

1 Introduced by Committee on General and Housing and Military Affairs

2 Date:

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

5 Statement of purpose of bill as introduced: This bill proposes to create the
6 Department of Liquor Control and State Lottery Merger Study Committee to
7 study the potential to merge the Department of Liquor Control and the State
8 Lottery into a Department of Liquor and Lottery.

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

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

11 Sec. 1. FINDINGS

12 The General Assembly finds:

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

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

18 (3) The Department is overseen by the Liquor Control Board, which
19 also grants alcohol and tobacco licenses, serves as a quasi-judicial body to
20 adjudicate violations by licensees, and adopts rules necessary to implement the

1 alcoholic beverage and tobacco laws. The Liquor Control Board is composed
2 of five members that are appointed by the Governor for staggered five-year
3 terms. Each member receives per diem compensation for attendance at
4 meetings.

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

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

12 (6) The similarities between the role and functions of the Department of
13 Liquor Control and the Liquor Control Board, and the State Lottery and the
14 Lottery Commission create the potential for the two entities to merge and
15 collaborate in carrying out their respective functions and missions. However,
16 questions exist regarding which functions could be successfully merged and to
17 what extent, if any, a merger would enhance the efficiency of the two entities
18 and their abilities to fulfill their respective roles and missions.

19 (7) Accordingly, the General Assembly deems it prudent to study the
20 potential outcomes, benefits, and challenges of creating a combined

1 Department of Liquor and Lottery before taking the legislative action
2 necessary to accomplish such a merger.

3 Sec. 2. POSSIBLE MERGER OF DEPARTMENT OF LIQUOR CONTROL
4 AND STATE LOTTERY; STUDY COMMITTEE; REPORT

5 (a) Creation. There is created the Department of Liquor Control and State
6 Lottery Merger Study Committee to examine the potential of merging the
7 Department of Liquor Control and the State Lottery into a single Department to
8 oversee alcoholic beverages, tobacco, and the State Lottery.

9 (b) Membership. The Committee shall be composed of the following seven
10 members:

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

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

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

16 (4) the Chair of the Lottery Commission or designee;

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

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

19 (7) a member appointed by the Governor.

1 (c) Powers and duties. The Committee shall study the potential of merging
2 the Department of Liquor Control and the State Lottery into a single
3 Department, including the following issues:

4 (1) the potential for collaboration in relation to the Department of
5 Liquor Control’s and the State Lottery’s administrative, licensing, regulatory,
6 and educational functions, as well as the marketing, warehousing, distribution,
7 sales, and control of alcoholic beverages and lottery products;

8 (2) the potential long-term efficiencies that could be realized through a
9 merger;

10 (3) the current role, functions, and composition of the Liquor Control
11 Board and the Lottery Commission, and whether each body’s role, functions,
12 or composition should change as a result of any potential merger of the two;

13 (4) whether the Liquor Control Board and the Lottery Commission
14 could be combined into a single body, and what the potential limitations or
15 barriers to combining the two would be;

16 (5) whether the Liquor Control Board or Lottery Commission, or a
17 combination of the two, should be replaced with a full-time, professional
18 Board or Commission;

19 (6) whether a potential merger of the Department of Liquor Control and the
20 State Lottery would enhance the State’s ability to control the distribution of
21 alcoholic beverages, tobacco products, and lottery products without

1 diminishing the Department of Liquor Control’s and State Lottery’s respective
2 contributions to the General Fund and Education Fund; and

3 (7) whether the Department of Liquor Control and Liquor Control Board
4 should merge with the State Lottery and the Lottery Commission to form a
5 single Department with authority to administer the laws relating to alcoholic
6 beverages, tobacco, and the State Lottery.

7 (d) Assistance. The Committee shall have the technical and legal
8 assistance of the Department of Liquor Control and the Lottery Commission.
9 For purposes of scheduling meetings and preparing any recommended
10 legislation, the Committee shall have the assistance of the Office of Legislative
11 Council.

12 (e) Report. On or before January 15, 2018, the Committee shall submit a
13 written report to the House Committee on General, Housing and Military
14 Affairs and the Senate Committee on Economic Development, Housing and
15 General Affairs with its findings and any recommendations for legislative
16 action. The Committee’s report may take the form of draft legislation.

17 (f) Meetings.

18 (1) The Commissioner of Liquor Control shall call the first meeting of
19 the Committee to occur on or before September 1, 2017.

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

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

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

3 (g) Reimbursement.

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

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

12 Sec. 3. EFFECTIVE DATE

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