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H.525

Introduced by Committee on General, Housing and Military Affairs

Date:

Subject: Alcoholic beverages; recreation and sports; Department of Liquor
Control; State Lottery; merger

Statement of purpose of bill as introduced: This bill proposes to create the
Department of Liquor Control and State Lottery Merger Working Group to
develop a plan and proposed legislation to merge the Department of Liquor
Control and the State Lottery into the Department of Liquor and Lottery.

An act relating to the Department of Liquor Control and the State Lottery

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

Sec. 1. FINDINGS

The General Assembly finds:

(1) The Department of Liquor Control and the State Lottery serve
unique and similar roles in Vermont's government by generating significant
revenue for the State through the sales of a controlled product.

(2) The Department of Liquor Control is responsible for enforcing
Vermont's laws related to alcoholic beverages and tobacco.

(3) The Department is overseen by the Liquor Control Board, which
also grants alcohol and tobacco licenses, serves as a quasi-judicial body to

1 adjudicate violations by licensees, and adopts rules necessary to implement the
2 alcoholic beverage and tobacco laws. The Liquor Control Board is composed
3 of five members that are appointed by the Governor for staggered five-year
4 terms. Each member receives per diem compensation for attendance at
5 meetings.

6 (4) The Lottery Commission oversees and manages the Vermont Lottery
7 and adopts rules necessary to operate it. It is composed of five members that
8 are appointed by the Governor for three-year terms. Each member receives per
9 diem compensation for attendance at meetings.

10 (5) The respective responsibilities and duties of the Liquor Control
11 Board and Lottery Commission place significant demands on their part-time,
12 volunteer members.

13 (6) The similarities between the roles and functions of the Department
14 of Liquor Control and the Liquor Control Board, and the State Lottery and the
15 Lottery Commission create the potential for the two entities to merge and
16 collaborate in carrying out their respective functions and missions. However,
17 questions exist regarding how the entities' functions can be successfully
18 merged in a manner that will enhance their efficiency and ability to fulfill their
19 respective roles and missions.

20 (7) Accordingly, the General Assembly deems it prudent to create a
21 working group to study the potential creation of a combined Department of

1 Liquor and Lottery and to develop, for legislative review during the second
2 year of the biennium, a plan and proposed legislation to accomplish the merger
3 and creation of the Department of Liquor and Lottery on or before July 1,
4 2018.

5 Sec. 2. DEPARTMENT OF LIQUOR AND LOTTERY; WORKING
6 GROUP; REPORT

7 (a) Creation. There is created the Department of Liquor and Lottery
8 Working Group to develop a plan and proposed legislation to merge the
9 Department of Liquor Control and the State Lottery into a single department to
10 oversee alcoholic beverages, tobacco, and the State Lottery.

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

13 (1) two current members of the House of Representatives who shall be
14 appointed by the Speaker of the House;

15 (2) two current members of the Senate who shall be appointed by the
16 Committee on Committees;

17 (3) the Commissioner of Liquor Control or designee;

18 (4) the Chair of the Liquor Control Board or designee;

19 (5) the Director of the State Lottery or designee;

20 (6) the Chair of the Lottery Commission or designee; and

21 (7) a member appointed by the Governor.

1 (c) Powers and duties. The Working Group shall study the potential of
2 merging the Department of Liquor Control and the State Lottery into a single
3 department and develop a plan and proposed legislation necessary to merge the
4 two and create a new Department of Liquor and Lottery on or before July 1,
5 2018. In particular, the Working Group shall carry out the following duties:

6 (1) identify and examine potential efficiencies that can be realized
7 through the combination of or the increased coordination and collaboration
8 between the Department of Liquor Control's and the State Lottery's
9 administrative, licensing, regulatory, and educational functions, as well as in
10 the marketing, warehousing, distribution, sales, and control of alcoholic
11 beverages and lottery products;

12 (2) identify and examine potential long-term efficiencies that could be
13 realized by merging the Department of Liquor Control with the State Lottery;

14 (3) examine the current role, functions, and composition of the Liquor
15 Control Board and the Lottery Commission, and determine:

16 (A) whether each body's role, functions, or composition should
17 change as part of the potential merger;

18 (B) whether the two bodies should be combined into a single body as
19 part of the potential merger; and

20 (C) the potential limitations or barriers to combining the two bodies
21 and how those limitations or barriers could be addressed;

1 (4) examine whether the Liquor Control Board or Lottery Commission,
2 or a combination of the two, should be replaced with a full-time, professional
3 board or commission;

4 (5) identify and examine the potential positive and negative impacts of
5 creating a single Department of Liquor and Lottery with respect to the State's
6 ability to control the distribution of alcoholic beverages, tobacco products, and
7 lottery products without diminishing the Department of Liquor Control's and
8 State Lottery's respective contributions to the General Fund and the Education
9 Fund; and

10 (6) develop a plan and proposed legislation necessary to accomplish on
11 or before July 1, 2018 the merger of the Department of Liquor Control and the
12 Liquor Control Board with the State Lottery and the Lottery Commission to
13 form a single Department of Liquor and Lottery with authority to administer
14 the laws relating to alcoholic beverages, tobacco, and the State Lottery.

15 (d) Assistance. The Working Group shall have the technical and legal
16 assistance of the Department of Liquor Control and the Lottery Commission.
17 For purposes of scheduling meetings and preparing any recommended
18 legislation, the Working Group shall have the assistance of the Office of
19 Legislative Council.

20 (e) Report. On or before January 15, 2018, the Working Group shall
21 submit a written report to the House Committees on General, Housing and

1 Military Affairs and on Government Operations and the Senate Committees on
2 Economic Development, Housing and General Affairs and on Government
3 Operations with its findings and a plan and proposed legislation that would
4 successfully accomplish on or before July 1, 2018 the merger of the
5 Department of Liquor Control and the State Lottery into a single Department
6 of Liquor and Lottery. The Working Group's report may take the form of draft
7 legislation.

8 (f) Meetings.

9 (1) The Commissioner of Liquor Control shall call the first meeting of
10 the Working Group to occur on or before September 1, 2017.

11 (2) The Working Group shall select a chair from among its members at
12 the first meeting.

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

14 (4) The Working Group shall cease to exist on July 1, 2018.

15 (g) Reimbursement.

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

20 (2) Other members of the Working Group who are not employees of the
21 State of Vermont and who are not otherwise compensated or reimbursed for

1 their attendance shall be entitled to per diem compensation and reimbursement
2 of expenses pursuant to 32 V.S.A. § 1010 for not more than six meetings.

3 Sec. 3. EFFECTIVE DATE

4 This act shall take effect on July 1, 2017.