that bottles drinking water for public distribution and sale.

(2) “Public community water system” means a public water system that serves at least 15 service connections used by year-round residents or regularly serves at least 25 year-round residents.

(b) Extension of public community water system.

(1) The Secretary, after due consideration of cost, may initiate a proceeding under this section to determine whether a person that released perfluorooctanoic acid into the air, groundwater, surface water, or onto the land is liable for the costs of extending the water supply of a public water system to an impacted property. A person who released perfluorooctanoic acid shall be liable for the extension of a municipal water line when:

(A) the property is served by a potable water supply regulated under chapter 64 of this title;

(B) the Secretary has determined that the potable water supply on the property:

(i) is a failed supply under chapter 64 of this title due to perfluorooctanoic acid contamination; or

(ii) is likely to fail due to contamination by perfluorooctanoic acid due to the proximity of the potable water supply to other potable water supplies contaminated by perfluorooctanoic acid or due to other relevant factors; and

(C) the person the Secretary determined released perfluorooctanoic acid into the air, groundwater, surface water, or onto the land is a cause of or contributor to the perfluorooctanoic acid contamination or likely contamination of the potable water supply.

(2) A person liable for the extension of a public water system under this section shall be strictly, jointly, and severally liable for all costs associated with that public water system extension. The remedy under this section is in addition to those provided by existing statutory or common law.

(c) Liability payment.

(1) Following notification of liability by the Secretary, a person liable under subsection (b) of this section for the extension of the water supply of a public water system shall pay the owner of the public water system for the extension of the water supply within 30 days of receipt of a final engineering design or within an alternate time frame ordered by the Secretary.

(2) If the person liable for the extension of the water supply does not pay the owner within the time frame required under subdivision (1) of this subsection, the person shall be liable for interest on the assessed cost of the extension of the water supply.

(d) Available defenses; rights. All defenses to liability and all rights to contribution or indemnification available to a person under section 6615 of this title are available to a person subject to liability under this section.

Sec. 2. APPLICATION OF LIABILITY

(a) 10 V.S.A. § 6615e, enacted under Sec. 1 of this act, shall apply to any determination of liability made by the Secretary of Natural Resources under 10 V.S.A. § 6615e after the effective date of the section.

(b) Notwithstanding any contrary provision of 1 V.S.A. § 214, 10 V.S.A. § 6615e shall apply to any relevant release of perfluorooctanoic acid regardless of the date of the relevant release, including releases that occurred prior to the effective date of 10 V.S.A. § 6615e.

\* \* \* Hazardous Materials \* \* \*

Sec. 3. 10 V.S.A. § 6602(16) is amended to read:

(16)(A) “Hazardous material” means all petroleum and toxic, corrosive, or other chemicals and related sludge included in any of the following:

(i) any substance defined in section 101(14) of the federal Comprehensive Environmental Response, Compensation and Liability Act of 1980;

(ii) petroleum, including crude oil or any fraction thereof; ~~or~~

(iii) hazardous wastes, as determined under subdivision (4) of this section; or

(iv) a chemical or substance that, when released, poses a risk to human health or other living organisms and that is listed by the Secretary by rule.

(B) “Hazardous material” does not include herbicides and pesticides when applied consistent with good practice conducted in conformity with federal, State, and local laws and regulations and according to manufacturer’s instructions. Nothing in this subdivision shall affect the authority granted and the limitations imposed by section 6608a of this title.

Sec. 4. 10 V.S.A. § 6602(12) is amended to read:

(12) “Disposal” means the discharge, deposit, injection, dumping, spilling, leaking, emitting, or placing of any solid waste or hazardous waste into or on any land or water so that such solid waste or hazardous waste or any constituent thereof may enter the environment or be emitted into the air or discharged into any ground or surface waters.

\* \* \* Brownfields \* \* \*

Sec. 5. 10 V.S.A. § 6652(b) is amended to read:

(b) Upon receipt of the completion report, the Secretary shall determine whether additional work is required in order to complete the plan. The applicant shall perform any additional activities necessary to complete the corrective action plan as required by the Secretary and shall submit a new completion report. When the Secretary determines that the applicant has successfully completed the corrective action plan and paid all fees and costs due under this subchapter, the Secretary shall issue a certificate of completion, which certifies that the work is completed. The certificate of completion shall include a description of any land use restrictions and other conditions required by the corrective action plan. The Secretary may establish land use restrictions in the certificate of completion for a property, but the Secretary shall not acquire interests in the property in order to establish a land use restriction.

Sec. 6. 10 V.S.A. § 6653 is amended to read:

§ 6653. RELEASE FROM LIABILITY; PERSONAL RELEASE FROM LIABILITY

(a) An applicant who has obtained a certificate of completion pursuant to section 6652 of this title and successor owners of the property included in the certificate of completion who are not otherwise liable under section 6615 for the release or threatened release of a hazardous material at the property shall not be liable under subdivision 6615(a)(1) of this title for any of the following:

(1) A release or threatened release that existed at the property at the time of the approval of the corrective action plan and complies with one or both of the following:

(A) was discovered after the approval of the corrective action plan by means that were not recognized standard methods at the time of approval of the corrective action plan;

(B) the material was not regulated as hazardous material until after approval of the corrective action plan.

(2) Cleanup after approval of the corrective action plan was done pursuant to more stringent cleanup standards effective after approval of the corrective action plan.

(3) Natural resource damages pursuant to section 6615d of this title, provided that the applicant did not cause the release that resulted in the damages to natural resources.

\* \* \*

(c) A release from liability under this section or forbearance from action provided by section 6646 of this title does not extend to any of the following:

(1) A release or threatened release of a hazardous material that was not present at the time the applicant submitted an application pursuant to this subchapter where the release or threatened release:

(A) has not been addressed under an amended corrective action plan approved by the Secretary; or

(B) was caused by intentional or reckless conduct by the applicant or agents of the applicant.

(2) Failure to comply with the general obligations established in section 6644 of this title.

(3) A release that occurs subsequent to the issuance of a certificate of completion.

(4) Failure to comply with the use restrictions contained within the

certificate of completion for the site issued pursuant to subsection 6652(b) of this title.

\* \* \*

\* \* \* Groundwater Classification \* \* \*

Sec. 7. 10 V.S.A. § 1392(d) is amended to read:

~~(d) The groundwater management strategy, including groundwater classification and associated technical criteria and standards, shall be adopted as a rule in accordance with the provisions of 3 V.S.A., chapter 25. The secretary shall file any final proposed rules regarding the groundwater management strategy, with the natural resources board not less than 30 days prior to filing with the legislative committee on administrative rules. The board shall review the final proposed rules and comment regarding their compatibility with the Vermont water quality standards and the objectives of the Vermont Water Pollution Control Act. The secretary shall include the natural resources board's comments in filing the final proposed rules with the legislative committee on administrative rules.~~

Sec. 8. 10 V.S.A. § 1394(a) is amended to read:

(a) The ~~state~~ State adopts, for purposes of classifying its groundwater, the following classes and definitions thereof:

\* \* \*

(4) Class IV. Not suitable as a source of potable water but suitable for some agricultural, industrial and commercial use, provided that the Secretary may authorize, subject to conditions, use as a source of potable water supply or other use under a reclassification order issued for the aquifer.

\* \* \* Public Trust Lands \* \* \*

Sec. 9. ADDITIONAL AUTHORIZED USE; PUBLIC TRUST LANDS

(a) The General Assembly finds that:

(1) the General Assembly has the authority to authorize public uses of filled public trust lands in the City of Burlington; and

(2) the use of the filled public trust lands in the City of Burlington authorized by this act is consistent with the public trust doctrine.

(b) In addition to the uses authorized by the General Assembly in 1990 Acts and Resolves No. 274, 1991 Acts and Resolves No. 53, 1996 Acts and Resolves No. 87, and 1997 Acts and Resolves No. 22, the filled public trust lands within the City of Burlington that are located north of the centerline of Maple Street extending north to the northern terminus of the Lake Street

extension completed in 2016 and that extend to the waters of Lake Champlain may be utilized for public markets that benefit Vermont's public and that are available to the public on an open and nondiscriminatory basis.

(c) Any use authorized under this act is subject to all applicable requirements of law.

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

Sec. 10. EFFECTIVE DATE

This act shall take effect on passage.

### **House Proposal of Amendment**

#### **S. 52**

An act relating to the Public Service Board and its proceedings.

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:

\* \* \* Preapplication Submittals; Energy Facilities \* \* \*

Sec. 1. 30 V.S.A. § 248(f) is amended to read:

(f) However, plans for the construction of such a facility within the State must be submitted by the petitioner to the municipal and regional planning commissions no less than 45 days prior to application for a certificate of public good under this section, unless the municipal and regional planning commissions shall waive such requirement.

(1) ~~Such~~ The municipal or regional planning commission may take one or more of the following actions:

(A) ~~hold~~ Hold a public hearing on the proposed plans. The planning commission may request that the petitioner or the Department of Public Service, or both, attend the hearing. The petitioner and the Department each shall have an obligation to comply with such a request. The Department shall consider the comments made and information obtained at the hearing in making recommendations to the Board on the application and in determining whether to retain additional personnel under subdivision (1)(B) of this subsection.

(B) Request that the Department of Public Service exercise its authority under section 20 of this title to retain experts and other personnel to review the proposed facility. The Department may commence retention of these personnel once the petitioner has submitted proposed plans under this subsection. The Department may allocate the expenses incurred in retaining these personnel to the petitioner in accordance with section 21 of this title.



Granting a request by a planning commission pursuant to this subdivision shall not oblige the Department or the personnel it retains to agree with the position of the commission.

~~(C) Such commissions shall make~~ Make recommendations, if any, to the Public Service Board and to the petitioner at least seven days prior to filing of the petition with the Public Service Board within 40 days of the petitioner's submittal to the planning commission under this subsection.

(D) Once the petition is filed with the Public Service Board, make recommendations to the Board by the deadline for submitting comments or testimony set forth in the applicable provision of this section, Board rule, or scheduling order issued by the Board.

(2) The petitioner's application shall address the substantive written comments related to the criteria of subsection (b) of this section received by the petitioner within 45 days of the submittal made under this subsection and the substantive oral comments related to those criteria made at a public hearing under subdivision (1) of this subsection.

\* \* \* Facility Siting; Service of Application When Determined Complete;  
Extension of Telecommunications Siting Authority \* \* \*

Sec. 2. 30 V.S.A. § 246 is amended to read:

#### § 246. TEMPORARY SITING OF METEOROLOGICAL STATIONS

(a) As used in this section, a "meteorological station" consists of one temporary tower, which may include guy wires, and attached instrumentation to collect and record wind speed, wind direction, and atmospheric conditions.

(b) The Public Service Board shall establish by rule or order standards and procedures governing application for, and issuance or revocation of, a certificate of public good for the temporary installation of one or more meteorological stations under the provisions of section 248 of this title. A meteorological station shall be deemed to promote the public good of the State if it is in compliance with the criteria of this section and the Board rules or orders. An applicant for a certificate of public good for a meteorological station shall be exempt from the requirements of subsection 202(f) of this title.

(c) In developing rules or orders, the Board:

(1) ~~Shall develop a simple application form and shall require that completed applications be filed~~ the applicant first file the application with the Board, and that, within two business days of notification from the Board that the application is complete, the applicant serve copies of the complete application on the Department of Public Service, the Agency of Natural Resources, the Agency of Transportation, and the municipality in which the

meteorological station is proposed to be located.

(2) Shall require that if no objections are filed within 30 days of the Board's receipt of a complete application date of service of the complete application under subdivision (1) of this subsection, and the Board determines that the applicant has met all of the requirements of section 248 of this title, the certificate of public good shall be issued for a period that the Board finds reasonable, but in no event for more than five years. Upon request of an applicant, the Board may renew a certificate of public good. Upon expiration of the certificate, the meteorological station and all associated structures and material shall be removed, and the site shall be restored substantially to its preconstruction condition.

(3) May waive the requirements of section 248 of this title that are not applicable to meteorological stations, including criteria that are generally applicable to public service companies as defined in this title. The Board shall not waive review regarding whether construction will have an undue adverse effect on aesthetics, historic sites, air and water purity, the natural environment, and the public health and safety.

(4) Shall seek to simplify the application and review process, as appropriate, in conformance with this section.

\* \* \*

Sec. 3. 30 V.S.A. § 248(a)(4) is amended to read:

(4)(A) With respect to a facility located in the State, the Public Service Board shall hold a nontechnical public hearing on each petition for such finding and certificate in at least one county in which any portion of the construction of the facility is proposed to be located. From the comments made at the public hearing, the Board shall derive areas of inquiry that are relevant to the findings to be made under this section and shall address each such area in its decision. Prior to making findings, if the record does not contain evidence on such an area, the Board shall direct the parties to provide evidence on the area. This subdivision does not require the Board to respond to each individual comment.

(B) The Public Service Board shall hold technical hearings at locations which it selects.

(C) ~~At the time of filing its application with the Board, copies shall be given by the petitioner to~~ Within two business days of notification from the Board that the petition is complete, the petitioner shall serve copies of the complete petition on the Attorney General and the Department of Public Service, and, with respect to facilities within the State, the Department of Health, Agency of Natural Resources, Historic Preservation Division, Agency

of Transportation, Agency of Agriculture, Food and Markets, and to the chair or director of the municipal and regional planning commissions and the municipal legislative body for each town and city in which the proposed facility will be located.

(D) Notice of the public hearing shall be published and maintained on the Board's website for at least 12 days before the day appointed for the hearing. Notice of the public hearing shall be published once in a newspaper of general circulation in the county or counties in which the proposed facility will be located, and the notice shall include an Internet address where more information regarding the proposed facility may be viewed.

\* \* \*

Sec. 4. 30 V.S.A. § 248(j)(2) is amended to read:

(2) Any party seeking to proceed under the procedures authorized by this subsection shall file a proposed certificate of public good and proposed findings of fact with its petition. The Within two business days of notification by the Board that the filing is complete, the party shall serve copies of the complete filing on the parties specified in subdivision (a)(4)(C) of this section and the Board shall give written notice of the proposed certificate and its determination that the filing is complete to the those parties specified in subdivision (a)(4)(C) of this section, to any public interest organization that has in writing requested notice of applications to proceed under this subsection, and to any other person found by the Board to have a substantial interest in the matter. Such notice also shall be published on the Board's website within two days of issuing the determination that the filing is complete and shall request comment within ~~28~~ 30 days of the ~~initial publication~~ date of service of the complete filing on the question of whether the petition raises a significant issue with respect to the substantive criteria of this section. If the Board finds that the petition raises a significant issue with respect to the substantive criteria of this section, the Board shall hear evidence on any such issue.

Sec. 5. 30 V.S.A. § 248a is amended to read:

§ 248a. CERTIFICATE OF PUBLIC GOOD FOR COMMUNICATIONS FACILITIES

\* \* \*

(e) Notice. No less than 60 days prior to filing an application for a certificate of public good under this section, the applicant shall serve written notice of an application to be filed with the Board pursuant to this section to the legislative bodies and municipal and regional planning commissions in the communities in which the applicant proposes to construct or install facilities;

the Secretary of Natural Resources; the Secretary of Transportation; the Division for Historic Preservation; the Commissioner of Public Service and its Director for Public Advocacy; the Natural Resources Board if the application concerns a telecommunications facility for which a permit previously has been issued under 10 V.S.A. chapter 151; and the landowners of record of property adjoining the project sites. In addition, at least one copy of each application shall be filed with each of these municipal and regional planning commissions. The notices to the legislative body and planning commission of the municipality shall attach a statement that itemizes the rights and opportunities available to those bodies under subdivisions (c)(2) and (e)(2) of this section and under subsections (m), (n), and (o) of this section and informs them of the guide published under subsection (p) of this section and how to obtain a copy of that guide.

\* \* \*

(i) Sunset of Board authority. Effective on July 1, ~~2017~~ 2020, no new applications for certificates of public good under this section may be considered by the Board.

(j) Telecommunications facilities of limited size and scope.

\* \* \*

(2)(A) Any ~~party~~ person seeking to proceed under the procedures authorized by this subsection shall file a proposed certificate of public good and proposed findings of fact with its application, ~~and provide.~~ Within two business days of notification from the Board that the filing is complete, the applicant shall serve notice and a copy of the application, proposed certificate of public good, and proposed findings of fact ~~to~~ on the Commissioner of Public Service and its Director for Public Advocacy, the Secretary of Natural Resources, the Division for Historic Preservation, the Natural Resources Board if the application concerns a telecommunications facility for which a permit previously has been issued under 10 V.S.A. chapter 151, and each of the legislative bodies and municipal and regional planning commissions in the communities in which the applicant proposes to construct or install facilities. ~~At the same time the applicant files the documents specified in this subdivision with the Board~~ Within two business days of notification from the Board that the filing is complete, the applicant also shall give serve written notice of the proposed certificate ~~to~~ on the landowners of record of property adjoining the project site or sites unless the Board has previously determined on request of the applicant that good cause exists to waive or modify the notice requirement with respect to such landowners. Such notice shall request comment to the Board within ~~21~~ 30 days of the notice date of service on the question of whether the application raises a significant issue with respect to the substantive

criteria of this section. If the Board finds that an application raises a significant issue with respect to the substantive criteria of this section, the Board shall hear evidence on any such issue.

\* \* \*

(C) If the Board accepts a request to consider an application under the procedures of this subsection, then unless the Public Service Board subsequently determines that an application raises a significant issue, the Board shall issue a final determination on an application filed pursuant to this subsection ~~within 45 days of its filing or, if the original filing did not substantially comply with the Public Service Board's rules,~~ within 45 60 days of the date on which the Clerk of the Board notifies the applicant that the filing is complete. If, subsequent to acceptance of an application under this subsection, the Board rules that an application raises a significant issue, it shall issue a final determination on an application filed pursuant to this subsection ~~within 90 days of its filing or, if the original filing did not substantially comply with the Public Service Board's rules,~~ within 90 days of the date on which the Clerk of the Board notifies the applicant that the filing is complete.

\* \* \*

(k) De minimis modifications. An applicant intending to make a de minimis modification of a telecommunications facility shall provide written notice of its intent, including a description of the de minimis modification, its plans for the de minimis modification, and its certification that the project constitutes a de minimis modification under this section, to the following: the landowner of record of the property on which the facility is located; the legislative body of the municipality in which the applicant proposes to undertake such limited modifications to the facility; and the Commissioner of Public Service and his or her Director for Public Advocacy. Unless an objection to the classification of a proposed project as a de minimis modification is filed with the Board within ~~21~~ 30 days of this notice, a certificate of public good shall be issued. Objections may be filed only by persons entitled to notice of this proposed project pursuant to this subsection. If an objection of the classification of the proposed project as a de minimis modification is timely filed with the Board, the Board may determine whether the intended project meets the definition of de minimis modification established in subdivision (b)(2) of this section.

\* \* \*

(o) Retention; experts. The Department of Public Service may retain experts and other personnel as identified in section 20 of this title to provide information essential to a full consideration of an application for a certificate of public good under this section. The Department may allocate the expenses

incurred in retaining these personnel to the applicant in accordance with section 21 of this title. The Department may commence retention of these personnel once the applicant has filed the ~~45-day~~ 60-day notice under subsection (e) of this section. A municipal legislative body or planning commission may request that the Department retain these personnel. Granting such a request shall not oblige the Department or the personnel it retains to agree with the position of the municipality.

\* \* \*

\* \* \* Notice of Petitions for a CPG to Do Business \* \* \*

Sec. 6. 30 V.S.A. § 231 is amended to read:

§ 231. CERTIFICATE OF PUBLIC GOOD; ABANDONMENT OF SERVICE; HEARING

(a) A person, partnership, unincorporated association, or previously incorporated association, ~~which that~~ that desires to own or operate a business over which the Public Service Board has jurisdiction under the provisions of this chapter shall first petition the Board to determine whether the operation of such business will promote the general good of the State, and shall at that time file a copy of any such petition with the Department. The Department, within 12 days, shall review the petition and file a recommendation regarding the petition in the same manner as is set forth in subsection 225(b) of this title. Such recommendation shall set forth reasons why the petition shall be accepted without hearing or shall request that a hearing on the petition be scheduled. If the Department requests a hearing on the petition, or, if the Board deems a hearing necessary, it shall appoint a time and place in the county where the proposed corporation is to have its principal office for hearing the petition, ~~and shall make an order for the publication of the substance thereof and the time and place of hearing two weeks successively in a newspaper of general circulation in the county to be served by the petitioner, the last publication to be at least seven days before the day appointed for the hearing. At least 12 days before this hearing, notice of the hearing shall be published on the Board's website and once in a newspaper of general circulation in the county in which the hearing will occur. The website notice shall be maintained through the date of the hearing. The newspaper notice shall include an Internet address where more information regarding the petition may be viewed.~~ The Director for Public Advocacy shall represent the public at such the hearing. If the Board finds that the operation of such business will promote the general good of the State, it shall give such person, partnership, unincorporated association, or previously incorporated association a certificate of public good specifying the business and territory to be served by such petitioners. For good cause, after opportunity for hearing, the Board may

amend or revoke any certificate awarded under the provisions of this section. If any such certificate is revoked, the person, partnership, unincorporated association, or previously incorporated association shall no longer have authority to conduct any business which is subject to the jurisdiction of the Board whether or not regulation thereunder has been reduced or suspended, under section 226a or 227a of this title.

\* \* \*

\* \* \* Enforcement \* \* \*

Sec. 7. 30 V.S.A. § 2 is amended to read:

§ 2. DEPARTMENT POWERS

\* \* \*

(h) The Department shall investigate when it receives a complaint that there has been noncompliance with section 246, 248, 248a, or 8010 of this title, any rule adopted pursuant to those sections, or any certificate of public good issued pursuant to those sections, including a complaint of such noncompliance received pursuant to section 208 of this title or the complaint protocol established under 2016 Acts and Resolves No. 130, Sec. 5c.

Sec. 8. 30 V.S.A. § 30 is amended to read:

§ 30. PENALTIES; AFFIDAVIT OF COMPLIANCE

\* \* \*

(h) In accordance with the process set forth in this subsection, the Department may issue an administrative citation to a person the Department believes after investigation violated section 246, 248, 248a, or 8010 of this title, any rule adopted pursuant to those sections, or any certificate of public good issued pursuant to those sections.

(1) An administrative citation, whether draft or final, shall:

(A) state each provision of statute and rule and each condition of a certificate of public good alleged to have been violated;

(B) include a concise statement of the facts giving rise to the alleged violation and the evidence supporting the existence of those facts;

(C) request that the person take the remedial action specified in the notice or pay a civil penalty of not more than \$5,000.00 for the violation, or both; and

(D) if remedial action is requested, state the reasons for seeking the action.

(2) The Department shall initiate the process by issuing a draft

administrative citation to the person and sending a copy to each municipality in which the person's facility is located, each adjoining property owner to the facility, the complainant if any, and, for alleged violations of the facility's certificate of public good, each party to the proceeding in which the certificate was issued.

(A) At the time the draft citation is issued, the Department shall file a copy with the Board and post the draft citation on its website.

(B) Commencing with the date of issuance, the Department shall provide an opportunity of 30 days for public comment on the draft citation. The Department shall include information on this opportunity in the draft citation.

(C) Once the public comment period closes, the Department:

(i) Shall provide the person and the Board with a copy of each comment received.

(ii) Within 15 days of the close of the comment period, may file a revised draft citation with the Board. The revised draft citation may be accompanied by a stipulation or agreed settlement between the person and the Department with a request for Board approval.

(D) The Board may on its own initiative open a proceeding to investigate the violation alleged in the draft citation. The Board shall take any such action within 25 days of the close of the public comment period, or the filing of a revised draft citation, whichever is later. Such a Board proceeding shall supersede the draft citation.

(3) If the Board has not opened a proceeding pursuant to subdivision (2)(D) of this subsection, the Department may issue a final administrative citation to the person. Within 30 days of receipt of a final administrative citation, the person shall respond in one of the following ways:

(A) Request a hearing before the Board on the existence of the alleged violation, the proposed penalty, and the proposed remedial action.

(B) Pay any civil penalty set forth in the notice and agree to undertake such remedial action as is set forth in the notice and submit to the Department for its approval a plan for compliance. In such a case, the final administrative citation shall be enforceable in the same manner as an order of the Board.

(C) Decline to contest the existence of the alleged violation and request a hearing on either the proposed penalty or remedial action, or both. When exercising this option, a person may agree to either the proposed penalty or remedial action and seek a hearing only on the penalty or action with which the person disagrees.



(4) When a person requests a hearing under subdivision (3) of this subsection, the Board shall open a proceeding and conduct a hearing in accordance with the provisions of this section on the alleged violation and such remedial action and penalty as are set forth in the notice. Notwithstanding any contrary provision of this section, a penalty under this subdivision (4) shall not exceed \$5,000.00.

(5) If a person pays the civil penalty set forth in a final administrative citation, then the Department shall be precluded from seeking and the Board from imposing additional civil penalties for the same alleged violation unless the violation is continuing or is repeated.

(6) If a person agrees to undertake the remedial action set forth in a final administrative citation, failure to undertake the action or comply with a compliance plan approved by the Department shall constitute a separate violation.

(7) The Board may approve disposition of a final administrative citation by stipulation or agreed settlement submitted before entry of a final order.

(8) Penalties assessed under this subsection shall be deposited in the General Fund.

\* \* \* Name Change to Public Utility Commission \* \* \*

Sec. 9. 30 V.S.A. § 3 is amended to read:

§ 3. PUBLIC SERVICE BOARD UTILITY COMMISSION

(a) The Vermont Public Service Board Utility Commission shall consist of a Chair and two members. The Chair and each member shall not be required to be admitted to the practice of law in this State.

(b) The Chair shall be nominated, appointed, and confirmed in the manner of a Superior judge.

(c) Members of the Board Commission other than the Chair shall be appointed in accordance with this subsection. Whenever a vacancy occurs, public announcement of the vacancy shall be made. The Governor shall submit at least five names of potential nominees to the Judicial Nominating Board for review. The Judicial Nominating Board shall review the candidates in respect to judicial criteria and standards only and shall recommend to the Governor those candidates the Board considers qualified. The Governor shall make the appointment from the list of qualified candidates. The appointment shall be subject to the consent of the Senate.

(d) The term of each member shall be six years. Any appointment to fill a vacancy shall be for the unexpired portion of the term vacated. A member wishing to succeed himself or herself in office may seek reappointment under the terms of this section.

(e) Notwithstanding 3 V.S.A. § 2004, or any other provision of law, members of the Board Commission may be removed only for cause. When a Board Commission member who hears all or a substantial part of a case retires from office before such case is completed, he or she shall remain a member of the Board Commission for the purpose of concluding and deciding such case, and signing the findings, orders, decrees, and judgments therein. A retiring Chair shall also remain a member for the purpose of certifying questions of law if appeal is taken. For such service, he or she shall receive a reasonable compensation to be fixed by the remaining members of the Board Commission and necessary expenses while on official business.

(f) A case shall be deemed completed when the Board Commission enters a final order therein even though such order is appealed to the Supreme Court and the case remanded by that court to the Board Commission. Upon remand the Board Commission then in office may in its discretion consider relevant evidence including any part of the transcript of testimony in the proceedings prior to appeal.

(g) The Chair shall have general charge of the offices and employees of the Board Commission.

Sec. 10. 30 V.S.A. § 7001(1) is amended to read:

(1) ~~“Board”~~ “Commission” means the Public Service ~~Board~~ Utility Commission under section 3 of this title.

Sec. 11. 30 V.S.A. § 8002(1) is amended to read:

(1) ~~“Board”~~ “Commission” means the Public Service ~~Board~~ Utility Commission under section 3 of this title, except when used to refer to the Clean Energy Development Board.

Sec. 12. REVISION AUTHORITY

When preparing the Vermont Statutes Annotated for publication, the Office of Legislative Council shall make the following revisions throughout the statutes as needed for consistency with Secs. 9–11 of this act, as long as the revisions have no other effect on the meaning of the affected statutes:

(1) replace “Public Service Board” with “Public Utility Commission”; and

(2) replace “Board” with “Commission” when the existing term “Board” refers to the Public Service Board.

Sec. 13. RULES; NAME CHANGE

(a) The rules of the Public Service Board in effect on July 1, 2017 shall become rules of the Vermont Public Utility Commission (the Commission).

(b) In those rules, the Commission is authorized to change all references to the Public Service Board so that they refer to the Commission. Unless accompanied by one or more other revisions to the rules, such a change need not be made through the rulemaking process under the Administrative Procedure Act.

\* \* \* In-person Citizens' Access to Public Service Board Hearings \* \* \*

Sec. 13a. 30 V.S.A. § 11 is amended to read:

§ 11. PLEADINGS; RULES OF PRACTICE; HEARINGS; FINDINGS OF FACT

\* \* \*

(b) The Board shall allow all members of the public to attend each of its hearings unless the hearing is for the sole purpose of considering information to be treated as confidential pursuant to a protective order duly adopted by the Board.

(1) The Board shall make all reasonable efforts to ensure that the location of each hearing is sufficient to accommodate all members of the public seeking to attend.

(2) The Board shall ensure that the public may safely attend the hearing, including obtaining such resources as may be necessary to fulfill this obligation.

(c) The Board shall hear all matters within its jurisdiction, and make its findings of fact. It shall state its rulings of law when they are excepted to. Upon appeal to the Supreme Court, its findings of fact shall be accepted unless clearly erroneous.

\* \* \* Remote Location Access by Citizens to PSB Hearings \* \* \*

Sec. 14. PLAN; CITIZENS' ACCESS TO PSB HEARINGS FROM REMOTE LOCATIONS

(a) On or before December 15, 2017, the Division for Telecommunications and Connectivity within the Department of Public Service, in consultation with relevant organizations such as the Vermont Access Network and Vermont access management organizations, shall submit to the House Committee on Energy and Technology and the Senate Committees on Finance and on Natural Resources and Energy a plan to achieve citizen access to hearings and workshops of the Public Service Board from remote locations across the State. The access shall include interactive capability and the ability to use multiple remote locations simultaneously. The plan may build on the Department's Vermont Video Connect proposal described in the Report to the General Assembly by the Vermont Interactive Technologies Working Group dated Dec.

9, 2015, submitted pursuant to 2015 Acts and Resolves No. 58, Sec. E.602.1.

(b) The plan shall include each of the following:

- (1) assessment of cost-effective interactive video technologies;
- (2) identification of at least five locations across Vermont that are willing and able to host the access described in subsection (a) of this section;
- (3) the estimated capital costs of providing such access; and
- (4) the estimated operating costs for hosting and connecting.

\* \* \* Citizen Access to Public Service Board; Implementation Report \* \* \*

Sec. 15. REPORT; IMPLEMENTATION OF WORKING GROUP  
RECOMMENDATIONS

On or before December 15, 2017, the Public Service Board shall submit to the House Committee on Energy and Technology and the Senate Committees on Finance and on Natural Resources and Energy a report on the progress made in implementing the recommendations of the Access to Public Service Board Working Group created by 2016 Acts and Resolves No. 174, Sec. 15, including those recommendations that the Group identified as not requiring statutory change.

\* \* \* Appliance Efficiency \* \* \*

Sec. 16. PURPOSE

In light of the findings set forth at 9 V.S.A. § 2792, Secs. 17 through 21 of this act adopt federal appliance and lighting efficiency standards in effect on January 19, 2017 so that the same standards will be in place in Vermont should the federal standards be repealed or voided. The act also adopts federal standards for general service lighting that have been adopted by the U.S. Department of Energy and are scheduled to come into effect on January 20, 2020, again so that the same standards will be in place in Vermont. The act does not adopt standards for other products or standards for a product that are different from the federal standards.

Sec. 17. 9 V.S.A. § 2793 is amended to read:

§ 2793. DEFINITIONS

As used in this chapter:

\* \* \*

(15) “General service lamp” has the same meaning as set forth in the action published at 82 Fed. Reg. 7276, 7321-22 (January 19, 2017) and modified by the action published at 82 Fed. Reg. 7322, 7333 (January 19, 2017).

Sec. 18. 9 V.S.A. § 2794 is amended to read:

§ 2794. SCOPE

(a) The provisions of this chapter apply to the following types of new products sold, offered for sale, or installed in the State:

- (1) Medium voltage dry-type distribution transformers.
- (2) Metal halide lamp fixtures.
- (3) Residential furnaces and residential boilers.
- (4) Single-voltage external AC to DC power supplies.
- (5) State-regulated incandescent reflector lamps.
- (6) General service lamps.

(7) Each other product for which the Commissioner is required to adopt an efficiency or water conservation standard by rule pursuant to section 2795 of this title.

(8) Any other product that may be designated by the Commissioner in accordance with section 2797 of this title.

(b) The provisions of this chapter do not apply to:

(1) New products manufactured in the State and sold outside the State and the equipment used in manufacturing those products.

(2) New products manufactured outside the State and sold at wholesale inside the State for final retail sale and installation outside the State.

(3) Products installed in mobile manufactured homes at the time of construction.

(4) Products designed expressly for installation and use in recreational vehicles.

Sec. 19. 9 V.S.A. § 2795 is amended to read:

§ 2795. EFFICIENCY AND WATER CONSERVATION STANDARDS

~~Not later than June 1, 2007, the~~ The Commissioner shall adopt rules in accordance with the provisions of 3 V.S.A. chapter 25 establishing minimum efficiency standards for the types of new products set forth in section 2794 of this title. The rules shall provide for the following minimum efficiency standards for products sold or installed in this State:

\* \* \*

(6) In the rules, the Commissioner shall adopt minimum efficiency and water conservation standards for each product that is subject to a standard

under 10 C.F.R. §§ 430 and 431 as those provisions existed on January 19, 2017. The minimum standard and the testing protocol for each product shall be the same as adopted in those sections of the Code of Federal Regulations.

(7) In the rules, the Commissioner shall adopt a minimum efficacy standard for general service lamps of 45 lumens per watt, when tested in accordance with 10 C.F.R. § 430.23(gg) as that provision existed on January 19, 2017.

Sec. 20. 9 V.S.A. § 2796 is amended to read:

§ 2796. IMPLEMENTATION

\* \* \*

(f)(1) When federal preemption under 42 U.S.C. § 6297 applies to a standard adopted pursuant to this chapter for a product, the standard shall become enforceable on the occurrence of the earliest of the following:

(A) The federal energy or water conservation standard for the product under 42 U.S.C. chapter 77 is withdrawn, repealed, or otherwise voided. However, this subdivision (A) shall not apply to any federal energy or water conservation standard set aside by a court of competent jurisdiction upon the petition of a person who will be adversely affected, as provided in 42 U.S.C. § 6306(b).

(B) A waiver of federal preemption is issued pursuant to 42 U.S.C. § 6297.

(2) The federal standard for general service lamps shall be considered to be withdrawn, repealed, or otherwise voided within the meaning of this subsection if it does not come into effect on January 20, 2020 pursuant to the actions published at 82 Fed. Reg. 7276 and 7333 (January 19, 2017).

(3) When a standard adopted pursuant to this chapter becomes enforceable under this subsection, a person shall not sell or offer for sale in the State a new product subject to the standard unless the efficiency or water conservation of the new product meets or exceeds the requirements set forth in the standard.

Sec. 21. RULE ADOPTION; SCHEDULE; REPORT

(a) Rule adoption; schedule.

(1) On or before August 1, 2017, the Commissioner of Public Service shall file with the Secretary of State proposed rules to effect Sec. 19 of this act.

(2) On or before April 1, 2018, the Commissioner shall finally adopt these rules, unless the Legislative Committee on Administrative Rules extends this date pursuant to 3 V.S.A. § 843(c).

(b) Reports.

(1) On or before December 15, 2017, the Commissioner of Public Service shall file a progress report on the rulemaking required by this act. The report shall attach the proposed rules as filed with the Secretary of State.

(2) On or before December 15, 2018, the Commissioner of Public Service shall file a further progress report on the rulemaking required by this act. The report shall attach the rules as finally adopted by the Commissioner.

\* \* \* Energy Storage \* \* \*

Sec. 22. ENERGY STORAGE; REPORT

(a) Definitions. As used in this section, “energy storage” means a system that uses mechanical, chemical, or thermal processes to store energy for later use.

(b) Report. On or before November 15, 2017, the Commissioner of Public Service shall submit a report on the issue of deploying energy storage on the Vermont electric transmission and distribution system.

(1) The Commissioner shall submit the report to the House Committee on Energy and Technology and the Senate Committees on Finance and on Natural Resources and Energy.

(2) The Commissioner shall provide an opportunity for the public and Vermont electric transmission and distribution companies to submit information relevant to the preparation of the report.

(3) The report shall:

(A) summarize existing state, regional, and national actions or initiatives affecting deployment of energy storage;

(B) identify and summarize federal and state jurisdictional issues regarding deployment of energy storage;

(C) identify the opportunities for, the benefits of, and the barriers to deploying energy storage;

(D) identify and evaluate regulatory options and structures available to foster energy storage, including potential cost impacts to ratepayers; and

(E) assess the potential methods for fostering the development of cost-effective solutions for energy storage in Vermont and the potential benefits and cost impacts of each method for ratepayers.

(4) The report shall identify the challenges and opportunities for fostering energy storage in Vermont.

Sec. 23. 30 V.S.A. § 8015 is amended to read:

§ 8015. VERMONT CLEAN ENERGY DEVELOPMENT FUND

\* \* \*

(b) Definitions. ~~For purposes of~~ As used in this section, the following definitions shall apply:

\* \* \*

(6) “Energy storage” means a system that uses mechanical, chemical, or thermal processes to store energy for later use.

\* \* \*

(d) Expenditures authorized.

(1) Projects for funding may include the following:

(A) projects that will sell power in commercial quantities;

(B) among those projects that will sell power in commercial quantities, funding priority will be given to those projects that commit to sell power to Vermont utilities on favorable terms;

(C) projects to benefit publicly owned or leased buildings;

(D) renewable energy projects on farms, which may include any or all costs incurred to upgrade to a three-phase line to serve a system on a farm;

(E) ~~small-scale~~ small-scale renewable energy in Vermont residences, institutions, and businesses:

(i) generally; and

(ii) through the Small-scale Renewable Energy Incentive Program;

(F) projects under the agricultural economic development special account established under 6 V.S.A. § 4710(g) to harvest biomass, convert biomass to energy, or produce biofuel;

(G) until December 31, 2008 only, super-efficient buildings;

(H) projects to develop and use thermal or geothermal energy, regardless of whether they also involve the generation of electricity;

(I) emerging energy-efficient technologies;

(J) effective projects that are not likely to be established in the absence of funding under the program;

(K) natural gas vehicles and associated fueling infrastructure if each such vehicle is dedicated only to natural gas fuel and, on a life cycle basis, the vehicle's emissions will be lower than those of commercially available



vehicles using other fossil fuel, and any such infrastructure will deliver gas without interruption of flow;

(L) electric vehicles and associated charging stations;

(M) energy storage projects that facilitate utilization of renewable energy resources.

\* \* \*

\* \* \* Telecommunications Plan \* \* \*

Sec. 24. 30 V.S.A. § 202d is amended to read:

§ 202d. TELECOMMUNICATIONS PLAN

(a) The Department of Public Service shall constitute the responsible planning agency of the State for the purpose of obtaining for all consumers in the State stable and predictable rates and a technologically advanced telecommunications network serving all service areas in the State. The Department shall be responsible for the provision of plans for meeting emerging trends related to telecommunications technology, markets, financing, and competition.

(b) The Department shall prepare a Telecommunications Plan for the State. The Department of Innovation and Information, the Agency of Commerce and Community Development, and the Agency of Transportation shall assist the Department in preparing the Plan. The Plan shall be for a 10-year period and shall serve as a basis for State telecommunications policy. Prior to preparing the Plan, the Department shall prepare:

(1) ~~an~~ An overview, looking 10 years ahead, of future requirements for telecommunications services, considering services needed for economic development, technological advances, and other trends and factors which, as determined by the Department of Public Service, will significantly affect State telecommunications policy and programs;

(2) ~~a survey~~ One or more surveys of Vermont residents and businesses, conducted in cooperation with the Agency of Commerce and Community Development to determine what telecommunications services are needed now and in the succeeding ~~ten~~ 10 years, generally, and with respect to the following specific sectors in Vermont;

(A) the educational sector, with input from the Secretary of Education;

(B) the health care and human services sectors, with input from the Commissioner of Health and the Secretary of Human Services;

(C) the public safety sector, with input from the Commissioner of

Public Safety and the Executive Director of the Enhanced 911 Board; and

(D) the workforce training and development sectors, with input from the Commissioner of Labor.

(3) ~~an~~ An assessment of the current state of telecommunications infrastructure;

(4) ~~an~~ An assessment, conducted in cooperation with the Department of Innovation and Information and the Agency of Transportation, of the current State telecommunications system and evaluation of alternative proposals for upgrading the system to provide the best available and affordable technology for use by government; ~~and.~~

(5) ~~an~~ An assessment of the state of telecommunications networks and services in Vermont relative to other states, including price comparisons for key services and comparisons of the state of technology deployment.

(c) In developing the Plan, the Department shall take into account the State telecommunications policies and goals of section 202c of this title.

(d) In establishing plans, public hearings shall be held and the Department shall consult with members of the public, representatives of telecommunications utilities with a certificate of public good, other providers, including the Vermont Electric Power Co., Inc. (VELCO), and other interested State agencies, particularly the Agency of Commerce and Community Development, the Agency of Transportation, and the Department of Innovation and Information, whose views shall be considered in preparation of the Plan. To the extent necessary, the Department shall include in the Plan surveys to determine existing, needed, and desirable plant improvements and extensions, access and coordination between telecommunications providers, methods of operations, and any change that will produce better service or reduce costs. To this end, the Department may require the submission of data by each company subject to supervision by the Public Service Board.

(e) Before adopting a Plan, the Department shall conduct public hearings on a final draft and shall consider the testimony presented at such hearings in preparing the final Plan. At least one hearing shall be held jointly with Committees of the General Assembly designated by the General Assembly for this purpose. The Plan shall be adopted by September 1, 2014, and then reviewed and updated as provided in subsection (f) of this section.

(f) The Department, from time to time, but in no event less than every three years, shall institute proceedings to review the Plan and make revisions, where necessary. The three-year major review shall be made according to the procedures established in this section for initial adoption of the Plan. For good cause or upon request by a joint resolution passed by the General Assembly, an

interim review and revision of any section of the Plan may be made after conducting public hearings on the interim revision. At least one hearing shall be held jointly with Committees of the General Assembly designated by the General Assembly for this purpose.

(g) The Department shall review and update the minimum technical service characteristic objectives not less than every three years beginning in 2017. In the event such review is conducted separately from an update of the Plan, the Department shall issue revised minimum technical service characteristic objectives as an amendment to the Plan.

\* \* \* Standard Offer Program; Exemption \* \* \*

#### Sec. 25. STANDARD OFFER PROGRAM; EXEMPTION; REPORT

(a) On or before December 15, 2018, the Public Service Board (Board) shall submit a written report providing its recommendations related to the exemption set forth at 30 V.S.A. § 8005a(k)(2)(B) and any issues arising from that exemption, including the effect of the exemption on the State's achievement of the renewable energy goals set forth in 30 V.S.A. § 8001. In developing its recommendations under this section, the Board shall conduct a proceeding to solicit input from potentially affected parties and the public.

(b) Notwithstanding any contrary provision of the exemption at 30 V.S.A. § 8005a(k)(2)(B), a retail electricity provider shall not qualify to be exempt under subdivision 8005a(k)(2)(B) during calendar year 2018 or calendar year 2019 unless that provider previously qualified for an exemption under that subdivision.

(c) In this section, "retail electricity provider" has the same meaning as in 30 V.S.A. § 8002.

\* \* \* Open Meeting Law; Public Service Board \* \* \*

#### Sec. 25a. REPORT; OPEN MEETING LAW; PUBLIC SERVICE BOARD

(a) On or before December 15, 2017, the Attorney General shall submit a report on the exemption of the Public Service Board from the Vermont Open Meeting Law, 1 V.S.A. § 312(e). The report shall evaluate whether the Board should continue to have a complete exemption from the Open Meeting Law or whether its exemption should be limited, as with other administrative boards, to the Board's deliberations in connection with quasi-judicial proceedings. The report shall set out the reasons favoring and disfavoring each of these outcomes and provide the Attorney's General recommendation.

(b) The report described in subsection (a) shall be submitted to the House and Senate Committees on Government Operations, the House Committee on Energy and Technology, and the Senate Committees on Finance and on Natural Resources and Energy.

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

Sec. 26. EFFECTIVE DATES

This section and Secs. 14 through 25a shall take effect on passage. The remainder of 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 the Public Service Board, energy, and telecommunications.

**NEW BUSINESS**

**Third Reading**

**H. 327.**

An act relating to the charter of the Northeast Kingdom Solid Waste Management District.

**H. 356.**

An act relating to approval of amendments to the charter of the Town of Berlin.

**H. 506.**

An act relating to professions and occupations regulated by the Office of Professional Regulation.

**H. 512.**

An act relating to the procedure for conducting recounts.

**H. 520.**

An act relating to approval of amendments to the charter of the Town of Stowe.

**Second Reading**

**Favorable**

**H. 130.**

An act relating to approval of amendments to the charter of the Town of Hartford.

**Reported favorably by Senator Clarkson for the Committee on Government Operations.**

(Committee vote: 5-0-0)

(No House amendments.)

**H. 510.**

An act relating to the cost share for State agricultural water quality financial assistance grants.

**Reported favorably by Senator Branagan for the Committee on Agriculture.**

(Committee vote: 5-0-0)

(No House amendments.)

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

(Committee vote: 6-0-1)

**H. 524.**

An act relating to approval of amendments to the charter of the Town of Hartford.

**Reported favorably by Senator Clarkson for the Committee on Government Operations.**

(Committee vote: 5-0-0)

(No House amendments.)

**H. 527.**

An act relating to approval of amendments to the charter of the Town of East Montpelier and to the merger of the Town and the East Montpelier Fire District No. 1.

**Reported favorably by Senator Ayer for the Committee on Government Operations.**

(Committee vote: 5-0-0)

(For House amendments, see House Journal of April 25, 2017, page 810.)

**H. 536.**

An act relating to approval of amendments to the charter of the Town of Colchester.

**Reported favorably by Senator Ayer for the Committee on Government Operations.**

(Committee vote: 5-0-0)

(No House amendments.)

## Favorable with Proposal of Amendment

### H. 22.

An act relating to the professional regulation of law enforcement officers by the Vermont Criminal Justice Training Council.

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

The Committee recommends that the Senate propose to the House to amend the bill as follows:

First: In Sec. 1, 20 V.S.A. chapter 151 (Vermont Criminal Justice Training Council), by striking out section 2355 (Council powers and duties) in its entirety and inserting in lieu thereof the following:

#### § 2355. COUNCIL POWERS AND DUTIES

(a) The Council shall adopt rules with respect to:

\* \* \*

(10) a definition of criminal justice personnel and criminal justice training for purposes of this title; and

~~(11) decertification of persons who have been convicted of a felony subsequent to their certification as law enforcement officers; [Repealed.]~~

~~(12) decertification of persons who have not complied with in-service training requirements, provided that the Council, through permitting its Executive Director, may to grant up to a 60-day waiver to a law enforcement officer who has failed to meet his or her annual in-service training requirements but who is able to complete those training requirements within that 60-day period the time period permitted by the Executive Director.~~

(b) The Council shall conduct and administer training schools and offer courses of instruction for law enforcement officers and other criminal justice personnel. The Council may also offer the basic officer's course for pre-service students and educational outreach courses for the public, including firearms safety and use of force.

\* \* \*

(f) The Council shall charge participants or employers of participants in law enforcement training programs as follows:

\* \* \*

(2) The tuition fees for training not required under section 2358 of this chapter shall be set to reflect the actual costs for operation of the particular programs offered, with an additional \$30.00 entrance exam fee assessed on all

training, except educational outreach courses for the public.

\* \* \*

Second: In Sec. 1, 20 V.S.A. chapter 151 (Vermont Criminal Justice Training Council), in section 2401 (definitions), in subdivision (2) (“Category B conduct”), after the following: “amounting to actions on duty or under color of authority, or both, that involve” by inserting the following: willful failure to comply with a State-required policy or

Third: In Sec. 1, 20 V.S.A. chapter 151 (Vermont Criminal Justice Training Council), by striking out section 2406 (permitted Council sanctions) in its entirety and inserting in lieu thereof the following:

§ 2406. PERMITTED COUNCIL SANCTIONS

(a) Generally. The Council may impose any of the following sanctions on a law enforcement officer’s certification upon its finding that a law enforcement officer committed unprofessional conduct:

(1) written warning;

(2) suspension, but to run concurrently with the length and time of any suspension imposed by a law enforcement agency with an effective internal affairs program, which shall amount to suspension for time already served if an officer has already served a suspension imposed by his or her agency with such a program;

(3) revocation, with the option of recertification at the discretion of the Council; or

(4) permanent revocation.

(b) Intended revocation; temporary voluntary surrender.

(1)(A) If, after an evidentiary hearing, the Council intends to revoke a law enforcement officer’s certification due to its finding that the officer committed unprofessional conduct, the Council shall issue a decision to that effect.

(B) Within 10 business days from the date of that decision, such an officer may voluntarily surrender his or her certification if there is a pending labor proceeding related to the Council’s unprofessional conduct findings.

(C) A voluntary surrender of an officer’s certification shall remain in effect until the labor proceeding and all appeals are finally adjudicated or until the officer requests a final sanction hearing, whichever occurs first, and thereafter until the Council’s final sanction hearing on the matter. At that hearing, the Council may modify its findings and decision on the basis of additional evidence.

(2) If an officer fails to voluntarily surrender his or her certification in accordance with subdivision (1) of this subsection, the Council’s original findings and decision shall take effect.

Fourth: In Sec. 2 (transitional provisions to implement this act), by adding a new subsection to be letter subsection (g) to read as follows:

(g) Council, OPR; joint report. On or before October 1, 2017, the Executive Director of the Vermont Criminal Justice Training Council and the Director of the Office of Professional Regulation (Office) shall consult with law enforcement stakeholders and report to the Senate and House Committees on Government Operations on a proposal for the Office to perform duties related to the professional regulation of law enforcement officers.

Fifth: In Sec. 2 (transitional provisions to implement this act), in subsection (a) (effective internal affairs programs), in subdivision (1) (law enforcement agencies), following the words “On or before” by striking out the following: “January 1, 2018” and inserting in lieu thereof the following: July 1, 2018

Sixth: In Sec. 2 (transitional provisions to implement this act), in subsection (a) (effective internal affairs programs), in subdivision (2) (Vermont Criminal Justice Training Council), following the words “On or before” by striking out the following: “October 1, 2017” and inserting in lieu thereof the following: April 1, 2018

Seventh: In Sec. 2 (transitional provisions to implement this act), in subsection (f) (annual report of Executive Director), following “Annually, on or before January 15, beginning in the year” by striking out the following: “2018 and ending in the year 2021” and inserting in lieu thereof the following: 2019 and ending in the year 2022

Eighth: By striking out in Sec. 6 (effective dates) its entirety and inserting in lieu thereof after the reader assistance the following:

#### Sec. 6. EFFECTIVE DATES

This act shall take effect on July 1, 2018, except:

(1) this section and Sec. 2 (transitional provisions to implement this act) shall take effect on passage; and

(2) the following shall take effect on July 1, 2017:

(A) in Sec. 1, 20 V.S.A. chapter 151 (Vermont Criminal Justice Training Council):

(i) § 2351 (creation and purpose of Council);

(ii) § 2351a (definitions);



- (iii) § 2352 (Council membership);  
(iv) § 2354 (Council meetings);  
(v) § 2355 (Council powers and duties), except that subsection (a) shall take effect on July 1, 2018;  
(vi) § 2358 (minimum training standards; definitions); and  
(vii) § 2362a (potential hiring agency; duty to contact former agency);  
(B) Sec. 3, 20 V.S.A. § 1812 (definitions); and  
(C) Sec. 4, 20 V.S.A. § 1922 (creation of State Police Advisory Commission; members; duties).

(Committee vote: 5-0-0)

(For House amendments, see House Journal for March 21, 2017, page 456 and March 22, 2017, page 476.)

#### **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 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~~

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 ~~through the Commissioner of Buildings and General Services~~ 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 ~~license~~ 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.
- (12)(10) For an industrial alcohol ~~distributors~~ distributor's license, \$220.00.
- (13)(11) For a special events permit, \$35.00.
- (14)(12) For a festival permit, \$125.00.
- (15)(13) For a ~~wine~~ an alcoholic beverages tasting permit, \$25.00.
- (16)(14) For an educational sampling event permit, \$250.00.
- (17)(15) For an outside consumption permit, \$20.00.
- (18)(16) For a certificate of approval:
  - (A) For malt beverages, \$2,485.00.
  - (B) For vinous beverages, \$985.00.
- (19)(17) For a solicitor's license, \$70.00.
- (20)(18) For a vinous beverages storage license, \$235.00.
- (21)(19) For a promotional railroad tasting permit ~~for a railroad~~, \$20.00.
- (22)(20) For an ~~art gallery or bookstore~~ special venue serving permit, \$20.00.
- (23)(21) For a fortified wine permit, \$100.00.

~~(24)~~ For a public library or museum permit, \$20.00.

~~(25)~~(22) For a retail delivery permit, \$100.00.

~~(26)~~(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~~ 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~~ 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~~ 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~~ 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 231 204 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.~~

~~(e)(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~~ 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 was~~ 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 was~~ 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~~ 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~~ 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~~ a judge of a ~~criminal division~~ 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~~ 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 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-~~contracted 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~~ 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 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~~ 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~~ 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 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~~ a wholesale dealer shall be primarily responsible or in which ~~any a~~ 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:

§ ~~710~~ 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

~~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 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 or 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~~ 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 ~~4~~ 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~~ 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~~ 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~~ Board for this purpose. The ~~Commission Board~~ 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~~ Board of Liquor and Lottery or employee of the ~~Commission Board of Department of Liquor and Lottery~~ 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~~ 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 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)

**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 bill as recommended by the Committee on Economic Development, Housing and General Affairs with the following amendments thereto:

First: In Sec. 13, 7 V.S.A. chapter 5, after section 112, Liquor Control Enterprise Fund, by adding a section 113 to read:

§ 113. ADMINISTRATION OF DEPARTMENT; APPORTIONMENT OF COSTS

The administrative and operating costs of the Department of Liquor and Lottery that are not specific to either the Division of Liquor Control or the Division of Lottery and the cost of any functions that are shared in common by the two Divisions shall be allocated to and paid from the Liquor Control Enterprise Fund and the State Lottery Fund based on Generally Accepted Accounting Principles.

Second: After Sec. 13, 7 V.S.A. chapter 5, by adding a Sec. 13a to read:

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

On or before January 15, 2018, the Commissioner of Liquor and Lottery shall submit a written report regarding the allocation of costs to the Liquor Control Enterprise Fund and the State Lottery Fund pursuant to 7 V.S.A. § 113 and the method used for allocating those costs to the House and Senate Committees on Appropriations.

Third: In Sec. 186, 7 V.S.A. § 5, Department of Liquor Control, raffles for right to purchase rare and unusual products, by striking out subsection (b) in its entirety and inserting in lieu thereof a new subsection (b) to read:

(b) The proceeds from the sale of tickets for each raffle shall be deposited in the Liquor Control Enterprise Fund established pursuant to section 112 of this title.



Fourth: After Sec. 186, 7 V.S.A. § 5, by adding a Sec. 186a to read:

Sec. 186a. PROCEEDS FROM SALE OF RAFFLE TICKETS FOR  
PURCHASE OF RARE AND UNUSUAL PRODUCTS;  
REPORT

On or before January 15, 2018, the Commissioner of Liquor and Lottery shall submit a written report regarding raffles conducted by the Department pursuant to 7 V.S.A. § 5, including the number of products for which a raffle was conducted, the total number of tickets sold, and the proceeds from the sales of raffle tickets to the House Committees on Appropriations and on General, Housing and Military Affairs and the Senate Committees on Appropriations and on Economic Development, Housing and General Affairs.

(Committee vote: 7-0-0)

**Proposal of amendment to H. 238 to be offered by Senator Clarkson**

Senator Clarkson moves that the Senate propose to the House to amend the bill as follows

First: In Sec. 173, 31 V.S.A. § 661, sales and purchase of lottery tickets, in subdivision (4), before the words "Department of Liquor and Lottery" by striking out the words "Board of"

Second: In Sec. 181, 2016 Acts and Resolves No 144, Sec. 20, by striking out the section in its entirety and inserting in lieu thereof a new Sec. 181 to read:

Sec. 181. [Deleted.]

Third: In Sec. 186, 7 V.S.A. § 5, raffles for right to purchase rare and unusual products, in the section name, by striking out the word "CONTROL" and inserting in lieu thereof the words AND LOTTERY

**H. 347.**

An act relating to the State Telecommunications Plan.

**Reported favorably with recommendation of proposal of amendment by Senator Sirotkin for the Committee on Finance.**

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. 30 V.S.A. § 202d is amended to read:

§ 202d. TELECOMMUNICATIONS PLAN

(a) The Department of Public Service shall constitute the responsible planning agency of the State for the purpose of obtaining for all consumers in

the State stable and predictable rates and a technologically advanced telecommunications network serving all service areas in the State. The Department shall be responsible for the provision of plans for meeting emerging trends related to telecommunications technology, markets, financing, and competition.

(b) The Department shall prepare a Telecommunications Plan for the State. The Department of Innovation and Information, the Agency of Commerce and Community Development, and the Agency of Transportation shall assist the Department in preparing the Plan. The Plan shall be for a 10-year period and shall serve as a basis for State telecommunications policy. Prior to preparing the Plan, the Department shall prepare:

(1) ~~an~~ An overview, looking 10 years ahead, of future requirements for telecommunications services, considering services needed for economic development, technological advances, and other trends and factors which, as determined by the Department of Public Service, will significantly affect State telecommunications policy and programs;

(2) ~~a survey~~ One or more surveys of Vermont residents and businesses, conducted in cooperation with the Agency of Commerce and Community Development to determine what telecommunications services are needed now and in the succeeding ~~ten~~ 10 years, generally, and with respect to the following specific sectors in Vermont;

(A) the educational sector, with input from the Secretary of Education;

(B) the health care and human services sectors, with input from the Commissioner of Health and the Secretary of Human Services;

(C) the public safety sector, with input from the Commissioner of Public Safety and the Executive Director of the Enhanced 911 Board; and

(D) the workforce training and development sectors, with input from the Commissioner of Labor.

(3) ~~an~~ An assessment of the current state of telecommunications infrastructure;

(4) ~~an~~ An assessment, conducted in cooperation with the Department of Innovation and Information and the Agency of Transportation, of the current State telecommunications system and evaluation of alternative proposals for upgrading the system to provide the best available and affordable technology for use by government; ~~and.~~

(5) ~~an~~ An assessment of the state of telecommunications networks and services in Vermont relative to other states, including price comparisons for

key services and comparisons of the state of technology deployment.

(c) In developing the Plan, the Department shall take into account the State telecommunications policies and goals of section 202c of this title.

(d) In establishing plans, public hearings shall be held and the Department shall consult with members of the public, representatives of telecommunications utilities with a certificate of public good, other providers, including the Vermont Electric Power Co., Inc. (VELCO), and other interested State agencies, particularly the Agency of Commerce and Community Development, the Agency of Transportation, and the Department of Innovation and Information, whose views shall be considered in preparation of the Plan. To the extent necessary, the Department shall include in the Plan surveys to determine existing, needed, and desirable plant improvements and extensions, access and coordination between telecommunications providers, methods of operations, and any change that will produce better service or reduce costs. To this end, the Department may require the submission of data by each company subject to supervision by the Public Service Board.

(e) Before adopting a Plan, the Department shall conduct public hearings on a final draft and shall consider the testimony presented at such hearings in preparing the final Plan. At least one hearing shall be held jointly with Committees of the General Assembly designated by the General Assembly for this purpose. The Plan shall be adopted by September 1, 2014, and then reviewed and updated as provided in subsection (f) of this section.

(f) The Department, from time to time, but in no event less than every three years, shall institute proceedings to review the Plan and make revisions, where necessary. The three-year major review shall be made according to the procedures established in this section for initial adoption of the Plan. For good cause or upon request by a joint resolution passed by the General Assembly, an interim review and revision of any section of the Plan may be made after conducting public hearings on the interim revision. At least one hearing shall be held jointly with Committees of the General Assembly designated by the General Assembly for this purpose.

(g) The Department shall review and update the minimum technical service characteristic objectives not less than every three years beginning in 2017. In the event such review is conducted separately from an update of the Plan, the Department shall issue revised minimum technical service characteristic objectives as an amendment to the Plan.

Sec. 2. 30 V.S.A. § 218(c) is amended to read:

(c)(1) The Public Service Board shall take any action, ~~including the setting of telephone rates, enabling~~ necessary to enable the State of Vermont and

~~telecommunications companies offering service in Vermont to participate in the Federal Communications Commission telephone federal Lifeline program administered by the Federal Communications Commission (FCC) or its agent and also the Vermont Lifeline program described in subdivision (2) of this subsection. The Board shall set one or more residential basic exchange Lifeline telephone service credits, for those persons eligible to participate in the Federal Communications Commission Lifeline program.~~

~~(2) A person shall be eligible for the Lifeline benefit who meets the Department for Children and Families means test of eligibility, which shall include all persons participating in public assistance programs administered by the Department. The Department for Children and Families shall verify this eligibility, in compliance with Federal Communications Commission requirements.~~

~~(A) The benefit under this subdivision shall be equal to the full subscriber line charge, plus an amount equal to the larger of:~~

~~(i) 50 percent of the monthly basic service charge, including 50 percent of all mileage charges and, if the Board determines after notice and opportunity for hearing that their inclusion will make Lifeline benefits more comparable in different areas, 50 percent of the usage cost arising from a fixed amount of monthly local usage; and~~

~~(ii) \$7.00 per month;~~

~~(B) provided that in no event shall the amount of the monthly credit exceed the monthly basic service charge, including any standard usage and mileage charges household that qualifies for participation in the federal Lifeline program under criteria established by the FCC or other federal law or regulation shall also be eligible to receive a Vermont Lifeline benefit for wireline voice telephone service. The Vermont Lifeline benefit established under this subdivision shall be set at an amount not to exceed the benefit provided to a household as of October 31, 2017, or \$4.25, whichever is greater, and shall be applied as a supplement to any wireline voice benefit received through participation in the federal Lifeline program. However, in no event shall the aggregate amount of benefits received through the federal and State programs described in this subdivision exceed a household's monthly basic service charge for wireline services, including any standard usage and mileage charges.~~

~~(3) A person shall also be eligible for the Lifeline benefit who submits to the Commissioner for Children and Families an application containing any information and disclosure of information authorization necessary to process the Lifeline credit. Such application shall be filed with the Commissioner on or before June 15 of each year and shall be signed by the applicant under the~~

~~pains and penalties of perjury. A person shall be eligible who is 65 years of age or older whose modified adjusted gross income as defined in 32 V.S.A. § 6061(5) for the preceding taxable year was less than 175 percent of the official poverty line established by the federal Department of Health and Human Services for a family of two published as of October 1 of the preceding taxable year. A person shall be eligible whose modified adjusted gross income as defined in 32 V.S.A. § 6061(5) for the preceding taxable year was less than 150 percent of the official poverty line established by the federal Department of Health and Human Services for a family of two published as of October 1 of the preceding taxable year. In the case of sickness, absence, disability, excusable neglect, or when, in the judgment of the Secretary of Human Services good cause exists, the Secretary may extend the deadline for filing claims under this section. The provisions of 32 V.S.A. § 5901 shall apply to such application. The Secretary of Human Services shall perform income verification. Upon enrollment in the program, and for each period of renewal, such participant shall receive the credit for 12 ensuing months.~~

~~(A) The benefit under this subdivision shall be equal to the full subscriber line charge, plus an amount equal to the larger of:~~

~~(i) 50 percent of the monthly basic service charge, including 50 percent of all mileage charges and, if the Board determines after notice and opportunity for hearing that their inclusion will make Lifeline benefits more comparable in different areas, 50 percent of the usage cost arising from a fixed amount of monthly local usage; and~~

~~(ii) \$7.00 per month.~~

~~(B) The amount of the monthly credit pursuant to subdivision (A) of this subdivision (3) shall not exceed the monthly basic service charge, including any standard usage and mileage charges company designated as an eligible telecommunications carrier by the Board pursuant to 47 U.S.C. § 214(e) shall verify an applicant's eligibility for receipt of federal or State Lifeline benefits as required by federal law or regulation or as directed by the Vermont Agency of Human Services, as applicable. The Agency shall provide the FCC or its agent with categorical eligibility data regarding an applicant's status in qualifying programs administered by the Agency.~~

(4) Notwithstanding any provisions of this subsection to the contrary, a subscriber who is enrolled in the Lifeline program and has obtained a final relief from abuse order in accordance with the provisions of 15 V.S.A. chapter 21 or 33 V.S.A. chapter 69 shall qualify for a Lifeline benefit credit for the amount of the incremental charges imposed by the local telecommunications company for treating the number of the subscriber as nonpublished and any charges required to change from a published to a nonpublished number. Such

~~subscribers shall be deemed to have good cause by the Secretary of Human Services for the purpose of extending the application deadline in subdivision (3) of this subsection. For purposes of As used in this section, “nonpublished” means that the customer’s telephone number is not listed in any published directories, is not listed on directory assistance records of the company, and is not made available on request by a member of the general public, notwithstanding any claim of emergency a requesting party may present. The Department for Children and Families shall develop an application form and certification process for obtaining this Lifeline benefit credit. Upon enrollment in the program, such participant shall receive the Lifeline benefit credit until the end of the calendar year. Renewals shall be for a period of one year.~~

### Sec. 3. LIFELINE ELIGIBILITY AND PARTICIPATION; REPORT

On or before January 1, 2019 and annually thereafter for the next three years, the Commissioner for Children and Families, in consultation with the Commissioner of Public Service, shall file a report with the General Assembly describing the eligibility and participation rates in Vermont with respect to both the federal and State Lifeline programs. The first report shall include the number of persons 65 years of age or older who became ineligible for the federal and State Lifeline programs pursuant to the repeal of the State-specific eligibility criteria.

### Sec. 4. CONSUMER EDUCATION AND OUTREACH; REPORT

(a) On or before September 15, 2017, the Commissioner for Children and Families and the Commissioner of Public Service, with input and assistance from representatives of various advocacy groups, including AARP, Inc., shall prepare and distribute one or more notices for distribution to Vermonters, particularly persons 65 years of age or older, who are eligible to participate in the Lifeline program according to the Department for Children and Families’ data. The notices shall describe the criteria for eligibility and the process necessary for such participation. With input and assistance from the same advocacy groups’ representatives, the Commissioners shall engage, on or before October 31, 2017, in other education and outreach efforts designed to increase participation in the Lifeline program, with particular focus on eligibility through the Supplemental Nutrition Assistance Program (SNAP). In addition, education and outreach efforts shall be targeted to persons age 65 years or older who are eligible for the Lifeline program pursuant to the State-specific eligibility criteria that will be repealed effective November 1, 2017. Beginning on November 1, 2017, the Commissioners shall cooperate, to the extent necessary, with outreach efforts conducted by eligible telecommunications carriers and the FCC or its agent.

(b) On or before September 15, 2017, the Commissioner for Children and Families, within input from the Commissioner of Public Service, shall file a report with the General Assembly describing the specific efforts made to identify persons age 65 or older who might be at risk of losing eligibility for Lifeline because of the elimination of State-specific eligibility criteria and to inform them of alternative means of obtaining Lifeline eligibility under the new federal criteria and summarizing the results of such outreach efforts.

#### Sec. 5. EFFECTIVE DATES

This act shall take effect on passage, except that Sec. 2 (Lifeline eligibility and administration) shall take effect on November 1, 2017.

(Committee vote: 7-0-0)

(No House amendments.)

#### H. 424.

An act relating to the Commission on Act 250: the Next 50 Years.

**Reported favorably with recommendation of proposal of amendment by Senator MacDonald for the Committee on Natural Resources and Energy.**

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; PURPOSE

(a) Findings. The General Assembly finds as follows:

(1) In 1969, Governor Deane Davis by executive order created the Governor's Commission on Environmental Control, which consisted of 17 members and became known as the Gibb Commission because it was chaired by Representative Arthur Gibb.

(2) The Gibb Commission's recommendations, submitted in 1970, included a new State system for reviewing and controlling plans for large-scale and environmentally sensitive development. The system was not to be centered in Montpelier. Instead, the power to review projects and grant permits would be vested more locally, in commissions for districts within the State.

(3) In 1970, the General Assembly enacted 1970 Acts and Resolves No. 250, an act to create an environmental board and district environmental commissions. This act is now codified at 10 V.S.A. chapter 151 and is commonly known as Act 250. In Sec. 1 of Act 250 (the Findings), the General Assembly found that:

(A) “the unplanned, uncoordinated and uncontrolled use of the lands and the environment of the state of Vermont has resulted in usages of the lands and the environment which may be destructive to the environment and which are not suitable to the demands and needs of the people of the state of Vermont”;

(B) “a comprehensive state capability and development plan and land use plan are necessary to provide guidelines for utilization of the lands and environment of the state of Vermont and to define the goals to be achieved through land environmental use, planning and control”;

(C) “it is necessary to establish an environmental board and district environmental commissions and vest them with the authority to regulate the use of the lands and the environment of the state according to the guidelines and goals set forth in the state comprehensive capability and development plan and to give these commissions the authority to enforce the regulations and controls”; and

(D) “it is necessary to regulate and control the utilization and usages of lands and the environment to insure that, hereafter, the only usages which will be permitted are not unduly detrimental to the environment, will promote the general welfare through orderly growth and development and are suitable to the demands and needs of the people of this state.”

(4) In 1973 Acts and Resolves No. 85, Secs. 6 and 7, the General Assembly adopted the Capability and Development Plan (the Plan) called for by Act 250. Among the Plan’s objectives are:

(A) “Preservation of the agricultural and forest productivity of the land, and the economic viability of agricultural units, conservation of the recreational opportunity afforded by the state’s hills, forests, streams and lakes, wise use of the state’s non-renewable earth and mineral reserves, and protection of the beauty of the landscape are matters of public good. Uses which threaten or significantly inhibit these resources should be permitted only when the public interest is clearly benefited thereby.”

(B) “Increased demands for and costs of public services, such as schools, road maintenance, and fire and police protection must be considered in relation to available tax revenues and reasonable public and private capital investment. . . . Accordingly, conditions may be imposed upon the rate and location of development in order to control its impact upon the community.”

(C) “Strip development along highways and scattered residential development not related to community centers cause increased cost of government, congestion of highways, the loss of prime agricultural lands, overtaxing of town roads and services and economic or social decline in the traditional community center.”



(D) “Provision should be made for the renovation of village and town centers for commercial and industrial development, where feasible, and location of residential and other development off the main highways near the village center on land which is other than primary agricultural soil.”

(E) “In order to achieve a strong economy that provides satisfying and rewarding job and investment opportunities and sufficient income to meet the needs and aspirations of the citizens of Vermont, economic development should be pursued selectively so as to provide maximum economic benefit with minimal environmental impact.”

(b) Purpose. The General Assembly establishes a Commission on Act 250: the Next 50 Years (the Commission) and intends that the Commission review the vision for Act 250 adopted in the 1970s and its implementation with the objective of ensuring that, over the next 50 years, Act 250 supports Vermont’s economic, environmental, and land use planning goals.

(c) Executive Branch working group. Contemporaneously with the consideration of this act by the General Assembly, the Chair of the Natural Resources Board (NRB) has convened a working group on Act 250 to include the NRB and the Agencies of Commerce and Community Development and of Natural Resources, with assistance from the Agencies of Agriculture, Food and Markets and of Transportation. The working group intends to make recommendations during October 2017. The General Assembly intends that the Commission established by this act receive and consider information and recommendations offered by the working group convened by the Chair of the NRB.

## Sec. 2. COMMISSION ON ACT 250: THE NEXT 50 YEARS; REPORT

(a) Establishment. There is established the Commission on Act 250: the Next 50 Years (the Commission) to:

(1) Review the goals of Act 250, including the findings set forth in 1970 Acts and Resolves No. 250, Sec. 1 (the Findings) and the Capability and Development Plan adopted in 1973 Acts and Resolves No. 85, Secs. 6 and 7 (the Plan), and assess, to the extent feasible, the positive and negative outcomes of Act 250’s implementation from 1970 to 2017. This review shall include consideration of the information, statistics, and recommendations described in subdivision (d)(1)(B) of this section.

(2) Engage Vermonters on their priorities for the future of the Vermont landscape, including how to maintain Vermont’s environment and sense of place, and address relevant issues that have emerged since 1970.

(3) Perform the tasks and the review set forth in subsection (e) of this section and submit a report with recommended changes to Act 250 to achieve

the goals stated in the Findings and the Plan, including any suggested revisions to the Plan.

(b) Membership; officers.

(1) The Commission shall be composed of the following seven members:

(A) three members of the House of Representatives, not all from the same party, appointed by the Speaker of the House;

(B) three members of the Senate, not all from the same party, appointed by the Committee on Committees; and

(C) one member of the House of Representatives or the Senate, jointly appointed by the Speaker of the House and the Committee on Committees.

(2) At its first meeting, the Commission shall elect a Chair and Vice Chair. The Vice Chair shall function as Chair in the Chair's absence.

(c) Advisors. Advisors to the Commission shall be appointed as set forth in this subsection. The advisors are referred to collectively as the "Act 250 Advisors." The Commission may seek assistance from additional persons or organizations with expertise relevant to the Commission's charge.

(1) The advisors may attend and participate in Commission meetings and shall have the opportunity to present information and recommendations to the Commission. The Commission shall notify the advisors of each Commission meeting.

(2) The advisors to the Commission shall be:

(A) the Chair of the Natural Resources Board or designee;

(B) a representative of a Vermont-based, statewide environmental organization that has a focus on land use and significant experience in the Act 250 process, appointed by the Committee on Committees;

(C) a person with expertise in environmental science affiliated with a Vermont college or university, appointed by the Speaker of the House;

(D) a representative of the Vermont Association of Planning and Development Agencies, appointed by the Speaker of the House;

(E) a representative of the Vermont Planners Association, appointed by the Committee on Committees;

(F) a representative of a Vermont-based business organization with significant experience in real estate development and land use permitting, including Act 250, appointed by the Committee on Committees;

(G) a person currently serving or who formerly served in the position of an elected officer of a Vermont city or town, appointed by the Vermont League of Cities and Towns;

(H) the Chair of the Environmental Law Section of the Vermont Bar Association;

(I) each of the following or their designees:

(i) the Secretary of Agriculture, Food and Markets;

(ii) the Secretary of Commerce and Community Development;

(iii) the Secretary of Natural Resources; and

(iv) the Secretary of Transportation; and

(J) a current or former district coordinator or district commissioner, appointed by the Chair of the Natural Resources Board.

(3) The Commission and the Chair of the Natural Resources Board each may appoint one advisor in addition to the advisors set forth in subdivision (c)(2) of this section.

(4) Each appointing authority for an advisor to the Commission shall promptly notify the Office of Legislative Council of the appointment when made.

(d) Meetings; phases. The Commission shall meet as needed to perform its tasks and shall conduct three phases of meetings: a preliminary meeting phase, a public discussion phase, and a deliberation and report preparation phase. The initial meeting shall be part of the preliminary meeting phase, convened by the Office of Legislative Council during September 2017 after notice to the Commission members and the Act 250 Advisors. Subsequent Commission meetings shall be at the call of the Chair or of any three members of the Commission.

(1) Preliminary meeting phase.

(A) The preliminary meeting phase shall include the initial meeting of the Commission and such additional meetings as may be scheduled.

(B) During the preliminary meeting phase, the Commission shall become informed on the history, provisions, and implementation of Act 250, including its current permitting and appeals processes. This phase shall include:

(i) Review of available information on the outcomes of Act 250 from 1970 to 2017, including case studies and analyses. When information relevant to this review does not exist, the Commission may request its preparation.

(ii) Review of the history and implementation of land use planning in Vermont, including municipal and regional planning under 24 V.S.A. chapter 117.

(iii) Receipt of the information and recommendations of the working group described in Sec. 1(c) of this act;

(iv) Information prepared by the Natural Resources Board on:

(I) the Act 250 application process;

(II) coordination of the Act 250 program with the Agencies of Agriculture, Food and Markets, of Commerce and Community Development, of Natural Resources, and of Transportation;

(III) over multiple years, application processing times by district, number of appeals of application decisions and time to resolve, and number of appeals of jurisdictional opinions and time to resolve; and

(IV) an overview of the history of the Natural Resources Board.

(v) Opportunity for the Act 250 Advisors to present relevant information.

(2) Public discussion phase. Following the preliminary meeting phase, the Commission, with assistance from the Act 250 Advisors, shall conduct a series of information and interactive meetings on 2070: A Vision for Vermont's Future.

(A) The purpose of this phase shall be to accomplish the public engagement set forth in subdivision (a)(2) of this section.

(B) The Commission shall conduct this phase during adjournment of the General Assembly.

(3) Deliberation and report preparation phase. Following completion of the public meeting phase, the Commission shall meet to perform the tasks set forth in subsection (e) of this section and deliberate and prepare its written report and recommendations, with assistance from the Act 250 Advisors.

(e) Tasks; report and recommendations. After considering the information from its public discussion meetings and consultation with the Act 250 Advisors, the Commission shall perform the tasks set forth in this subsection and submit its report, including:

(1) A statistical analysis based on available data on Vermont environmental and land use permitting in general and on Act 250 permit processing specifically, produced in collaboration with municipal, regional, and State planners and regulatory agencies.

(2) Review and recommendations related to:

(A) An evaluation of the degree to which Act 250 has been successful or unsuccessful in meeting the goals set forth in the Findings and the Plan.

(B) An evaluation of whether revisions should be made to the Plan.

(C) An examination of the criteria and jurisdiction of Act 250, including:

(i) Whether the criteria reflect current science and adequately address climate change and other environmental issues that have emerged since 1970. On climate change, the Commission shall seek to understand, within the context of the criteria of Act 250, the impacts of climate change on infrastructure, development, and recreation within the State, and methods to incorporate strategies that reduce greenhouse gas emissions.

(ii) Whether the criteria support development in areas designated under 24 V.S.A. chapter 76A, and preserve rural areas, farms, and forests outside those areas.

(iii) Whether the criteria support natural resources, working lands, farms, agricultural soils, and forests in a healthy ecosystem protected from fragmentation and loss of wildlife corridors.

(iv) Whether Act 250 promotes compact centers of mixed use and residential development surrounded by rural lands.

(v) Whether Act 250 applies to the type and scale of development that provides adequate protection for important natural resources as defined in 24 V.S.A. § 2791.

(vi) Whether the exemptions from Act 250 jurisdiction further or detract from achieving the goals set forth in the Findings and the Plan, including the exemptions for farming and for energy projects.

(D) An examination of changes that have occurred since 1970 that may affect Act 250, such as changes in demographics and patterns and structures of business ownership.

(E) An examination of the interface between Act 250 and other current permit processes at the local and State levels and opportunities to consolidate and reduce duplication. This examination shall include consideration of the relationship of the scope, criteria, and procedures of Act 250 with the scope, criteria, and procedures of Agency of Natural Resources permitting, municipal and regional land use planning and regulation, and designation under 24 V.S.A. chapter 76A.

(F) An evaluation of how well the Act 250 application, review, and appeals processes are serving Vermonters and the State's environment and how they can be improved, including consideration of:

(i) Public participation before the District Environmental Commissions and in the appeals process, including party status.

(ii) The structure of the Natural Resources Board.

(iii) De novo or on the record appeals.

(iv) Comparison of the history and structure of the former Environmental Board appeals process with the current process before the Environmental Division of the Superior Court.

(v) Other appellate structures.

(G) The following specific considerations:

(i) Circumstances under which land might be released from Act 250 jurisdiction.

(ii) Potential revisions to Act 250's definitions of development and subdivision for ways to better achieve the goals of Act 250, including the ability to protect forest blocks and habitat connectivity.

(iii) The scope of Act 250's jurisdiction over projects on ridgelines, including its ability to protect ridgelines that are lower than 2,500 feet, and projects on ridgelines that are expressly exempted from Act 250.

(iv) Potential jurisdictional solutions for projects that overlap between towns with and without both permanent zoning and subdivision bylaws.

(v) The potential of a person that obtains party status to offer to withdraw the person's opposition or appeal in return for payment or other consideration that is unrelated to addressing the impacts of the relevant project under the Act 250 criteria.

(H) Such other issues related to Act 250 as the Commission may consider significant.

(f) Due date. On or before December 15, 2018, the Commission shall submit its report and recommendations to the House Committee on Natural Resources, Fish and Wildlife and the Senate Committee on Natural Resources and Energy (the Natural Resource Committees). The report shall attach the Commission's proposed legislation.

(g) Assistance.

(1) The Office of Legislative Council shall provide administrative and

legal assistance to the Commission, including the scheduling of meetings and the preparation of recommended legislation. The Joint Fiscal Office shall provide assistance to the Commission with respect to fiscal and statistical analysis.

(2) The Commission shall be entitled to technical and professional services from the Natural Resources Board and the Agencies of Commerce and Community Development, of Natural Resources, and of Transportation.

(3) On request, the Commission shall be entitled to available statistics and data from municipalities, regional planning commissions, and State agencies on land use and environmental permit processing and decisions.

(4) On request, the Commission shall be entitled to data from the Superior Court on appeals before the Environmental Division from decisions under Act 250, including annual numbers of appeals, length of time, and disposition.

(h) Subcommittees. The Commission may appoint members of the Commission to subcommittees to which it assigns tasks related to specific issues within the Commission's charge and may request one or more of the Act 250 Advisors to assist those subcommittees.

(i) Reimbursement.

(A) For attendance at no more than 10 Commission meetings during adjournment of the General Assembly, legislative members of the Commission shall be entitled to per diem compensation and reimbursement of expenses pursuant to 2 V.S.A. § 406.

(B) There shall be no reimbursement for attendance at subcommittee meetings or more than 10 Commission meetings.

(j) Cessation. The Commission shall cease to exist on February 15, 2019.

### Sec. 3. APPROPRIATION

For fiscal year 2018, the amount of \$25,000.00 is appropriated to the Office of Legislative Council for the purpose of Sec. 2(d)(2) of this act, the public discussion phase, including obtaining professional assistance in the design and conduct of this phase, if requested by the Commission, and the cost of presentations and meetings other than per diems and expenses of Commission members.

#### Sec. 4. EFFECTIVE DATE

This act shall take effect on passage.

(Committee vote: 5-0-0)

(For House amendments, see House Journal for March 28, 2017, pages 521-529.)

#### **Reported favorably with recommendation of proposal of amendment by Senator Nitka 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 Natural Resources and Energy with the following amendments thereto:

First: In Sec. 2, Commission on Act 250: The Next 50 Years; Report, in subsection (b) (membership; officers), by striking out subdivision (1) in its entirety and inserting in lieu thereof a new subdivision (1) to read:

(1) The Commission shall be composed of the following six members:

(A) three members of the House of Representatives, not all from the same party, appointed by the Speaker of the House; and

(B) three members of the Senate, not all from the same party, appointed by the Committee on Committees.

Second: By striking out Sec. 3 (appropriation) in its entirety and inserting in lieu thereof a new Sec. 3 to read:

#### Sec. 3. ASSISTANCE; PUBLIC ENGAGEMENT

If requested by the Commission established under Sec. 2 of this act, the Office of Legislative Council may retain professional assistance in the design and conduct of the public discussion phase set forth in Sec. 2(d)(2) of this act, provided the cost of this assistance does not exceed \$20,000.00.

(Committee vote: 7-0-0)

### **House Proposal of Amendment**

#### **S. 9**

An act relating to the preparation of poultry products.

The House proposes to the Senate to amend the bill as follows:

First: In Sec. 2, 6 V.S.A. § 3312, by striking out subdivision (c)(2) in its entirety and inserting in lieu thereof the following:

(2) As used in this subsection, “sanitary standards, practices, and procedures” means:



(A) the poultry are slaughtered in a facility that is soundly constructed, kept in good repair, and of sufficient size;

(B) rooms or compartments in which an edible product is processed, handled, or stored shall be separated from areas used for slaughter;

(C) all food-contact surfaces and nonfood-contact surfaces in the facility are cleaned and sanitized as frequently as necessary to prevent the creation of insanitary conditions and the adulteration of the products;

(D) pest control shall be adequate to prevent the harborage of pests on the grounds and within the facility;

(E) substances used for sanitation and pest control shall be safe and effective under the conditions of use, and shall not be applied or stored in a manner that will result in the contamination of edible products;

(F) sewage from human waste shall be disposed of in a sewage system separate from other drainage lines or disposed of through other means sufficient to prevent backup of sewage into areas where the product is processed, handled, or stored;

(G) process wastewater shall be handled in a manner to prevent the creation of insanitary conditions, which may include through on-farm composting under the required agricultural practices;

(H) a supply of potable water of suitable temperature is provided in all areas where required for processing the product, cleaning rooms, cleaning equipment, cleaning utensils, and cleaning packaging materials;

(I) equipment and utensils used for processing or handling edible product are of a material that is cleanable and sanitizable;

(J) receptacles used for storing inedible material are of such material and construction that their use will not result in adulteration of any edible product or create insanitary conditions;

(K) a person working in contact with the poultry products, food-contact surfaces, and product-packaging material shall maintain hygienic practices; and

(L) clothing worn by persons who handle poultry products shall be of material that is cleanable or disposable; clean garments shall be worn at the start of each working day; and garments shall be changed during the day as often as necessary to prevent adulteration of poultry products or the creation of insanitary conditions.

Second: In Sec. 2, 6 V.S.A. § 3312, by adding a subsection (h) to read as follows:

(h) Approved label. Prior to selling poultry products slaughtered pursuant to the exemption in subsection (c) or (d) of this section, a poultry producer shall submit to the Secretary for approval a copy of the label that the poultry producer proposes to use for compliance with the requirements of subsection (e) of this section.

## **House Proposal of Amendment to Senate Proposal of Amendment**

### **H. 184**

An act relating to evaluation of suicide profiles

The House concurs in the Senate proposal of amendment with further amendment thereto as follows:

First: In Sec. 1, in subsection (a), before the phrase “analyses or reports” by inserting the words Vermont-specific and after the phrase “National Violent Death Reporting System” and before the comma, by inserting the phrase as well as national comparative data

Second: In Sec. 1, by striking out subsection (b) in its entirety and inserting in lieu there the following:

(b) On or before January 15, 2019, the Secretary shall present plans describing how Vermont-specific data relevant to subdivisions (a)(1)–(4) of this section shall be collected after the National Violent Death Reporting System grant expires. The plan shall be presented to the Senate Committee on Health and Welfare, the House Committee on Health Care, and the Green Mountain Care Board, in its capacity overseeing development and implementation of the All-Payer Model that includes reductions in suicide deaths among Vermont residents as a quality measure.

Third: In Sec. 1, in subsection (c), after the phrase “Health and Welfare” by striking out “and to” and by inserting a comma in lieu thereof and by inserting after “Health Care” a comma followed by and the Green Mountain Care Board

Fourth: In Sec. 1, in subsection (c), in subdivision (1), after “any” by inserting the words “Vermont-specific” and after the phrase “this section” by inserting the phrase as well as national comparative data

**House Proposal of Amendment to Senate Proposal of Amendment**

**H. 230**

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

The House concurs in the Senate proposal of amendment with further amendment thereto as follows:

In Sec. 2 by striking out “July 1, 2017” and inserting in lieu thereof January 1, 2018

**House Proposal of Amendment to Senate Proposal of Amendment**

**H. 308**

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

The House concurs in the Senate proposal of amendment with further amendment thereto as follows:

First: By striking out Sec. 3 in its entirety and inserting in lieu thereof the following:

Sec. 3. OFFICE OF THE ATTORNEY GENERAL; HUMAN RIGHTS COMMISSION; REPORT

The Attorney General, together with the Human Rights Commission and interested stakeholders, shall develop a strategy to address racial disparities within the State systems of education, labor and employment, access to housing and health care, and economic development. The Attorney General and the Human Rights Commission shall jointly report on the strategy to the Justice Oversight Committee on or before November 1, 2017.

Second: By adding a new Sec. 6a to read as follows:

Sec. 6a. REPEAL

3 V.S.A. § 168 (Racial Disparities in the Criminal and Juvenile Justice System Advisory Panel) is repealed on July 1, 2020.

**NOTICE CALENDAR**  
**Second Reading**  
**Favorable with Proposal of Amendment**

**H. 59.**

An act relating to technical corrections.

**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 as follows:

First: By adding a new Sec. 1 to read as follows:

Sec. 1. 1 V.S.A. § 431 is amended to read:

§ 431. STANDARD TIME; DAYLIGHT SAVING TIME

(a) The standard time within the State of Vermont shall be based on the mean astronomical time of the 75 of longitude west from Greenwich, known and designated as “U.S. Standard Eastern time,” except ~~on two o’clock ante meridian of the last Sunday in April in every year and until two o’clock ante meridian of the last Sunday in September in the same year,~~ as provided in 15 U.S.C. § 260a, when standard time is shall be advanced one hour. The period of time so advanced may be called “daylight saving time.”

\* \* \*

and by renumbering the current Sec. 1 to be Sec. 1a.

Second: After Sec. 16, by adding a Sec. 16a to read as follows:

Sec. 16a. 10 V.S.A. § 1389(e) is amended to read:

(e) Priorities.

(1) In making recommendations under subsection (d) of this section regarding the appropriate allocation of funds from the Clean Water Fund, the Board shall prioritize:

\* \* \*

(F) funding for innovative or alternative technologies or practices designed to improve water quality or reduce sources of pollution to surface waters, including funding for innovative nutrient removal technologies and community-based methane digesters that utilize manure, wastewater, and food residuals to produce energy; ~~and~~

(G) funding to purchase agricultural land in order to take that land

out of practice when the State water quality requirements cannot be remediated through agricultural Best Management Practices; and

(H) ~~Funding~~ funding to municipalities for the establishment and operation of stormwater utilities.

Third: In Sec. 31, by striking out Sec. 31 in its entirety and inserting in lieu thereof the following:

Sec. 31. [Deleted.]

Fourth: After Sec. 61, by adding a Sec. 61a to read as follows:

Sec. 61a. 23 V.S.A. § 2502 is amended to read:

§ 2502. POINT ASSESSMENT; SCHEDULE

(a) Unless the assessment of points is waived by a Superior judge or a Judicial Bureau hearing officer in the interests of justice and in accordance with subsection 2501(b) of this title, a person operating a motor vehicle shall have points assessed against his or her driving record for convictions for moving violations of the indicated motor vehicle statutes in accord with the following schedule: (All references are to Title 23 of the Vermont Statutes Annotated.)

(1) Two points assessed for:

\* \* \*

(YY) § 1127. Unsafe control in presence of ~~horses~~  
and cattle animals;

\* \* \*

Fifth: After Sec. 119, by adding a Sec. 119a to read as follows:

Sec. 119a. 28 V.S.A. chapter 11 is amended to read:

CHAPTER 11. SUPERVISION OF ADULT INMATES AT THE  
CORRECTIONAL FACILITIES

\* \* \*

Subchapter 5. Special Treatment Programs

\* \* \*

Subchapter 6. Services For Inmates With Serious Functional Impairment

§ 905. LEGISLATIVE INTENT

It is the intent of the General Assembly that the serious functional impairment designation apply solely to individuals residing in a correctional

facility and not to individuals reentering the community after incarceration.

~~Subchapter 6. Services For Inmates With Serious Functional Impairment~~

\* \* \*

Sixth: After Sec. 140, by adding two new sections to be Secs. 140a and 140b to read as follows:

Sec. 140a. 32 V.S.A. § 9771 is amended to read:

§ 9771. IMPOSITION OF SALES TAX

\* \* \*

(4) admission to places of ~~amusement~~ entertainment, including athletic events, exhibitions, dramatic and musical performances, motion pictures, golf courses and ski areas, and access to cable television systems or other audio or video programming systems that operate by wire, coaxial cable, lightwave, microwave, satellite transmission, or by other similar means, and access to any game or gaming or amusement machine, apparatus or device, excluding video game, pinball, musical, vocal, or visual entertainment machines which are operated by coin, token, or bills;

\* \* \*

Sec. 140b. 32 V.S.A. § 9813 is amended to read:

§ 9813. PRESUMPTIONS AND BURDEN OF PROOF

(a) For the purpose of the proper administration of this chapter and to prevent evasion of the tax hereby imposed, it shall be presumed that all receipts for property or services of any type mentioned in ~~subdivisions 9771(1), (2), and (3) of this title, and all amusement charges of any type mentioned in subdivision 9771(4)~~ section 9771 of this title, are subject to tax until the contrary is established, and the burden of proving that any receipt or amusement charge is not taxable hereunder shall be upon the person required to collect tax.

\* \* \*

(Committee vote: 5-0-0)

(No House amendments.)

**Reported favorably by Senator Degree 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 Government Operations.

(Committee vote: 7-0-0)

## H. 111.

An act relating to vital records.

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

The Committee recommends that the Senate propose to the House to amend the bill as follows:

First: In Sec. 3, 18 V.S.A. § 5000, in the final sentence of subdivision (c)(1), by striking out the words “and the date” and inserting in lieu thereof the words and by the date

Second: In Sec. 17, 18 V.S.A. § 5016, in subdivision (c)(1), by inserting the following at the end of the sentence, before the period, and shall not be issued on antifraud paper

Third: In Sec. 22, 18 V.S.A. § 5073, in subdivision (a)(2), by striking out the word “father” and inserting in lieu thereof the word parent

Fourth: In Sec. 27, 18 V.S.A. § 5077a, in subsection (a), in the first sentence, by striking out “in the State Registration System.” and inserting in lieu thereof the following: in the Statewide Registration System. If the State Registrar denies an application under this subsection, the applicant may petition the Probate Division of the Superior Court, which shall review the application and relevant evidence de novo to determine if the issuance of a new birth certificate is warranted. If the court issues a decree ordering the issuance of a new birth certificate, the State Registrar shall update the System in accordance with the decree.

Fifth: In Sec. 38, 18 V.S.A. § 5112, by striking out subsections (a) and (b) in their entirety and inserting in lieu thereof the following:

(a)(1) Upon receiving from the Probate Division of the Superior Court a court order that receipt of an application for a new birth certificate and after receiving sufficient evidence to determine that an individual’s sexual reassignment has been completed, the State Registrar shall update the Statewide Registration System and issue a new birth certificate to:

(A) show that the sex of the individual born in this State has been changed; and

(B) if the application is accompanied by a decree of the Probate Division authorizing a change of name associated with the change of sex, to reflect the change of name.

(2) The State Registrar shall record in the System the identity of the person requesting the new certificate, the nature and content of the change

made, the person who made the change, and the date of the change.

(b)(1) An affidavit by a licensed physician who has treated or evaluated the individual stating that the individual has undergone surgical, hormonal, or other treatment appropriate for that individual for the purpose of gender transition shall constitute sufficient evidence ~~for the Court to issue an order~~ determine that sexual reassignment has been completed. The affidavit shall include the medical license number and signature of the physician.

(2) If the State Registrar denies an application under this section, the applicant may petition the Probate Division of the Superior Court, which shall review the application and relevant evidence de novo to determine if the issuance of a new birth certificate under this section is warranted. If the court issues a decree ordering the issuance of a new birth certificate under this section, the State Registrar shall update the Statewide Registration System and issue a new birth certificate in accordance with subsection (a) of this section.

Sixth: In Sec. 40, 18 V.S.A. § 5139, in subsection (b), in the second sentence, by striking out the words “harm would occur” and inserting in lieu thereof the words harm could occur

(Committee vote: 5-0-0)

(For House amendments, see House Journal for March 29, 2017, pages 543-587.)

**Reported favorably by Senator Lyons 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 Government Operations.

(Committee vote: 5-0-2)

**H. 218.**

An act relating to the adequate shelter of dogs and cats.

**Reported favorably by Senator Branagan for the Committee on Agriculture.**

(Committee vote: 5-0-0)

(For House amendments, see House Journal for March 14, 2017, page 427 and March 15, 2017, page 442.)



**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 as follows:

First: In Sec. 2, 13 V.S.A. § 365, subdivision (c)(1), in the first sentence, by striking out the words “an adequate” and inserting in lieu thereof the words a minimum. And in the second sentence by striking out the word “adequate” and inserting in lieu thereof the word minimum.

Second: In Sec. 2, 13 V.S.A. § 365, subdivision (c)(3)(A), in the first sentence, by striking out the word “adequate” and inserting in lieu thereof the words a minimum. And in the second sentence by striking out the word “adequate” and inserting in lieu thereof the word minimum

(Committee vote: 4-1-0)

**H. 411.**

An act relating to Vermont’s energy efficiency standards for appliances and equipment.

**Reported favorably with recommendation of proposal of amendment by Senator Bray for the Committee on Natural Resources and Energy.**

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:

\* \* \* Appliance Efficiency \* \* \*

Sec. 1. PURPOSE

In light of the findings set forth at 9 V.S.A. § 2792, Secs. 2 through 6 of this act adopt federal appliance and lighting efficiency standards in effect on January 19, 2017 so that the same standards will be in place in Vermont should the federal standards be repealed or voided. The act also adopts federal standards for general service lighting that have been adopted by the U.S. Department of Energy and are scheduled to come into effect on January 20, 2020, again so that the same standards will be in place in Vermont. The act does not adopt standards for other products or standards for a product that are different from the federal standards.

Sec. 2. 9 V.S.A. § 2793 is amended to read:

§ 2793. DEFINITIONS

As used in this chapter:

\* \* \*

(15) “General service lamp” has the same meaning as set forth in the action published at 82 Fed. Reg. 7276, 7321-22 (January 19, 2017) and modified by the action published at 82 Fed. Reg. 7322, 7333 (January 19, 2017).

Sec. 3. 9 V.S.A. § 2794 is amended to read:

§ 2794. SCOPE

(a) The provisions of this chapter apply to the following types of new products sold, offered for sale, or installed in the State:

- (1) Medium voltage dry-type distribution transformers.
- (2) Metal halide lamp fixtures.
- (3) Residential furnaces and residential boilers.
- (4) Single-voltage external AC to DC power supplies.
- (5) State-regulated incandescent reflector lamps.
- (6) General service lamps.

(7) Each other product for which the Commissioner is required to adopt an efficiency or water conservation standard by rule pursuant to section 2795 of this title.

(8) Any other product that may be designated by the Commissioner in accordance with section 2797 of this title.

(b) The provisions of this chapter do not apply to:

- (1) New products manufactured in the State and sold outside the State and the equipment used in manufacturing those products.
- (2) New products manufactured outside the State and sold at wholesale inside the State for final retail sale and installation outside the State.
- (3) Products installed in mobile manufactured homes at the time of construction.
- (4) Products designed expressly for installation and use in recreational vehicles.

Sec. 4. 9 V.S.A. § 2795 is amended to read:

§ 2795. EFFICIENCY AND WATER CONSERVATION STANDARDS

~~Not later than June 1, 2007, the~~ The Commissioner shall adopt rules in accordance with the provisions of 3 V.S.A. chapter 25 establishing minimum efficiency standards for the types of new products set forth in section 2794 of this title. The rules shall provide for the following minimum efficiency

standards for products sold or installed in this State:

\* \* \*

(6) In the rules, the Commissioner shall adopt minimum efficiency and water conservation standards for each product that is subject to a standard under 10 C.F.R. §§ 430 and 431 as those provisions existed on January 19, 2017. The minimum standard and the testing protocol for each product shall be the same as adopted in those sections of the Code of Federal Regulations.

(7) In the rules, the Commissioner shall adopt a minimum efficacy standard for general service lamps of 45 lumens per watt, when tested in accordance with 10 C.F.R. § 430.23(gg) as that provision existed on January 19, 2017.

Sec. 5. 9 V.S.A. § 2796 is amended to read:

§ 2796. IMPLEMENTATION

\* \* \*

(f)(1) When federal preemption under 42 U.S.C. § 6297 applies to a standard adopted pursuant to this chapter for a product, the standard shall become enforceable on the occurrence of the earliest of the following:

(A) The federal energy or water conservation standard for the product under 42 U.S.C. chapter 77 is withdrawn, repealed, or otherwise voided. However, this subdivision (A) shall not apply to any federal energy or water conservation standard set aside by a court of competent jurisdiction upon the petition of a person who will be adversely affected, as provided in 42 U.S.C. § 6306(b).

(B) A waiver of federal preemption is issued pursuant to 42 U.S.C. § 6297.

(2) The federal standard for general service lamps shall be considered to be withdrawn, repealed, or otherwise voided within the meaning of this subsection if it does not come into effect on January 20, 2020 pursuant to the actions published at 82 Fed. Reg. 7276 and 7333 (January 19, 2017).

(3) When a standard adopted pursuant to this chapter becomes enforceable under this subsection, a person shall not sell or offer for sale in the State a new product subject to the standard unless the efficiency or water conservation of the new product meets or exceeds the requirements set forth in the standard.

Sec. 6. RULE ADOPTION; SCHEDULE; REPORT

(a) Rule adoption; schedule.

(1) On or before August 1, 2017, the Commissioner of Public Service shall file with the Secretary of State proposed rules to effect Sec. 4 of this act.

(2) On or before April 1, 2018, the Commissioner shall finally adopt these rules, unless the Legislative Committee on Administrative Rules extends this date pursuant to 3 V.S.A. § 843(c).

(b) Reports.

(1) On or before December 15, 2017, the Commissioner of Public Service shall file a progress report on the rulemaking required by this act. The report shall attach the proposed rules as filed with the Secretary of State.

(2) On or before December 15, 2018, the Commissioner of Public Service shall file a further progress report on the rulemaking required by this act. The report shall attach the rules as finally adopted by the Commissioner.

\* \* \* Net Metering \* \* \*

Sec. 7. 30 V.S.A. § 8010(c)(2) is amended to read:

(2) The rules shall include provisions that govern:

\* \* \*

(F) the amount of the credit to be assigned to each kWh of electricity generated by a net metering customer in excess of the electricity supplied by the interconnecting provider to the customer, the manner in which the customer's credit will be applied on the customer's bill, and the period during which a net metering customer must use the credit, after which the credit shall revert to the interconnecting provider.

(i) When assigning an amount of credit under this subdivision (F), the Board shall consider making multiple lengths of time available over which a customer may take a credit and differentiating the amount according to the length of time chosen. For example, a monthly credit amount may be higher if taken over 10 years and lower if taken over 20 years. Factors relevant to this consideration shall include the customer's ability to finance the net metering system, the cost of that financing, and the net present value to all ratepayers of the net metering program.

(ii) In this subdivision (ii), "existing net metering system" means a net metering system for which a complete application was filed before January 1, 2017.

(I) Commencing 10 years from the date on which an existing net metering system was installed, the Board may apply to the system the same rules governing bill credits and the use of those credits on the customer's bill that it applies to net metering systems for which applications were filed on or

after January 1, 2017, other than any adjustments related to siting and tradeable renewable energy credits.

(II) This subdivision (ii) shall apply to existing net metering systems notwithstanding any contrary provision of 1 V.S.A. § 214 and 2014 Acts and Resolves No. 99, Sec. 10.

#### Sec. 8. NET METERING SYSTEMS; APPROVAL UNDER BOARD ORDER

(a) In this section, “Temporary Net Metering Order” means the order on reconsideration issued on August 29, 2016 by the Public Service Board (Board) under the caption of “In Re: Revised Net-Metering Rule Pursuant to Act 99 of 2014.”

(b) A net metering system that received an approval from the Board pursuant to the Temporary Net Metering Order may be constructed and placed into service in accordance with the terms of that Order and the approval issued pursuant to that Order, provided the approval was issued before September 1, 2017.

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

#### Sec. 9. EFFECTIVE DATES; APPLICABILITY

(a) This act shall take effect on passage.

(b) Notwithstanding 1 V.S.A. § 214, Sec. 7 shall apply to net metering rules of the Public Service Board adopted on or after January 1, 2017.

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

An act relating to miscellaneous energy issues.

(Committee vote: 5-0-0)

(For House amendments, see House Journal for March 22, 2017, pages 486-489.)

### **House Proposal of Amendment**

#### **S. 3**

An act relating to mental health professionals’ duty to warn.

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. FINDINGS

The General Assembly finds that:

(1) The overwhelming majority of people diagnosed with mental illness

are not more likely to be violent than any other person; the majority of interpersonal violence in the United States is committed by people with no diagnosable mental illness.

(2) Generally, there is no legal duty to control the conduct of another to protect a third person from harm. However, in 1985, the Vermont Supreme Court recognized an exception to this common law rule where a special relationship exists between two persons, such as between a mental health professional and a client or patient. In *Peck v. Counseling Service of Addison County, Inc.*, the Vermont Supreme Court ruled that “a mental health professional who knows or, based upon the standards of the mental health profession, should know that his or her patient poses a serious risk of danger to an identifiable victim has a duty to exercise reasonable care to protect him or her from that danger.”

(3) The *Peck* standard has been understood and applied by mental health professionals in their practices for more than 30 years.

(4) In 2016, the Vermont Supreme Court decided the case *Kuligowski v. Brattleboro Retreat and Northeast Kingdom Human Services* and created for mental health professionals a new and additional legal “duty to provide information” to caregivers to “enable [the caregivers] to fulfill their role in keeping [the patient] safe” if that patient has violent propensities and “the caregiver is himself or herself within the zone of danger of the patient’s violent propensities.”

(5) The *Kuligowski* decision has been seen by many mental health professionals as unworkable. First, unlike the *Peck* duty, the *Kuligowski* decision does not require the risk be serious or imminent. This puts providers in a position of violating the Health Insurance Portability and Accountability Act, Pub. L. 104-191, the federal law regarding the confidentiality of patient records. Second, unlike the *Peck* duty, the *Kuligowski* decision does not require that the prospective victim be identifiable. Third, the *Kuligowski* decision singles out caregivers and potentially creates a situation in which they could be held liable for the actions of the person for whom they are caring. Fourth, the *Kuligowski* decision imposes a duty on mental health facilities and professionals to protect the public from patients and clients who are no longer in their care or under their control.

Sec. 2. 18 V.S.A. § 1882 is added to read:

§ 1882. DISCLOSURES OF PROTECTED HEALTH INFORMATION TO  
AVERT A SERIOUS RISK OF DANGER

(a) It is the intent of the General Assembly in this section to negate the Vermont Supreme Court’s decision in *Kuligowski v. Brattleboro Retreat and*

Northeast Kingdom Human Services, 2016 VT 54A, and limit mental health professionals' duty to that as established in common law by *Peck v. Counseling Service of Addison County, Inc.*, 146 Vt. 61 (1985).

(b) A mental health professional's duty is established in common law by *Peck v. Counseling Service of Addison County, Inc.* and requires that "a mental health professional who knows or, based upon the standards of the mental health profession, should know that his or her patient poses a serious risk of danger to an identifiable victim has a duty to exercise reasonable care to protect him or her from that danger." This duty shall be applied in accordance with State and federal privacy and confidentiality laws.

(c) This section does not limit or restrict claims under State or federal law related to safe patient care, including federal discharge planning regulations within the Conditions of Participation for hospitals, patient care regulations for other federally certified facilities, the Emergency Medical Treatment and Active Labor Act of 1986, Pub. Law 99-272, professional licensing standards, or facility licensing standards.

(d) To the extent permitted under federal law, this section does not affect the requirements for mental health professionals to communicate with individuals involved in a patient's care in a manner that is consistent with legal and professional standards, including section 7103 of this title.

### Sec. 3. EFFECTIVE DATE

This act shall take effect on passage.

## **House Proposal of Amendment**

### **S. 4**

An act relating to publicly accessible meetings of an accountable care organization's governing body.

The House proposes to the Senate to amend the bill as follows:

First: In Sec. 2, in 18 V.S.A. § 9572(a), by adding a second sentence to read as follows: For purposes of this section, the term "ACO's governing body" shall also include the governing body of any organization acting as a coordinating entity for two or more ACOs.

Second: In Sec. 2, in 18 V.S.A. § 9572(c), by striking out the word "board's" preceding "meeting schedule" and inserting in lieu thereof the word body's

Third: In Sec. 2, in 18 V.S.A. § 9572(d)(1), by striking out "made available to the public" and inserting in lieu thereof posted on the ACO's website within five business days following the meeting

Fourth: In Sec. 3, effective date, by striking out “January 1, 2018” and inserting in lieu thereof July 1, 2017

**House Proposal of Amendment to Senate Proposal of Amendment to  
House Proposal of Amendment**

**S. 22**

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

The House concurs in the Senate proposal of amendment with further amendment thereto as follows:

First: By adding a new section to be Sec. 4 to read as follows:

Sec. 4. CRIMINAL CODE RECLASSIFICATION IMPLEMENTATION  
COMMITTEE

(a) Creation. There is created the Criminal Code Reclassification Committee to develop and propose a classification system for purposes of structuring Vermont’s criminal offenses.

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

(1) three current members of the House of Representatives, not all from the same political party, who shall be appointed by the Speaker of the House; and

(2) three current members of the Senate, not all from the same political party, who shall be appointed by the Committee on Committees;

(c) Powers and duties.

(1) The Committee shall develop a classification system that creates categories of criminal offenses on the basis of the maximum potential period of imprisonment and the maximum potential fine. The Committee shall propose legislation that places each of Vermont’s criminal statutes into one of the classification offense categories it identifies. If the Committee is unable to determine an appropriate classification for a particular offense, the Committee shall indicate multiple classification possibilities for that offense.

(2) For purposes of the classification system developed pursuant to this section, the Committee shall consider the recommendations of the Criminal Code Reclassification Study Committee, and may consider whether to propose:

(A) rules of statutory interpretation specifically for criminal provisions;

(B) the consistent use of mental element terminology in all criminal



provisions;

(C) a comprehensive section of definitions applicable to all criminal provisions.

(d) Assistance. The Committee shall have the administrative, technical, and legal assistance of the Office of Legislative Council and the Joint Fiscal Office, and may consult with the Vermont Crime Research Group, the Vermont Law School Center for Justice Reform, and any other person who would be of assistance to the Committee.

(e) Report. On or before December 31, 2017, the Committee shall submit a report consisting of proposed legislation to the House and Senate Committees on Judiciary.

(f) Meetings.

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

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

(3) The Committee shall cease to exist on January 15, 2018.

(g) Reimbursement. For attendance at meetings during adjournment of the General Assembly, members of the Committee shall be entitled to per diem compensation and reimbursement of expenses pursuant to 2 V.S.A. § 406.

Second: In Sec. 5, effective dates, after the words “This section” by adding the following: , Sec. 4 (Criminal Code Reclassification Implementation Committee),

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

An act relating to fentanyl, a committee to reorganize and reclassify Vermont’s criminal statutes, and the ephedrine and pseudoephedrine registry.

### **House Proposal of Amendment**

#### **S. 133**

An act relating to examining mental health care and care coordination.

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:

\* \* \* Findings and Legislative Intent \* \* \*

#### **Sec. 1. FINDINGS**

The General Assembly finds that:

(1) The State’s mental health system has changed during the past ten

years, with regard to both policy and the structural components of the system.

(2) The State’s adult mental health inpatient system was disrupted after Tropical Storm Irene flooded the Vermont State Hospital in 2011. The General Assembly, in 2012 Acts and Resolves No. 79, responded by designing a system “to provide flexible and recovery-oriented treatment opportunities and to ensure that the mental health needs of Vermonters are served.”

(3) Elements of Act 79 included the addition of over 50 long- and short-term residential beds to the State’s mental health system, all of which are operated by the designated and specialized service agencies, increased peer support services, and replacement inpatient beds. It also was intended to strengthen existing care coordination within the Department of Mental Health to assist community providers and hospitals in the development of a system that provided rapid access to each level of support within the continuum of care as needed to ensure appropriate, high-quality, and recovery- and resiliency-oriented services in the least restrictive and most integrated settings for each stage of an individual’s recovery.

(4) Two key elements of Act 79 were never realized: a 24-hour peer-run warm line and eight residential recovery beds. Other elements of Act 79 were fully implemented.

(5) Since Tropical Storm Irene flooded the Vermont State Hospital, Vermont has experienced a dramatic increase in the number of individuals in mental health distress experiencing long waits in emergency departments for inpatient hospital beds. Currently, hospitals average 90 percent occupancy, while crisis beds average just under 70 percent occupancy, the latter largely due to understaffing. Issues related to hospital discharge include an inadequate staffing in community programs, insufficient community programs, and inadequate supply of housing.

(6) Individuals presenting in emergency departments reporting acute psychiatric distress often remain in that setting for many hours or days under the supervision of hospital staff, peers, crisis workers, or law enforcement officers, until a bed in a psychiatric inpatient unit becomes available. Many of these individuals do not have access to a psychiatric care provider, and the emergency department does not provide a therapeutic environment. Due to these conditions, some individuals experience trauma and worsening symptoms while waiting for an appropriate level of care. Hospitals are also strained and report that their staff is demoralized that they cannot care adequately for psychiatric patients and consequently there is a rise in turnover rates. Many hospitals are investing in special rooms for psychiatric emergencies and hiring mental health technicians to work in the emergency departments.

(7) Traumatic waits in emergency departments for children and adolescents in crisis are increasing, and there are limited resources for crisis support, hospital diversion, and inpatient care for children and adolescents in Vermont.

(8) Addressing mental health care needs within the health care system in Vermont requires appropriate data and analysis, but simultaneously the urgency created by those individuals suffering under existing circumstances must be recognized.

(9) Research has shown that there are specific factors associated with long waits, including homelessness, interhospital transfer, public insurance, use of sitters or restraint, age, comorbid medical conditions, alcohol and substance use, diagnoses of autism, intellectual disability, developmental delay, and suicidal ideation. Data have not been captured in Vermont to identify factors that may be associated with longer wait times and that could help pinpoint solutions.

(10) Vermonters in the custody of the Commissioner of Corrections often do not have access to appropriate crisis or routine mental health supports or to inpatient care when needed, and are often held in correctional facilities after being referred for inpatient care due to the lack of access to inpatient beds. The General Assembly is working to address this aspect of the crisis through parallel legislation during the 2017–2018 biennium.

(11) Care provided by the designated agencies is the cornerstone upon which the public mental health system balances. However, many Vermonters seeking help for psychiatric symptoms at emergency departments are not clients of the designated or specialized service agencies and are meeting with the crisis response team for the first time. Some of the individuals presenting in emergency departments are able to be assessed, stabilized, and discharged to return home or to supportive programming provided by the designated and specialized service agencies.

(12) Act 79 specified that it was the intent of the General Assembly that “the [A]gency of [H]uman [S]ervices fully integrate all mental health services with all substance abuse, public health, and health care reform initiatives, consistent with the goals of parity.” However, reimbursement rates for crisis, outpatient, and inpatient care are often segregated from health care payment structures and payment reform.

(13) There is a shortage of psychiatric care professionals, both nationally and statewide. Psychiatrists working in Vermont have testified that they are distressed that individuals with psychiatric conditions remain for lengthy periods of time in emergency departments and that there is an overall lack of health care parity between mental conditions and other health

conditions.

(14) In 2007, a study commissioned by the Agency of Human Services substantiated that designated and specialized service agencies face challenges in meeting the demand for services at current funding levels. It further found that keeping pace with current inflation trends, while maintaining existing caseload levels, required annual funding increases of eight percent across all payers to address unmet demand. Since that time, cost of living adjustments appropriated to designated and specialized service agencies have been raised by less than one percent annually.

(15) Designated and specialized service agencies are required by statute to provide a broad array of services, including many mandated services that are not fully funded.

(16) Evidence regarding the link between social determinants and healthy families has become increasingly clear in recent years. Improving an individual's trajectory requires addressing the needs of children and adolescents in the context of their family and support networks. This means Vermont must work within a multi-generational framework. While these findings primarily focus on the highest acuity individuals within the adult system, it is important also to focus on children's and adolescents' mental health. Social determinants, when addressed, can improve an individual's health; therefore housing, employment, food security, and natural support must be considered as part of this work as well.

(17) Before moving ahead with changes to improve mental health care and to achieve its integration with comprehensive health care reform, an analysis is necessary to take stock of how it is functioning and what resources are necessary for evidence-based or best practice and cost-efficient improvements that best meet the mental health needs of Vermont children, adolescents, and adults in their recovery.

(18) It is essential to the development of both short- and long-term improvements to mental health care for Vermonters that a common vision be established regarding how integrated, recovery- and resiliency-oriented services will emerge as part of a comprehensive and holistic health care system.

## Sec. 2. LEGISLATIVE INTENT

It is the intent of the General Assembly to continue to work toward a system of health care that is fully inclusive of access to mental health care and meets the principles adopted in 18 V.S.A. § 7251, including:

(1) The State of Vermont shall meet the needs of individuals with mental health conditions, including the needs of individuals in the custody of

the Commissioner of Corrections, and the State's mental health system shall reflect excellence, best practices, and the highest standards of care.

(2) Long-term planning shall look beyond the foreseeable future and present needs of the mental health community. Programs shall be designed to be responsive to changes over time in levels and types of needs, service delivery practices, and sources of funding.

(3) Vermont's mental health system shall provide a coordinated continuum of care by the Departments of Mental Health and of Corrections, designated hospitals, designated agencies, and community and peer partners to ensure that individuals with mental health conditions receive care in the most integrated and least restrictive settings available. Individuals' treatment choices shall be honored to the extent possible.

(4) The mental health system shall be integrated into the overall health care system.

(5) Vermont's mental health system shall be geographically and financially accessible. Resources shall be distributed based on demographics and geography to increase the likelihood of treatment as close to the patient's home as possible. All ranges of services shall be available to individuals who need them, regardless of individuals' ability to pay.

(6) The State's mental health system shall ensure that the legal rights of individuals with mental health conditions are protected.

(7) Oversight and accountability shall be built into all aspects of the mental health system.

(8) Vermont's mental health system shall be adequately funded and financially sustainable to the same degree as other health services.

(9) Individuals with a psychiatric disability or mental condition who are in the custody or temporary custody of the Commissioner of Mental Health and who receive treatment in an acute inpatient hospital unit, intensive residential recovery facility, or a secure residential recovery facility shall be afforded rights and protections that reflect evidence-based best practices aimed at reducing the use of emergency involuntary procedures.

\* \* \* Analysis, Action Plan, and Long-Term Vision Evaluation \* \* \*

### Sec. 3. ANALYSIS, ACTION PLAN, AND LONG-TERM VISION FOR THE PROVISION OF MENTAL HEALTH CARE WITHIN THE HEALTH CARE SYSTEM

(a) In order to address the present crisis that emergency departments are experiencing in treating an individual who presents with symptoms of a mental health crisis, and in recognition that this crisis is a symptom of larger

systematic shortcomings in the provision of mental health services statewide, the General Assembly seeks an analysis and action plan from the Secretary of Human Services in accordance with the following specifications:

(1) On or before December 15, 2017, the Secretary of Human Services, in collaboration with the Commissioner of Mental Health, the Green Mountain Care Board, providers, and persons who are affected by current services, shall submit an action plan with recommendations and legislative proposals to the Senate Committee on Health and Welfare and to the House Committees on Health Care and on Human Services that shall be informed by an analysis of specific issues described in this section and Sec. 4 of this act. The analysis shall be conducted in conjunction with the planned updates to the Health Resource Allocation Plan (HRAP) described in 18 V.S.A. § 9405, of which the mental health and health care integration components shall be prioritized. With regard to children, adolescents, and adults, the analysis and action plan shall:

(A) specify steps to develop a common, long-term, statewide vision of how integrated, recovery- and resiliency-oriented services shall emerge as part of a comprehensive and holistic health care system;

(B) identify data that are not currently gathered, and that are necessary for current and future planning, long-term evaluation of the system, and for quality measurements, including identification of any data requiring legislation to ensure their availability;

(C) identify the causes underlying increased referrals and self-referrals to emergency departments;

(D) determine the availability, regional accessibility, and gaps in services that are barriers to efficient, medically necessary, recovery- and resiliency-oriented patient care at levels of support that are least restrictive and most integrated with regard to voluntary and involuntary hospital admissions, emergency departments, intensive residential recovery facilities, secure residential recovery facilities, crisis beds, and other diversion capacities; crisis intervention services; peer respite and support services; intensive and other outpatient services; services for transition age youths; and stable housing;

(E) incorporate existing information from research and from established quality metrics regarding emergency department wait times;

(F) incorporate anticipated demographic trends, the impact of the opiate crisis, and data that indicate short- and long-term trends; and

(G) identify the levels of resources necessary to attract and retain qualified staff to meet identified outcomes required of designated and specialized service agencies and specify a timeline for achieving those levels

of support.

(2) On or before September 1, 2017, the Secretary shall submit a status report to the Senate Committee on Health and Welfare and to the House Committees on Health Care and on Human Services describing the progress made in completing the analysis required pursuant to this subsection and producing a corresponding action plan. The status report shall include any immediate action steps that the Agency was able to take to address the emergency department crisis that did not require additional resources or legislation.

(b)(1) The Commissioner shall collect data to inform the analysis and action plan described in subsection (a) of this section regarding emergency services for persons with psychiatric symptoms or complaints in the emergency department. The data collected regarding persons presenting in emergency departments with psychiatric symptoms shall include:

(A) the circumstances under which and reasons why a person is being referred or self-referred to an emergency department;

(B) measurements shown by research to affect length of waits; and

(C) rates at which persons brought to emergency departments for emergency examinations pursuant to 18 V.S.A. §§ 7504 and 7505 are found not to be in need of inpatient hospitalization.

(2) Data to otherwise inform the analysis and action plan shall include short- and long-term trends in inpatient length of stay and readmission rates.

(3) Data for persons under 18 years of age shall be collected and analyzed separately.

(c) On or before January 15, 2019, the Secretary shall submit a comprehensive evaluation of the overarching structure for the delivery of mental health services within a sustainable, holistic health care system in Vermont to the Senate Committee on Health and Welfare and to the House Committees on Health Care and on Human Services, including:

(1) whether the current structure is succeeding in serving Vermonters with mental health needs and meeting the goals of access, quality, and integration of services;

(2) whether quality and access to mental health services are equitable throughout Vermont;

(3) whether the current structure advances the long-term vision of an integrated, holistic health care system;

(4) how the designated and specialized service agency structure

contributes to the realization of that long-term vision;

(5) how mental health care is being fully integrated into health care payment reform; and

(6) any recommendations for structural changes to the mental health system that would assist in achieving the vision of an integrated, holistic health care system.

#### Sec. 4. COMPONENTS OF ANALYSIS, ACTION PLAN, AND LONG-TERM VISION EVALUATION

The analysis, action plan, and long-term vision evaluation required by Sec. 3 of this act shall address the following:

(1) Care coordination. The analysis, action plan, and long-term vision evaluation shall address the potential benefits and costs of developing regional navigation and resource centers for referrals from primary care, hospital emergency departments, inpatient psychiatric units, correctional facilities, and community providers, including the designated and specialized service agencies, private counseling services, and peer-run services. The goal of regional navigation and resource centers is to foster improved access to efficient, medically necessary, and recovery- and resiliency-oriented patient care at levels of support that are least restrictive and most integrated for individuals with mental health conditions, substance use disorders, or co-occurring conditions. Consideration of regional navigation and resource centers shall include consideration of other coordination models identified during the recovery- and resiliency-oriented analysis, including models that address the goal of an integrated health system.

(2) Accountability. The analysis, action plan, and long-term vision evaluation shall address the effectiveness of the Department's care coordination team in providing access to and adequate accountability for coordination and collaboration among hospitals and community partners for transition and ongoing care, including the judicial and corrections systems. An assessment of accountability shall include an evaluation of potential discrimination in hospital admissions at different levels of care and the extent to which individuals are served by their medical homes.

(3)(A) Crisis diversion evaluation. The analysis, action plan, and long-term vision evaluation shall evaluate:

(i) existing and potential new models, including the 23-hour bed model, that prevent or divert individuals from the need to access an emergency department;

(ii) models for children, adolescents, and adults; and



(iii) whether existing programs need to be expanded, enhanced, or reconfigured, and whether additional capacity is needed.

(B) Diversion models used for patient assessment and stabilization, involuntary holds, diversion from emergency departments, and holds while appropriate discharge plans are determined shall be considered, including the extent to which they address psychiatric oversight, nursing oversight and coordination, peer support, security, and geographic access. If the preliminary analysis identifies a need for or the benefits of additional, enhanced, expanded, or reconfigured models, the action plan shall include preliminary steps necessary to identify licensing needs, implementation, and ongoing costs.

(4) Implementation of Act 79. The analysis, action plan, and long-term vision evaluation, in coordination with the work completed by the Department of Mental Health for its annual report pursuant to 18 V.S.A. § 7504, shall address whether those components of the system envisioned in 2012 Acts and Resolves No. 79 that have not been fully implemented remain necessary and whether those components that have been implemented are adequate to meet the needs identified in the preliminary analysis. Priority shall be given to determining whether there is a need to fund fully the 24-hour warm line and eight unutilized intensive residential recovery facility beds and whether other models of supported housing are necessary. If implementation or expansion of these components is deemed necessary in the analysis, the action plan shall identify the initial steps needed to plan, design, and fund the recommended implementation or expansion.

(5) Mental health access parity. The analysis, action plan, and long-term vision evaluation shall evaluate opportunities for and remove barriers to implementing parity in the manner that individuals presenting at hospitals are received, regardless of whether for a psychiatric or other health care condition. The evaluation shall examine: existing processes to screen and triage health emergencies; transfer and disposition planning; stabilization and admission; and criteria for transfer to specialized or long-term care services.

(6) Geriatric psychiatric support services, residential care, or skilled nursing unit or facility. The analysis, action plan, and long-term vision evaluation shall evaluate the extent to which additional support services are needed for geriatric patients in order to prevent hospital admissions or to facilitate discharges from inpatient settings, including community-based services, enhanced residential care services, enhanced supports within skilled nursing units or facilities, or new units or facilities. If the analysis concludes that the situation warrants more home- and community-based services, a geriatric nursing home unit or facility, or any combination thereof, the action plan shall include a proposal for the initial funding phases and, if appropriate, siting and design, for one or more units or facilities with a focus on the clinical

best practices for these patient populations. The action plan and preliminary analysis shall also include means for improving coordination and shared care management between Choices for Care and the designated and specialized service agencies.

(7) Forensic psychiatric support services or residential care. The analysis, action plan, and long-term vision evaluation shall evaluate the extent to which additional services or facilities are needed for forensic patients in order to enable appropriate access to inpatient care, prevent hospital admissions, or facilitate discharges from inpatient settings. These services may include community-based services or enhanced residential care services. The analysis and action plan shall be completed in coordination with other relevant assessments regarding access to mental health care for persons in the custody of the Commissioner of Corrections as required by the General Assembly during the first year of the 2017–2018 biennium.

(8) Units or facilities for use as nursing or residential homes or supportive housing. To the extent that the analysis indicates a need for additional units or facilities, it shall require consultation with the Commissioner of Buildings and General Services to determine whether there are any units or facilities that the State could be utilized for a geriatric skilled nursing or forensic psychiatric facility, an additional intensive residential recovery facility, an expanded secure residential recovery facility, or supportive housing.

(9) Designated and specialized service agencies. The analysis, action plan, and long-term vision evaluation shall estimate the levels of funding necessary to sustain the designated and specialized service agencies' workforce; enable the designated and specialized service agencies to meet their statutorily mandated responsibilities and required outcomes; identify the required outcomes; and establish recommended levels of increased funding for inclusion in the fiscal year 2019 budget.

#### Sec. 5. INVOLUNTARY TREATMENT AND MEDICATION REVIEW

(a) On or before December 15, 2017, the Secretary of Human Services, in collaboration with the Commissioner of Mental Health and the Chief Superior Judge, shall analyze and submit a report to the Senate Committee on Health and Welfare to the House Committee on Health Care regarding the role that involuntary treatment and psychiatric medication play in inpatient emergency department wait times, including any concerns arising from judicial timelines and processes. The analysis shall examine gaps and shortcomings in the mental health system, including the adequacy of housing and community resources available to divert patients from involuntary hospitalization; treatment modalities, including involuntary medication and non-medication

alternatives available to address the needs of patients in psychiatric crises; and other characteristics of the mental health system that contribute to prolonged stays in hospital emergency departments and inpatient psychiatric units. The analysis shall also examine the interplay between the rights of staff and patients' rights and the use of involuntary treatment and medication. Additionally, to provide the General Assembly with a wide variety of options, the analysis shall examine the following, including the legal implications, the rationale or disincentives, and a cost-benefit analysis for each:

(1) a statutory directive to the Department of Mental Health to prioritize the restoration of competency where possible for all forensic patients committed to the care of the Commissioner; and

(2) enabling applications for involuntary treatment and applications for involuntary medication to be filed simultaneously or at any point that a psychiatrist believes joint filing is necessary for the restoration of the individual's competency.

(b) On or before January 15, 2018, Vermont Legal Aid, Disability Rights Vermont, and Vermont Psychiatric Survivors shall have the opportunity to submit an addendum addressing the Secretary's report completed pursuant to subsection (a) of this section.

(c)(1) On or before November 15, 2017, the Department shall issue a request for information for a longitudinal study comparing the outcomes of patients who received court-ordered medications while hospitalized with those of patients who did not receive court-order medication while hospitalized, including both patients who voluntarily received medication and those who received no medication, for a period from 1998 to the present. The request for information shall specify that the study examine the following measures:

(A) the length of an individual's involuntary hospitalization

(B) the time spent by an individual in inpatient and outpatient settings;

(C) the number of an individual's hospital admissions, including both voluntary and involuntary admissions;

(D) the number of and length of time of an individual's residential placements;

(E) an individual's success in different types of residential settings;

(F) any employment or other vocational and educational activities after hospital discharge;

(G) any criminal charges after hospital discharge; and

(H) other parameters determined in consultation with representatives of inpatient and community treatment providers and advocates for the rights of psychiatric patients.

(2) Request for information proposals shall include estimated costs, time frames for conducting the work, and any other necessary information.

\* \* \* Payment Structures \* \* \*

#### Sec. 6. INTEGRATION OF PAYMENTS; ACCOUNTABLE CARE ORGANIZATIONS

(a) Pursuant to 18 V.S.A. § 9382, the Green Mountain Care Board shall review an accountable care organization's (ACO) model of care and integration with community providers, including designated and specialized service agencies, regarding how the model of care promotes seamless coordination across the care continuum, business or operational relationships between the entities, and any proposed investments or expansions to community-based providers. The purpose of this review is to ensure progress toward and accountability to the population health measures related to mental health and substance use disorder contained in the All Payer ACO Model Agreement.

(b) In the Board's annual report due on January 15, 2018, the Green Mountain Care Board shall include a summary of information relating to integration with community providers, as described in subsection (a) of this section, received in the first ACO budget review under 18 V.S.A. § 9382.

(c) On or before December 31, 2020, the Agency of Human Services, in collaboration with the Green Mountain Care Board, shall provide a copy of the report required by Section 11 of the All-Payer Model Accountable Care Organization Model Agreement, which outlines a plan for including the financing and delivery of community-based providers in delivery system reform, to the Senate Committee on Health and Welfare and the House Committee on Health Care.

#### Sec. 7. PAYMENTS TO THE DESIGNATED AND SPECIALIZED SERVICE AGENCIES

The Secretary of Human Services, in collaboration with the Commissioners of Mental Health and of Disabilities, Aging, and Independent Living; providers; and persons who are affected by current services, shall develop a plan to integrate multiple sources of payments for mental and substance abuse services to the designated and specialized service agencies. In a manner consistent with Sec. 11 of this act, the plan shall implement a Global Funding model as a successor to the analysis and work conducted under the Medicaid Pathways and other work undertaken regarding mental health in health care

reform. It shall increase efficiency and reduce the administrative burden. On or before January 1, 2018, the Secretary shall submit the plan and any related legislative proposals to the Senate Committee on Health and Welfare and the House Committees on Health Care and on Human Services.

Sec. 8. ALIGNMENT OF FUNDING WITHIN THE AGENCY OF HUMAN SERVICES

For the purpose of creating a more transparent system of public funding for mental health services, the Agency of Human Services shall continue with budget development processes enacted in legislation during the first year of the 2015–2016 biennium that unify payment for services, policies, and utilization review of services within an appropriate department consistent with Secs. 6 and 7 of this act.

\* \* \* Workforce Development \* \* \*

Sec. 9. MENTAL HEALTH, DEVELOPMENTAL DISABILITIES, AND SUBSTANCE USE DISORDER WORKFORCE STUDY COMMITTEE

(a) Creation. There is created the Mental Health, Developmental Disabilities, and Substance Use Disorder Workforce Study Committee to examine best practices for training, recruiting, and retaining health care providers and other service providers in Vermont, particularly with regard to the fields of mental health, developmental disabilities, and substance use disorders. It is the goal of the General Assembly to enhance program capacity in the State to address ongoing workforce shortages.

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

- (1) the Secretary of Human Services or designee, who shall serve as the Chair;
- (2) the Commissioner of Labor or designee;
- (3) the Commissioner of Mental Health or designee;
- (4) the Commissioner of Disabilities, Aging, and Independent Living or designee;
- (5) the Commissioner of Health or designee;
- (6) a representative of the Vermont State Colleges;
- (7) a representative of the Governor’s Health Care Workforce Work Group created by Executive Order 07-13;
- (8) a representative of persons affected by current services;

(9) a representative of the families of persons affected by current services;

(10) a representative of the designated and specialized service agencies appointed by Vermont Care Partners;

(11) the Director of Substance Abuse Prevention;

(12) a representative appointed by the Area Health Education Centers; and

(13) any other appropriate individuals by invitation of the Chair.

(c) Powers and duties. The Committee shall consider and weigh the effectiveness of loan repayment, tax abatement, long-term employment agreements, funded training models, internships, rotations, and any other evidence-based training, recruitment, and retention tools available for the purpose of attracting and retaining qualified health care providers in the State, particularly with regard to the fields of mental health, developmental disabilities, and substance use disorders.

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

(e) Report. On or before December 15, 2017, the Committee shall submit a report to the Senate Committee on Health and Welfare and the House Committees on Health Care and on Human Services regarding the results of its examination, including any legislative proposals for both long-term and immediate steps the State may take to attract and retain more health care providers in Vermont.

(f) Meetings.

(1) The Secretary of Human Services shall call the first meeting of the Committee to occur on or before July 1, 2017.

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

(3) The Committee shall cease to exist on December 31, 2017.

#### Sec. 10. OFFICE OF PROFESSIONAL REGULATION; INTERSTATE COMPACTS

The Director of Professional Regulation shall engage other states in a discussion of the creation of national standards for coordinating the regulation and licensing of mental health professionals, as defined in 18 V.S.A. § 7101, for the purposes of licensure reciprocity and greater interstate mobility of that workforce. On or before September 1, 2017, the Director shall report to the Senate Committee on Health and Welfare and the House Committee on Health Care regarding the results of his or her efforts and recommendations for

legislative action.

\* \* \* Designated and Specialized Service Agencies \* \* \*

Sec. 11. 18 V.S.A. § 8914 is added to read:

§ 8914. RATES OF PAYMENTS TO DESIGNATED AND SPECIALIZED SERVICE AGENCIES

(a) The Secretary of Human Services shall have sole responsibility for establishing the Departments of Health, of Mental Health, and of Disabilities, Aging, and Independent Living's rates of payments for designated and specialized service agencies and the Alcohol and Drug Abuse Program's preferred providers that are reasonable and adequate to achieve the required outcomes for designated populations. When establishing rates of payment for designated and specialized service agencies, the Secretary shall adjust rates to take into account factors that include:

(1) the reasonable cost of any governmental mandate that has been enacted, adopted, or imposed by any State or federal authority; and

(2) a cost adjustment factor to reflect changes in reasonable cost of goods and services of designated and specialized service agencies, including those attributed to inflation and labor market dynamics.

(b) When establishing rates of payment for designated and specialized service agencies and the Alcohol and Drug Abuse Program's preferred providers, the Secretary may consider geographic differences in wages, benefits, housing, and real estate costs in each region of the State.

Sec. 12. HEALTH INSURANCE; DESIGNATED AND SPECIALIZED SERVICE AGENCY EMPLOYEES

On or before September 1, 2017, the Commissioner of Human Resources shall consult with Blue Cross and Blue Shield of Vermont and Vermont Care Partners regarding the operational feasibility of including the designated and specialized service agencies in the State employees' health benefit plan and submit any findings and relevant recommendations for legislative action to the Senate Committees on Health and Welfare, on Government Operations, and on Finance and the House Committees on Health Care and on Government Operations.

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

Sec. 13. EFFECTIVE DATE

This act shall take effect on passage.

## House Proposal of Amendment to Senate Proposal of Amendment

### H. 513

An act relating to making miscellaneous changes to education law

The House concurs in the Senate proposal of amendment with further amendment thereto as follows:

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

Sec. 1. 16 V.S.A. § 255(k) and (l) are added to read:

(k) The requirements of this section shall not apply to persons operating or employed by a child care facility that is prequalified to provide 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.

(l) The requirements of this section shall not apply with respect to a school district's partners in any program authorized or student placement created by chapter 23, subchapter 2 of this title. It is provided, however, that superintendents are not prohibited from requiring a fingerprint supported record check pursuant to district policy with respect to its partners in such programs.

\* \* \* Education Weighting Report \* \* \*

Sec. 2. EDUCATION WEIGHTING REPORT

(a) The Agency of Education, the Joint Fiscal Office, and the Office of Legislative Council, in consultation with the Secretary of Human Services, the Vermont Superintendent's Association, the Vermont School Boards Association, and the Vermont National Education Association, shall consider and make recommendations on the criteria used for determining weighted long-term membership of a school district under 16 V.S.A. § 4010, including the following.

(1) The current weighting factors and any supporting evidence or basis in the historical record for these factors.

(2) The relationship between each of the current weighting factors and the quality and equity of educational outcomes for students.

(3) Whether any of the weighting factors, including the weighting factors for students from economically deprived backgrounds and for students for whom English is not the primary language, should be modified, and if so, how the weighting factors should be modified and if the modification would further the quality and equity of educational outcomes for students.



(4) Whether to add any weighting factors, including a school district population density factor, and if so, why the weighting factor should be added and if the weighting factor would further the quality and equity of educational outcomes for students. In considering whether to recommend the addition of a school district population density factor, the Agency of Education shall consider the practices of other states, information from the National Council for State Legislatures, and research conducted by higher education institutions working on identifying rural or urban education financing factors.

(b) In addition to considering and making recommendations on the criteria used for the determining weighted long-term membership of a school district under subsection (a) of this section, the Agency of Education may consider and make recommendations on other methods that would further the quality and equity of educational outcomes for students.

(c) Report. On or before December 15, 2017, the Agency of Education shall submit a written report to the House and Senate Committees on Education, the House Committee on Ways and Means, and the Senate Committee on Finance with its findings and any recommendations.

\* \* \* Surety Bond; Postsecondary Institutions \* \* \*

Sec. 3. 16 V.S.A. § 175 is amended to read:

§ 175. POSTSECONDARY EDUCATIONAL INSTITUTIONS; CLOSING

(a) When an institution of higher education, whether or not chartered in this State, proposes to discontinue the regular course of instruction, either permanently or for a temporary period other than a customary vacation period, the institution shall:

(1) promptly inform the State Board;

(2) prepare the academic record of each current and former student in a form satisfactory to the State Board and including interpretive information required by the Board; and

(3) deliver the records to a person designated by the State Board to act as permanent repository for the institution's records, together with the reasonable cost of entering and maintaining the records.

\* \* \*

(e) When an institution of higher education is unable or unwilling to comply with the requirements of subsection (a) of this section, the State Board may expend State funds necessary to ensure the proper storage and availability of the institution's records. The Attorney General shall then seek recovery under this subsection, in the name of the State, of all of the State's incurred costs and expenses, including attorney's fees, arising from the failure to

comply. Claims under this subsection shall be a lien on all the property of a defaulting institution, until all claims under this subsection are satisfied. The lien shall take effect from the date of filing notice thereof in the records of the town or towns where property of the defaulting institution is located.

\* \* \*

(g)(1) Each institution of higher education accredited in Vermont, except institutions that are members of the Association of Vermont Independent Colleges (AVIC), the University of Vermont, and the Vermont State Colleges, shall acquire and maintain a bond from a corporate surety licensed to do business in Vermont in the amount of \$50,000.00 to cover costs that may be incurred by the State under subsection (e) of this section due to the institution's failure to comply with the requirements of subsection (a) of this section, and the institution shall provide evidence of the bond to the Secretary within 30 days of receipt. The State shall be entitled to recover up to the full amount of the bond in addition to the other remedies provided in subsection (e) of this section.

(2) AVIC shall maintain a memorandum of understanding with each of its member colleges under which each member college agrees to:

(A) upon the request of AVIC, properly administer the student records of a member college that fails to comply with the requirements of subsection (a) of this section; and

(B) contribute on an equitable basis and in a manner determined in the sole discretion of AVIC to the costs of another AVIC member or other entity selected by AVIC maintaining the records of a member college that fails to comply with the requirements of subsection (a) of this section.

\* \* \* Prekindergarten Education Recommendations \* \* \*

#### Sec. 4. PREKINDERGARTEN EDUCATION RECOMMENDATIONS

On or before November 1, 2017, the Secretaries of Human Services and of Education shall jointly present recommendations to the House and Senate Committees on Education, House Committee on Human Services, and Senate Committee on Health and Welfare that will ensure equity, quality, and affordability, and reduce duplication and complexity, in the current delivery of prekindergarten services.

\* \* \* High School Completion Program \* \* \*

Sec. 5. 16 V.S.A. § 942(6) is amended to read:

(6) ~~“Contracting agency”~~ “Local adult education and literacy provider” means an entity that enters into a contract with the Agency to provide “flexible pathways to graduation” services itself or in conjunction with one or more

approved providers in Vermont is awarded Federal or State grant funds to conduct adult education and literacy activities.

Sec. 6. 16 V.S.A. § 943 is amended to read:

§ 943. HIGH SCHOOL COMPLETION PROGRAM

(a) There is created a High School Completion Program to be a potential component of a flexible pathway for any Vermont student who is at least 16 years ~~old~~ of age, who has not received a high school diploma, and who may or may not be enrolled in a public or approved independent school.

(b) If a person who wishes to work on a personalized learning plan leading to graduation through the High School Completion Program is not enrolled in a public or approved independent school, then the Secretary shall assign the prospective student to a high school district, which shall be the district of residence whenever possible. The school district in which a student is enrolled or to which a nonenrolled student is assigned shall work with the ~~contracting agency~~ local adult education and literacy provider that serves the high school district and the student to develop a personalized learning plan. The school district shall award a high school diploma upon successful completion of the plan.

(c) The Secretary shall reimburse, and net cash payments where possible, a school district that has agreed to a personalized learning plan developed under this section in an amount:

(1) established by the Secretary for the development and ongoing evaluation and revision of the personalized learning plan and for other educational services typically provided by the assigned district or an approved independent school pursuant to the plan, such as counseling, health services, participation in cocurricular activities, and participation in academic or other courses; provided, however, that this amount shall not be available to a school district that provides services under this section to an enrolled student; and

(2) negotiated by the Secretary and the ~~contracting agency~~ local adult education and literacy provider, with the approved provider, for services and outcomes purchased from the approved provider on behalf of the student pursuant to the personalized learning plan.

\* \* \* Act 46 Findings and Purpose \* \* \*

Sec. 7. FINDINGS AND PURPOSE

(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) While Vermont generally does an excellent job educating our children, we fall short in two critical areas. First, we are not as successful as we need to be in educating children from families with low income, and second, while we have a very high graduation rate from our high schools, not enough of our graduates continue their education. Fulfilling the goals of Act 46 is a critical step in addressing these shortcomings.

(c) 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.

(d) 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.

(e) 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.

(f) 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. Nothing in this act should suggest that it is acceptable for a school district to fail to take reasonable and robust action to seek to meet the goals of Act 46.

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

Sec. 8. 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) The incentives provided under this act shall be available only if the new districts receive final approval of their electorate on or before November 30, 2017. This section is repealed on July 1, 2017 2019.

#### **Sec. 9. THREE-BY-ONE SIDE-BY-SIDE STRUCTURE; EXEMPTION FROM STATEWIDE PLAN**

(a) If the conditions of this section are met, the Merged District and the Existing District or Districts 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 statewide plan.

(1) The new district is formed by the merger of at least three existing districts (Merged District) and, together with one or two existing districts (each an Existing District), are, following the receipt of all approvals required under this section, members of the same supervisory union (Three-by-One Side-by-Side Structure).

(2) As of March 7, 2017, town meeting day, each 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; or

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

(3) The Merged District and each Existing District have, following the receipt of all approvals required under this section, a model of operating schools or paying tuition that is different from the model of each other; provided, however, that if two Existing Districts are members of the Three-by-One Side-by-Side Structure, the Existing Districts may have the same model of operating schools or paying tuition if they are geographically isolated from each other, within the meaning of subdivision (2)(A) of this subsection. 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) Each Existing District and the districts proposing to merge into the Merged District jointly submit a proposal to the State Board after the effective date of this section and demonstrate in their proposal that:

(A) the Three-by-One Side-by-Side 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;

(B) each Existing District meets one or more of the criteria set forth in subdivision (2) of this subsection (a);

(C) each Existing District has a detailed action plan it proposes to take to continue to improve its performance in connection with each of the goals set forth in 2015 Acts and Resolves No. 46, Sec. 2.

(5) Each Existing District and the districts proposing to merge into the Merged District obtain State Board approval of their proposal to form the proposed Three-by-One Side-by-Side Structure.

(6) Each Existing District obtains the approval of its electorate to be an Existing District in the proposed Three-by-One Side-by-Side Structure on or before November 30, 2017.

(7) 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.

(8) The Three-by-One Side-by-Side Structure is formed on or before November 30, 2019 in the manner approved by the State Board.

(b) The districts that are proposing to merge into the Merged District may include:

(1) districts that have not received, as of the effective date of this section, approval from their electorate to merge, regardless of whether the Merged District will be eligible to receive incentives under 2010 Acts and Resolves No. 153, 2012 Acts and Resolves No. 156, or 2015 Acts and Resolves No. 46, each as amended; and

(2) districts that received, on or after July 1, 2010 but prior to the effective date of this section, approval from their electorate to merge but are not operational as a Merged District as of the effective date of this section, regardless of whether the Merged District is eligible to receive incentives under 2010 Acts and Resolves No. 153, 2012 Acts and Resolves No. 156, or 2015 Acts and Resolves No. 46, each as amended.

(c) The formation of a Three-by-One Side-by-Side Structure shall not entitle the Merged District or an Existing District to qualify for the incentives provided in 2010 Acts and Resolves No. 153, Sec. 4. However, a Merged District that is otherwise entitled to incentives under 2010 Acts and Resolves No. 153, 2012 Acts and Resolves No. 156, or 2015 Acts and Resolves No. 46, each as amended, shall not lose these incentives due to its participation as a member of a Three-by-One Side-by-Side Structure.

Sec. 10. 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 District, are, following the receipt of all approvals required under this section, members of the same supervisory union (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; or

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

(3) Each Merged District and the Existing District, following the receipt of all approvals required under this section, have 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 Existing District and the districts proposing to merge into the Merged Districts jointly submit a proposal to the State Board after the effective date of this section and demonstrate in their proposal that:

(A) the Two-by-Two-by-One Side-by-Side 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;

(B) the Existing District meets one or more of the criteria set forth in subdivision (2) of this subsection (a); and

(C) the Existing District has a detailed action plan it proposes to take to continue to improve its performance in connection with each of the goals set forth in 2015 Acts and Resolves No. 46, Sec. 2.

(6) The Existing District and the districts proposing to merge into the Merged Districts obtain State Board approval of their proposal to form the proposed Two-by-Two-by-One Side-by-Side Structure.

(7) The Existing District obtains the approval of its electorate to be an Existing District in the proposed Two-by-Two-by-One Side-by-Side Structure on or before November 30, 2017.

(8) 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.



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

(10) The Two-by-Two-by-One Side-by-Side Structure is formed on or before November 30, 2019 in the manner approved by the State Board.

(b) The districts that are proposing to merge into the Merged Districts may include:

(1) districts that have not received, as of the effective date of this section, approval from their electorate to merge, regardless of whether the Merged District will be eligible to receive incentives under 2010 Acts and Resolves No. 153, 2012 Acts and Resolves No. 156, or 2015 Acts and Resolves No. 46, each as amended; and

(2) districts that received, on or after July 1, 2010 but prior to the effective date of this section, approval from their electorate to merge but are not operational as a Merged District as of the effective date of this section, regardless of whether the Merged District is eligible to receive incentives under 2010 Acts and Resolves No. 153, 2012 Acts and Resolves No. 156, or 2015 Acts and Resolves No. 46, each as amended.

(c) If the conditions of this section are met, the incentives provided in 2010 Acts and Resolves No. 153, Sec. 4 shall be available to each Merged District, unless the Merged District has already received incentives under 2010 Acts and Resolves No. 153, 2012 Acts and Resolves No. 156, or 2015 Acts and Resolves No. 46, each as amended. These incentives shall not be available to the Existing District.

(d) If the conditions of this section are met, 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 exempt from the State Board's statewide plan.

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

#### Sec. 11. 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. 12. REPEAL

Sec. 11 of this act is repealed on July 2, 2019.

\* \* \* Reduction of Average Daily Membership; Guidelines for Alternative Structures \* \* \*

Sec. 13. 2015 Acts and Resolves No. 46, Sec. 5 is amended to read:

Sec. 5. PREFERRED EDUCATION GOVERNANCE STRUCTURE;  
ALTERNATIVE STRUCTURE GUIDELINES

\* \* \*

(c) Alternative structure: supervisory union with member districts. An Education District as envisioned in subsection (b) of this section may not be possible or the best model to achieve Vermont's education goals in all regions of the State. In such situations, a supervisory union composed of multiple member districts, each with its separate school board, ~~can~~ may meet the State's goals, particularly if:

(1) the member districts consider themselves to be collectively responsible for the education of all prekindergarten through grade 12 students residing in the supervisory union;

(2) the supervisory union operates in a manner that complies with its obligations under 16 V.S.A. § 261a and that maximizes efficiencies through economies of scale and the flexible management, transfer, and sharing of nonfinancial resources among the member districts, which may include a common personnel system, with the goal of increasing the ratio of students to full-time equivalent staff;

(3) the supervisory union has the smallest number of member school districts practicable, achieved wherever possible by the merger of districts with similar operating and tuitioning patterns; ~~and~~

(4) the supervisory union has the smallest number of member school districts practicable after consideration of greatly differing levels of indebtedness among the member districts; and

(4)(5) the combined average daily membership of all member districts is not less than ~~1,100~~ 900.

\* \* \* Secretary and State Board; Consideration of Alternative Structure Proposals \* \* \*

Sec. 14. 2015 Acts and Resolves No. 46, Sec. 10 is amended to read:

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

\* \* \*

(c) Process. On and after October 1, 2017, the Secretary and State Board

shall consider any proposals submitted by districts or groups of districts under Sec. 9 of this act. Districts that submit such a proposal shall have the opportunity to add to or otherwise amend their proposal in connection with the Secretary's consideration of the proposal and conversations with the district or districts under subsection (a) of this section, and in connection with testimony presented to the State Board under subsection (b) of this section. The State Board may, in its discretion, approve an alternative governance proposal at any time on or before November 30, 2018.

(d) The statewide plan required by subsection (b) of this section shall include default Articles of Agreement to be used by all new unified union school districts created under the plan until the board of the new district votes to approve new or amended articles.

(e) After the State Board of Education issues the statewide plan under subsection (b) of this section, districts subject to merger shall have 90 days to form a study committee under 16 V.S.A. § 706b and to draft Articles of Agreement for the new district. During this period, the study committee shall hold at least one public hearing to consider and take comments on the draft Articles of Agreement.

(f) If the study committee formed under subsection (e) of this section does not approve Articles of Agreement within the 90-day period provided in that subsection, the provisions in the default Articles of Agreement included in the statewide plan shall apply to the new district.

(e)(g) Applicability. This section shall not apply to:

- (1) an interstate school district;
- (2) a regional career technical center school district formed under 16 V.S.A. chapter 37, subchapter 5A; or
- (3) a district that, between June 30, 2013 and July 2, 2019, began to operate as a unified union school district and:

(A) voluntarily merged into the preferred education governance structure, an Education District, as set forth Sec. 5(b) of this act; or

(B) is a regional education district or any other district eligible to receive incentives pursuant to 2010 Acts and Resolves No. 153, as amended by 2012 Acts and Resolves No. 156.

\* \* \* Deadline for Small School Support Metrics \* \* \*

Sec. 15. 2015 Acts and Resolves No. 46, Sec. 21 is amended to read:

Sec. 21. SMALL SCHOOL SUPPORT; METRICS

On or before July 1, 2018, the State Board of Education shall adopt and

publish metrics by which it will make determinations whether to award small school support grants pursuant to 16 V.S.A. § 4015 on and after July 1, 2019, as amended by Sec. 20 of this act; provided, however, that on or before September 30, 2017, the State Board shall publish a list of districts that it determines to be geographically isolated pursuant to that section as amended by Sec. 20 of this act.

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

Sec. 16. 2015 Acts and Resolves No. 46, Sec. 9 is amended to read:

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

(a) On or before November 30, 2017 the date that is the earlier of six months after the date the State Board's rules on the process for submitting alternative governance proposals take effect or January 31, 2018, the board of each school district in the State that 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, shall perform each of the following actions, unless the district qualifies for an exemption under Sec. 10(g) of this act.

Sec. 17. 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. 18. 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.

\* \* \*

Sec. 19. 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. 20. 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. 21. 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. 22. 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. 23. 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. 24. 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. 25. 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.

Sec. 26. QUALIFICATION FOR INCENTIVES; ASSIGNMENT TO A SUPERVISORY UNION BY THE STATE BOARD

Notwithstanding any requirement under 2015 Acts and Resolves No. 46, Secs. 6 and 7 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.

\* \* \* State Board Rulemaking Authority \* \* \*

Sec. 27. 2015 Acts and Resolves No. 46, Sec. 8 is amended to read:

Sec. 8. EVALUATION BY THE STATE BOARD OF EDUCATION

\* \* \*

(c) The State Board may adopt rules designed to assist districts in submitting alternative structure proposals, but shall not by rule or otherwise impose more stringent requirements than those in this act.

\* \* \* Tax Provisions \* \* \*

Sec. 28. CALCULATION OF EDUCATION PROPERTY TAX SPENDING ADJUSTMENT AND EDUCATION INCOME TAX SPENDING ADJUSTMENT FOR CERTAIN SCHOOL DISTRICTS

(a) Under this section, a qualifying school district is a school district:

(1) that operates no schools and pays tuition for all resident students in prekindergarten through grade 12;

(2) that, on or before November 15, 2017, obtains final approval from its electorate to consolidate with an existing unified union school district that is eligible to receive incentives under 2010 Acts and Resolves No. 153 (consolidated district), as amended; and

(3) for which either:

(A) the education property tax spending adjustment under 32 V.S.A. § 5401(13)(A) for the district's fiscal year 2017 exceeded the district's education property tax spending adjustment for the district's 2015 fiscal year by more than 100 percent; or

(B) the education income tax spending adjustment under 32 V.S.A. § 5401(13)(B) for the district's fiscal year 2017 exceeded the district's education income tax spending adjustment for the district's 2015 fiscal year by more than 100 percent.

(b) Notwithstanding any provision of law to the contrary:

(1) for the first year in which the consolidated district's equalized homestead tax rate or household income percentage is reduced under 2010 Acts and Resolves No. 153, as amended, the equalized homestead tax rate and household income percentage for the town associated with the qualifying district shall be set at the average equalized homestead tax rate and household income percentage of the towns associated with the other districts that merge into the consolidated district; and

(2) 2010 Acts and Resolves No. 153, Sec. 4(a)(2), which limits the amount by which tax rates are permitted to change, shall not apply to the town associated with the qualifying district for the first year for which the consolidated district's equalized homestead tax rate or household income percentage is reduced under that act.

#### **Sec. 29. MODIFIED UNIFIED UNION SCHOOL DISTRICTS; TAX RATE CALCULATIONS**

The tax rate provisions in 2010 Acts and Resolves No. 155, Sec. 13(a)(1), as amended, shall not apply to the calculation of tax rates in a member of a modified unified union school district (MUUSD) formed under 2012 Acts and Resolves No. 156, Sec. 17, as amended, if that member is a member for fewer than all grades, prekindergarten through grade 12. This section shall apply to the calculation of taxes in any MUUSD that began full operation after July 1, 2015.

\* \* \* Elections to Unified Union School District Board \* \* \*

Sec. 30. ELECTIONS TO UNIFIED UNION SCHOOL DISTRICT BOARD

(a) Notwithstanding any provision to the contrary under 16 V.S.A. § 706k, the election of a director on the board of a unified union school district who is to serve on the board after expiration of the term for an initial director shall be held at the unified union school district's annual meeting in accordance with the district's articles of agreement.

(b) Notwithstanding any provision to the contrary under 16 V.S.A. § 706l, if a vacancy occurs on the board of a unified union school district and the vacancy is in a seat that is allocated to a specific town, the clerk shall immediately notify the selectboard of the town. Within 30 days of the receipt of that notice, the unified union school district board, in consultation with the selectboard, shall appoint a person who is otherwise eligible to serve as a member of the unified union school district board to fill the vacancy until an election is held in accordance with the unified union school district's articles of agreement.

(c) This section is repealed on July 1, 2018.

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

Sec. 31. EFFECTIVE DATES

(a) This section and Secs. 2 and 4–30 shall take effect on passage.

(b) Sec. 1 (criminal record checks) shall take effect on passage and shall apply to persons hired or contracted with after June 30, 2017 and to persons who apply for or renew child care provider license after June 30, 2017.

(c) Sec. 3 (surety bond; postsecondary institutions) shall take effect on October 1, 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)

Lisa Menard of Waterbury – Commissioner, Department of Corrections – Sen. Branagan for the Committee on Institutions. (4/21/17)

Joan Goldstein of Royalton – Commissioner, Department of Economic Development – Sen. Balint for the Committee on Economic Development, Housing and General Affairs. (4/25/17)

John Quinn of Northfield – Secretary, Agency of Digital Services – Sen. Pearson for the Committee on Government Operations. (4/28/17)

Emily Boedecker of Montpelier – Commissioner, Department of Environmental Conservation – Sen. Pearson for the Committee on Natural Resources and Energy. (5/2/17)

Beth Fastiggi of Burlington – Commissioner, Department of Human Resources – Sen. Clarkson for the Committee on Government Operations. (5/2/17)