

PROPOSED DLC LEGISLATIVE MODIFICATIONS

REQUEST AUTHORIZATION TO CONDUCT LOTTERIES

The DLC would like the authority to create lotteries to distribute rare and unusual products to the general public. We request the authority to establish a nominal (\$5.00 or less) entry fee for individuals who are interested in participating in the lottery. The proceeds could be used to support non-profit programs that line up with the Dept.'s core mission.

Goal: The Department's goal is to provide a consistent, fair, and transparent method to provide public access to rare and unusual products that are allocated to the State by our suppliers. A rare and unusual product would be defined as a product that is in highly limited supply and has an extraordinary level of demand. These products generally have national or international market demand. We request the authorization to earmark the entry proceeds to be donated to a charity that supports the core mission of the Department and to provide support to non-profit organizations that assist in remediating the effects of abusing beverage alcohol.

Outcomes:

- To encourage use of and exposure to our website
- Raise the public profile of the DLC
- Resonate with the citizens by supporting industry related charities
- Create positive PR opportunities for the Dept.

COMBINING/CONSOLIDATING CERTAIN LICENSES

During our review of the existing Title 7 statute it became apparent that the Department manages an excessive number of licenses. The number is excessive due to the redundancy and overlap of a significant number of these licenses. In numerous cases the differing aspects of these licenses is very small. While the topic of modernizing Title 7 is in the forefront the dept. would like to consolidate a number of these licenses

GOAL: To make the licensing function more user friendly for citizens by eliminating redundancy and repetition. We would like to reduce the number of licenses to broaden the range of situations that each apply to in order to simplify the application and enforcement functions.

Outcomes:

- To assist citizens in the application process by reducing the licensing universe and broadening their definitions.
- To assist our enforcement personnel in ensuring compliance by making the licensees more concise and understandable.

Increase efficiencies and expedite the issuing of licenses by our staff by reducing the number of licenses and make determining the applicable license easier.

ADJUSTING THE LICENSE EXPIRATION/APPLICATION TIMELINE.

The DLC issues approximately 6,000 licenses annually. At this point the deadline for issuing ALL of these licenses falls in April. This annual renewal deadline creates a huge amount of pressure to issue these licenses all at once. This bottle neck of licensing activity results in staff burn out, low employee morale, and a significant amount of overtime.

Goal: The Department's goal is to more effectively, and efficiently manage this work load to create a better customer experience and to strategically manage our resources to do the same amount of work the less money.

Outcomes:

To transition to a license renewal calendar

To minimize the unnecessary expense of overtime to accomplish our responsibility of renewing annual licenses.

To improve our level of customer service by better managing the demand.

CHANGE OUR LICENSING FEE TO AN APPLICATION FEE.

The DLC currently charges a license applicant a fee for accepting and processing an application. The Department incurs several expense for processing the application and investigating the applicant's tax status, history of compliance with State and Federal law and eligibility of site location. If the applicant does not qualify for the licensee the fee is refunded.

Goal: The Department's goal is to cover our expense of vetting a licensee applicant regardless of the outcome of their application. We propose charging a non-refundable "Application Fee" rather than the current refundable "License Fee".

Outcomes:

Make application processing and investigations cost neutral.

Discourage frivolous applications

TOBACCO LAWS & REGULATIONS Sec. 29 VSA 236

END FREE COMBINED LICENSES FOR TOBACCO AND ALCOHOL

GOAL: The Department's goal is to decrease the number of tobacco retailers in the State. We are currently tasked by State and Federal regulations to doing annual compliance checks on all tobacco retailers. We would like to decrease the number of retailers to better match our

capabilities for fulfilling this requirement. We fail to see the correlation between retailing these two controlled substances.

Outcomes:

Decrease the number of retailers of tobacco products

Increase the financial commitment for those retailers who choose to retail tobacco

Increase the fee revenue to the State by requiring separate licenses

CHARGE A LICENSING FEE TO BETTER REFLECT THE ACTUAL COSTS OF ENFORCEMENT

Goal: The Department proposes that the tobacco compliance and enforcement responsibility be revenue neutral for the DLC. We propose a licensing fee that covers the cost of issuing the license and for conducting the compliance checks. Further, a sale to a minor should result in a license revocation with the licensee having to purchase a new license which will cover the required compliance check follow-up.

Outcomes:

Create a fee that better reflects the cost of enforcement.

Cover Department's licensing and compliance costs

Increase the upfront expense of tobacco retailing to decrease the number of retailers.

INCREASE THE AMOUNT AND SEVERITY OF PENALTIES FOR TOBACCO COMPLIANCE INFRACTIONS

Goal: The Department's goal is to decrease the number of tobacco infractions. We feel that the current penalty structure for non-compliance does not reflect the seriousness of this violation. The current structure essentially conveys the wrong message.

Outcomes:

Decrease tobacco sales to minors

Decrease tobacco non-compliance infractions

Raise the attention level of tobacco retailers regarding sales to minors

Make a first infraction meaningful by correlating a meaningful financial penalty.

Put a 5-day license suspension penalty for a second infraction within 12 months

Make a third violation within 2 years' grounds for 12-month revocation.

EXPAND THE AGE RANGE FOR MINORS THAT ARE EMPLOYED TO CONDUCT COMPLIANCE CHECKS

Goal: The Department's goal is to increase the pool of minors that are eligible to work with department's enforcement team to perform mandatory licensee compliance checks for tobacco and liquor products.

Outcomes:

Double the number of potential participants to facilitate this function by expanding the universe to 16 year olds.

Increase retention of trained individuals by broadening the age requirements.

Increase the effectiveness of compliance checks by having experienced minors.

Decrease the expense of the program by minimizing the training costs by increasing retention.

MOVE THE BONDING REQUIREMENT FOR MANUFACTURERS FOR TAX COLLECTION TO THE TAX DEPARTMENT.

Goal: The Department's goal is to better align this requirement with the Department that is responsible for collecting the revenue. There is nothing unique and unusual about bonding that would make the DLC better prepared to execute this function.

Outcomes:

Make State government more user friendly

Eliminate non-core responsibilities for the DLC.

Minimize licensee confusion with respect to departmental core responsibilities.

ABILITY TO RECOUP COSTS FOR SPECIAL EVENT COVERAGE

Goal: During the past few years the Department has been permitting many more special events which related to alcohol. These include brew fests, cider fests, wine fests as well as music and athletic events that involve alcohol consumption. These are for profit events. The Department is expending a large amount of resources to cover these events to ensure they are complying with their DLC permits and Vermont liquor laws. The Department would like to recoup the costs of providing the coverage.

Outcome:

Safer events

Higher level of compliance with Vermont liquor service laws including the prevention of over service.

Make providing these services for profit businesses to these sorts of events more revenue neutral.

INCREASE THE DAILY COMPENSATION FOR LIQUOR BOARD MEMBERS

Goal: provide compensation that better reflects to time commitment and quasi-judicial responsibilities of this Board

Outcome: To more fairly compensate board members for the time they expend in this role. Presently, a board member is compensated \$50 per day. This amount has not been adjusted for many years. Our proposal is to have this judicial board be compensated at the same level as members of Vermont Parole Board.

ADD SOLICITORS OF DISTILLED SPIRITS TO LICENSING REQUIREMENTS APPLICABLE TO WINE AND BEER SALES REPRESENTATIVES (section 361)

Goal: Eliminate illogical inconsistencies in our licensing requirements

Outcome: to provide a consistent approach to licensing manufacturer representatives. Also to provide the Department with some compliance leverage to encourage conformity to existing states.