

1 Introduced by

2 Referred to Committee on

3 Date:

4 Subject: Alcoholic Beverages; Lottery Commission; Department of Liquor

5 Control; Lottery

6 Statement of purpose of bill as introduced: This bill proposes to merge the
7 Department of Liquor and the Liquor Control Board with the Vermont Lottery
8 and the Lottery Commission to create the Department of Liquor and Lottery
9 and the Board of Liquor and Lottery.

10 An act relating to creating the Department of Liquor and Lottery and the
11 Board of Liquor and Lottery

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

13 Sec. 1. 7 V.S.A. § 2 is amended to read:

14 § 2. DEFINITIONS

15 As used in this title:

16 * * *

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

19 ~~(3)~~(4) “Boat” means a vessel suitably equipped and operated for the
20 transportation of passengers in interstate commerce.

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

2 ~~(10)~~(12) “Destination resort master license” means a license granted by
3 the ~~Liquor Control~~ Board of Liquor and Lottery pursuant to section 242 of this
4 title permitting a destination resort to designate licensed caterers and
5 commercial caterers that will be permitted to cater individual events within the
6 boundaries of the resort without being required to obtain a request to cater
7 permit for each individual event. For purposes of a destination resort master
8 license, a “destination resort” is a resort that contains at least 100 acres of land,
9 offers at least 50 units of sleeping accommodations, offers meal and beverage
10 service to the public for consideration, and has related sports and recreational
11 facilities for the convenience or enjoyment of its guests. “Destination resort”
12 does not include the University of Vermont, the Vermont State Colleges, or
13 any other university, college, or postsecondary school.

14 ~~(11)~~(13) “Dining car” means a railroad car on which meals are prepared
15 and served.

16 (14) “Division” means the Division of Liquor Control in the Department
17 of Liquor and Lottery.

18 ~~(12)~~(15) “Festival permit” means a permit granted by the ~~Department~~
19 Division of Liquor Control permitting a person to conduct an event at which
20 malt or vinous beverages, or both, are sold by the glass to the public, provided
21 the event is approved by the local control commissioners.

1 ~~(13)~~(16) “First-class license” means a license permitting the licensee to
2 sell malt or vinous beverages to the public for consumption only on the
3 premises for which the license is granted.

4 ~~(14)~~(17) “Fortified wine permit” means a permit granted to a second-
5 class licensee that permits the licensee to export and sell fortified wines to the
6 public for consumption off the licensed premises.

7 ~~(15)~~(18) “Fortified wines” mean vinous beverages, including those to
8 which spirits have been added during manufacture, containing at least 16
9 percent alcohol but no more than 23 percent alcohol by volume at 60 degrees
10 Fahrenheit, and all vermouths containing no more than 23 percent alcohol by
11 volume at 60 degrees Fahrenheit.

12 ~~(16)~~(19) “Fourth-class license” means a license permitting a licensed
13 manufacturer or rectifier to sell by the unopened container and distribute by the
14 glass, with or without charge, beverages manufactured by the licensee.

15 ~~(17)~~(20) “Home-fermented beverages” means malt or vinous beverages
16 produced at home and not for sale.

17 ~~(18)~~(21) “Hotel” has the same meaning as in 32 V.S.A. § 9202(3) and as
18 determined by the ~~Liquor Control~~ Board of Liquor and Lottery.

19 ~~(19)~~(22) “Industrial alcohol distributor’s license” means a license
20 granted by the ~~Liquor Control~~ Board of Liquor and Lottery that allows holders
21 to sell pure ethyl or grain alcohol of at least 190 proof in quantities of five

1 gallons or more directly to manufacturers, industrial users, hospitals, druggists,
2 and institutions of learning.

3 ~~(20)~~(23) “Keg” means a reusable container capable of holding at least
4 five gallons of malt beverage or at least two-and-one-half gallons of vinous
5 beverage.

6 ~~(21)~~(24) “Legal age” means 21 years of age or older.

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

9 ~~(23)~~(25) “Malt beverages” means all fermented beverages of any name
10 or description manufactured for sale from malt, wholly or in part, or from any
11 substitute therefor, known as, among other things, beer, ale, or lager,
12 containing not less than one percent nor more than 16 percent of alcohol by
13 volume at 60 degrees Fahrenheit.

14 ~~(24)~~(26) “Manufacturer’s or rectifier’s license” means a license granted
15 by the ~~Liquor Control Board~~ of Liquor and Lottery that permits the holder to
16 manufacture or rectify malt beverages, ~~or~~ vinous beverages and fortified wines,
17 or spirits and fortified wines.

18 ~~(25)~~(27) “Minor” means an individual who has not attained 21 years of
19 age.

20 ~~(26)~~(28) “Outside consumption permit” means a permit granted by the
21 ~~Department~~ Division of Liquor Control allowing the holder of a first-class,

1 first- and third-class, or fourth-class license to allow for consumption of
2 alcoholic beverages in a delineated outside area.

3 ~~(27)~~(29) “Packager’s license” means a license granted by the ~~Liquor~~
4 ~~Control Board of~~ Liquor and Lottery permitting a person to bottle or otherwise
5 package alcoholic beverages for sale and to distribute and sell alcoholic
6 beverages at wholesale in this State.

7 ~~(28)~~(30) “Person”, as applied to licensees, means an individual who is a
8 citizen or a lawful permanent resident of the United States; a partnership
9 composed of individuals, a majority of whom are citizens or lawful permanent
10 residents of the United States; a corporation organized under the laws of this
11 State or another state in which a majority of the directors are citizens or lawful
12 permanent residents of the United States; or a limited liability company
13 organized under the laws of this State or another state in which a majority of
14 the members or managers are citizens or lawful permanent residents of the
15 United States.

16 ~~(29)~~(31) “Request to cater permit” means a permit granted by the
17 ~~Department~~ Division of Liquor Control authorizing a licensed caterer or
18 commercial caterer to cater individual events.

19 ~~(30)~~(32) “Retail dealer” means any person who sells or furnishes malt or
20 vinous beverages to the public.

1 ~~(31)~~(33) “Retail delivery permit” means a permit granted by the
2 ~~Department~~ Division of Liquor Control that permits a second-class licensee to
3 deliver malt beverages or vinous beverages sold from the licensed premises for
4 consumption off the premises to an individual who is at least 21 years of age at
5 a physical address in Vermont.

6 ~~(32)~~(34) “Sampler flight” means a flight, ski, paddle, or any similar
7 device by design or name intended to hold alcoholic beverage samples for the
8 purpose of comparison.

9 ~~(33)~~(35) “Second-class license” means a license permitting the licensee
10 to export malt beverages or vinous beverages and to sell malt beverages or
11 vinous beverages to the public for consumption off the premises for which the
12 license is granted.

13 ~~(34)~~(36) “Special event permit” means a permit granted by the
14 ~~Department~~ Division of Liquor Control permitting a licensed manufacturer or
15 rectifier to sell, by the glass or by the unopened bottle, alcoholic beverages
16 manufactured or rectified by the license holder at an event open to the public
17 that has been approved by the local control commissioners.

18 ~~(35)~~(37) “Special venue serving permit” means a permit granted by the
19 ~~Department~~ Division of Liquor Control permitting an art gallery, bookstore,
20 public library, or museum to conduct an event at which malt or vinous
21 beverages or both are served by the glass to the public. As used in this section,

1 “art gallery” means a fixed establishment whose primary purpose is to exhibit
2 or offer for sale works of art; “bookstore” means a fixed establishment whose
3 primary purpose is to offer books for sale; “public library” has the same
4 meaning as in 22 V.S.A. § 101; and “museum” has the same meaning as in 27
5 V.S.A. § 1151.

6 ~~(36)~~(38) “Specialty beer” means a malt beverage that contains more
7 than eight percent alcohol and not more than 16 percent alcohol by volume at
8 60 degrees Fahrenheit.

9 ~~(37)~~(39) “Spirits” means beverages that contain more than one percent
10 of alcohol obtained by distillation, by chemical synthesis, or through
11 concentration by freezing; vinous beverages containing more than 23 percent
12 of alcohol; and malt beverages containing more than 16 percent of alcohol by
13 volume at 60 degrees Fahrenheit.

14 ~~(38)~~(40) “Third-class license” means a license granted by the ~~Liquor~~
15 ~~Control Board~~ of Liquor and Lottery permitting the licensee to sell spirits and
16 fortified wines for consumption only on the premises for which the license is
17 granted.

18 ~~(39)~~(41) “Vinous beverages” means all fermented beverages of any
19 name or description manufactured or obtained for sale from the natural sugar
20 content of fruits or other agricultural product, containing sugar, the alcoholic

1 content of which is not less than one percent nor more than 16 percent by
2 volume at 60 degrees Fahrenheit.

3 ~~(40)(42)~~ “Wholesale dealer’s license” means a license granted by the
4 ~~Liquor Control Board~~ Liquor and Lottery permitting the holder to sell or
5 distribute malt or vinous beverages to first- and second-class licensees, to
6 educational sampling event permit holders, and to agencies of the United
7 States.

8 Sec. 2. 7 V.S.A. § 5 is amended to read:

9 § 5. ~~DEPARTMENT~~ DIVISION OF LIQUOR CONTROL; RAFFLES

10 FOR RIGHT TO PURCHASE RARE AND UNUSUAL PRODUCTS

11 (a) Notwithstanding any provision of 13 V.S.A. chapter 51 to the contrary,
12 the ~~Department~~ Division of Liquor Control may conduct raffles for the right to
13 purchase certain rare and unusual spirits and fortified wines that are acquired
14 by the ~~Liquor Control Board~~ Liquor and Lottery. A raffle conducted
15 pursuant to this section shall meet the following requirements:

16 * * *

17 (4) No Board member or employee of the Department of Liquor and
18 Lottery, and no immediate family member of a Board member or employee of
19 the Department shall be permitted to enter the raffle.

20 * * *

1 Sec. 3. 7 V.S.A. § 61 is amended to read:

2 § 61. RESTRICTIONS; EXCEPTIONS

3 * * *

4 (b) Notwithstanding subsection (a) of this section, this chapter shall not
5 apply to:

6 * * *

7 (3) the furnishing, purchase, sale, barter, transportation, importation,
8 exportation, delivery, prescription, or possession of alcohol for manufacturing,
9 mechanical, medicinal, and scientific purposes, provided that it is done in
10 accordance with the rules of the ~~Liquor Control Board~~ of Liquor and Lottery
11 and licenses and permits issued by the Board or ~~Department~~ Division of Liquor
12 Control as provided in this title.

13 Sec. 4. 7 V.S.A. § 63 is amended to read:

14 § 63. IMPORTATION OR TRANSPORTATION OF ALCOHOL;
15 PROHIBITIONS; PERSONAL IMPORT LIMIT; PENALTY

16 (a)(1) All spirits and fortified wines imported or transported into this State
17 shall be imported or transported by and through the ~~Liquor Control Board~~ of
18 Liquor and Lottery. A person importing or transporting or causing to be
19 imported or transported into this State any spirits or fortified wines, or both, in
20 violation of this section shall be imprisoned not more than one year or fined
21 not more than \$1,000.00, or both.

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(b)(1) Except as provided in sections 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 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.

* * *

Sec. 5. 7 V.S.A. § 64 is amended to read:

§ 64. SALE OF MALT BEVERAGES AND VINOUS BEVERAGES IN
KEGS

(a) A keg shall be sold by a 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 ~~Liquor Control 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.

* * *

1 Sec. 6. 7 V.S.A. chapter 5 is redesignated to read:

2 CHAPTER 5. DEPARTMENT OF LIQUOR ~~CONTROL~~ AND LOTTERY

3 Sec. 7. 7 V.S.A. § 101 is amended to read:

4 § 101. COMPOSITION OF DEPARTMENT; COMMISSIONER OF
5 LIQUOR ~~CONTROL~~ AND LOTTERY; LIQUOR ~~CONTROL~~
6 BOARD OF LIQUOR AND LOTTERY

7 (a)(1) The Department of Liquor ~~Control~~ and Lottery, created by 3 V.S.A.
8 § 212, shall administer the laws relating to alcoholic beverages, tobacco, and
9 the State Lottery. It shall include the Commissioner of Liquor ~~Control~~ and
10 Lottery and the ~~Liquor Control~~ Board of Liquor and Lottery.

11 (2) The Board of Liquor and Lottery shall supervise and manage the
12 sales of spirits and fortified wines pursuant to this title and the establishment
13 and management of the State Lottery pursuant to 31 V.S.A. chapter 14.

14 (3)(A) The Department of Liquor and Lottery shall be under the
15 immediate supervision and direction of the Commissioner of Liquor and
16 Lottery.

17 (B) The Division of Liquor Control is created within the Department
18 to administer and carry out the laws relating to alcohol and tobacco set forth in
19 this title.

1 (C) The Division of Lottery is created within the Department to
2 administer and carry out the laws relating to the State Lottery set forth in
3 31 V.S.A. chapter 14.

4 (D) The Commissioner, with the approval of the Governor, may
5 appoint a Deputy Commissioner of Liquor Control to supervise and direct the
6 Division of Liquor Control and a Deputy Commissioner of the State Lottery to
7 supervise and direct the Division of Lottery. Both Deputy Commissioners
8 shall be exempt from the classified service and shall serve at the pleasure of
9 the Commissioner.

10 (b)(1) ~~The Liquor Control Board~~ of Liquor and Lottery shall consist of five
11 persons, ~~not~~ the Chair and four regular members. Not more than three
12 members of ~~which~~ the Board shall belong to the same political party.

13 (2)(A) With the advice and consent of the Senate, the Governor shall
14 appoint the members of the Board for staggered ~~five~~ three-year terms.

15 (B) The Governor shall fill a vacancy occurring during a term by an
16 appointment for the unexpired term in accordance with the provisions of
17 3 V.S.A. § 257(b).

18 (C) A member's term of office shall commence on February 1 of the
19 year in which the member is appointed.

20 (3) A member of the Board may serve for no more than two consecutive
21 full terms. A member who is appointed to fill a vacancy occurring during a

1 term may serve two consecutive full terms in addition to the unexpired portion
2 of the term during which the member is first appointed.

3 (4) The Governor shall biennially designate a member of the Board to
4 be its Chair. The Chair shall have general charge of the offices and employees
5 of the Board.

6 (c) No member of the Board shall have a financial interest in any licensee
7 under this title or 31 V.S.A. chapter 14, nor shall any member of the Board
8 have a financial interest in any contract awarded by the Board or the
9 Department of Liquor and Lottery.

10 (d) The Governor shall annually submit a budget for the Department to the
11 General Assembly.

12 Sec. 8. 7 V.S.A. § 102 is amended to read:

13 § 102. REMOVAL

14 Notwithstanding any provision of 3 V.S.A. § 2004 to the contrary, after
15 notice and hearing, the Governor may remove a member of the ~~Liquor Control~~
16 Board of Liquor and Lottery for incompetency, failure to discharge his or her
17 duties, malfeasance, immorality, or other cause inimical to the general good of
18 the State. In case of such removal, the Governor shall appoint a person to fill
19 the unexpired term.

1 Sec. 9. 7 V.S.A. § 104 is amended to read:

2 § 104. DUTIES; AUTHORITY TO RESOLVE ALLEGED VIOLATIONS

3 The Board shall supervise and manage the sale of spirits and fortified wines
4 within the State in accordance with the provisions of this title, and through the
5 Commissioner of Liquor ~~Control~~ and Lottery shall:

6 (1)(A) See that the laws relating to alcohol and alcoholic beverages are
7 enforced, using for that purpose as much of the monies annually available to
8 the ~~Liquor Control~~ Board of Liquor and Lottery as may be necessary.

9 (B) The ~~Liquor Control~~ Board of Liquor and Lottery and its agents
10 and investigators shall act in this respect in collaboration with sheriffs, deputy
11 sheriffs, constables, law enforcement officers certified as Level II or Level III
12 pursuant to 20 V.S.A. chapter 151, and members of village and city police
13 forces, control commissioners, the Attorney General, State’s Attorneys, and
14 town and city grand jurors.

15 * * *

16 (12) Review the budget for the Department submitted by the
17 Commissioner and approve or amend it for submission to the Governor.

1 Sec. 10. 7 V.S.A. § 105 is amended to read:

2 § 105. DUTIES OF ATTORNEY GENERAL

3 The Attorney General shall collaborate with the ~~Liquor Control~~ Board of
4 Liquor and Lottery for the enforcement of the provisions of subdivision 104(1)
5 of this title.

6 Sec. 11. 7 V.S.A. § 106 is amended to read:

7 § 106. COMMISSIONER OF LIQUOR ~~CONTROL~~ AND LOTTERY;
8 REPORTS; RECOMMENDATIONS

9 (a)(1) With the advice and consent of the Senate, the Governor shall
10 appoint from among no fewer than three candidates proposed by the ~~Liquor~~
11 ~~Control Board~~ of Liquor and Lottery a Commissioner of Liquor ~~Control~~ and
12 Lottery for a term of four years.

13 (2) The Board shall review the applicants for the position of
14 Commissioner of Liquor ~~Control~~ and Lottery and by a vote of the majority of
15 the members of the Board shall select candidates to propose to the Governor.
16 The Board shall consider each applicant's administrative expertise and his or
17 her knowledge regarding the business of distributing and selling alcoholic
18 beverages and administering the State Lottery.

19 (b) The Commissioner shall serve at the pleasure of the Governor until the
20 end of the term for which he or she is appointed or until a successor is
21 appointed.

1 Sec. 12. 7 V.S.A. § 107 is amended to read:

2 § 107. DUTIES OF COMMISSIONER OF LIQUOR ~~CONTROL~~ AND
3 LOTTERY

4 (a) The Commissioner of Liquor ~~Control~~ and Lottery shall direct and
5 supervise the Department of Liquor and Lottery and, subject to the direction of
6 the Board, shall see that the laws relating to alcohol and tobacco under this title
7 and the State Lottery under 31 V.S.A. chapter 14 are carried out. The
8 Commissioner shall annually prepare a budget for the Department and submit
9 it to the Board for review pursuant to subdivision 104(12) of this chapter.

10 (b) ~~The~~ With respect to the laws relating to alcohol, the Commissioner of
11 Liquor ~~Control~~ shall:

12 (1) In towns that vote to permit the sale of spirits and fortified wines,
13 establish local agencies as the ~~Liquor Control~~ Board of Liquor and Lottery
14 shall determine. However, the Board shall not be obligated to establish an
15 agency in every town that votes to permit the sale of spirits and fortified wines.

16 * * *

17 (4) Supervise the quantities and qualities of spirits and fortified wines to
18 be kept as stock in local agencies and recommend rules subject to approval and
19 adoption by the Board regarding the filling of requisitions for spirits and
20 fortified wines on the Commissioner of Liquor ~~Control~~ and Lottery.

1 (5) Purchase spirits and fortified wines for and in behalf of the ~~Liquor~~
2 ~~Control~~ Board of Liquor and Lottery; supervise their storage and distribution to
3 local agencies, third-class licensees, and holders of fortified wine permits; and
4 recommend rules subject to approval and adoption by the Board regarding the
5 sale and delivery from the central liquor warehouse.

6 * * *

7 Sec. 13. 7 V.S.A. § 108 is amended to read:

8 § 108. ENFORCEMENT BY BOARD; REGULATIONS; FORMS AND
9 REPORTS

10 The ~~Liquor Control~~ Board of Liquor and Lottery shall administer and enforce
11 the provisions of this title, and is authorized and empowered to adopt rules and
12 issue the necessary blanks, forms, and reports, except reports to the
13 Commissioner of Taxes and to the Commissioner of Public Safety, as may be
14 necessary to carry out the provisions of this title.

15 Sec. 14. 7 V.S.A. § 109 is amended to read:

16 § 109. AUDIT OF ACCOUNTS OF ~~LIQUOR CONTROL BOARD OF~~
17 LIQUOR AND LOTTERY

18 All accounts of the ~~Liquor Control~~ Board of Liquor and Lottery related to its
19 activities pursuant to this title shall be audited annually by the Auditor of
20 Accounts and the annual report of the audit shall accompany the annual reports
21 of the ~~Liquor Control~~ Board of Liquor and Lottery.

1 Sec. 15. 7 V.S.A. § 110 is amended to read:

2 § 110. SPECIAL BRANDS; PURCHASE BY COMMISSIONER OF
3 LIQUOR CONTROL AND LOTTERY

4 If a person desires to purchase any class, variety, or brand of spirits or fortified
5 wine that a local agency or fortified wine permit holder does not have in stock,
6 the Commissioner of Liquor ~~Control~~ and Lottery shall order the product upon
7 the payment of a reasonable deposit by the purchaser in a proportion of the
8 approximate cost of the order as prescribed by the rules of the ~~Liquor Control~~
9 Board of Liquor and Lottery.

10 Sec. 16. 7 V.S.A. § 111 is amended to read:

11 § 111. TRANSFER OF LOCAL AGENCY STORE IN CONJUNCTION
12 WITH SALE OF REAL PROPERTY OR BUSINESS

13 (a) If a proposed sale of real estate or a business in which a local agency
14 store is located is contingent on the transfer of the agency store's contract with
15 the Board to the buyer, the seller and buyer may, prior to completing the sale,
16 submit to the ~~Department~~ Division a request to approve the transfer of the
17 agency store's contract to the buyer. The request shall be accompanied by any
18 information required by the ~~Department~~ Division.

19 (b) The ~~Department~~ Division shall review the request and evaluate the
20 buyer based on the standards for evaluating an applicant for a new agency store
21 contract.

1 (c) Within 30 days after receiving the request and all necessary
2 information, the ~~Department~~ Division shall complete the evaluation of the
3 proposed transfer and notify the parties of whether the agency store's contract
4 may be transferred to the buyer.

5 (d)(1) If the transfer is approved, the contract shall transfer to the buyer
6 upon completion of the sale.

7 (2) If the transfer is denied, the seller may continue to operate the
8 agency store pursuant to the existing contract with the ~~Department~~ Board.

9 Sec. 17. 7 V.S.A. § 112 is amended to read:

10 § 112. LIQUOR CONTROL ENTERPRISE FUND

11 The Liquor Control Enterprise Fund is established. It shall consist of all
12 receipts from the sale of spirits, fortified wines, and other items by the ~~Liquor~~
13 ~~Control Board~~ of Liquor and Lottery and ~~Department~~ Division of Liquor
14 Control; fees paid to the ~~Department~~ Division of Liquor Control for the benefit
15 of the ~~Department~~ Division; all other amounts received by the ~~Department~~
16 Division of Liquor Control for its benefit; and all amounts that are from time to
17 time appropriated to the ~~Department~~ Division of Liquor Control.

1 Sec. 18. 7 V.S.A. § 113 is added to read:

2 § 113. ADMINISTRATION OF DEPARTMENT; APPORTIONMENT OF
3 COSTS

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

10 Sec. 19. USE OF DEPARTMENTAL ADMINISTRATIVE RESOURCES;
11 APPORTIONMENT OF COSTS; REPORT

12 On or before January 15, 2019, the Commissioner of Liquor and Lottery
13 shall submit a written report regarding the allocation of costs to the Liquor
14 Control Enterprise Fund and the State Lottery Fund pursuant to 7 V.S.A. § 113
15 and the method used for allocating those costs to the House and Senate
16 Committees on Appropriations.

17 Sec. 20. 7 V.S.A. § 162 is amended to read:

18 § 162. REPORT

19 After any annual town meeting in which a town votes on the questions set forth
20 in section 161 of this title, the town clerk shall report promptly the results of

1 the vote to the ~~Liquor Control~~ Board of Liquor and Lottery, upon forms
2 furnished by the Board.

3 Sec. 21. 7 V.S.A. § 167 is amended to read:

4 § 167. DUTIES OF LOCAL CONTROL COMMISSIONERS

5 (a) The local control commissioners shall administer the rules furnished to
6 them by the ~~Liquor Control~~ Board of Liquor and Lottery, as necessary to carry
7 out the purposes of this title. Except as provided in subsection (b) of this
8 section, all applications for and forms of licenses and permits, and all rules
9 shall be prescribed by the ~~Liquor Control~~ Board of Liquor and Lottery, which
10 shall prepare and issue the applications, forms, and rules.

11 * * *

12 Sec. 22. 7 V.S.A. § 201 is amended to read:

13 § 201. LICENSES CONTINGENT ON TOWN VOTE

14 Licenses of the first or second class shall not be granted by the control
15 commissioners or the ~~Liquor Control~~ Board of Liquor and Lottery to be
16 exercised in any city or town, the voters of which vote “No” on the question of
17 whether to permit the sale of malt beverages and vinous beverages pursuant to
18 section 161 of this title. Licenses of the third class shall not be granted by the
19 ~~Liquor Control~~ Board of Liquor and Lottery to be exercised in any city or
20 town, the voters of which vote “No” on the question of whether to sell fortified
21 wines and spirits pursuant to section 161 of this title.

1 Sec. 23. 7 V.S.A. § 202 is amended to read:

2 § 202. LICENSES TO ENFORCEMENT OFFICER OR CONTROL

3 COMMISSIONER; EXCEPTIONS

4 * * *

5 (b) A member of a local control commission to whom or in behalf of whom
6 a first- or second-class license was issued by that commission shall not
7 participate in any control commission action regarding any first- or second-
8 class license. If a majority of the members of a local control commission is
9 unable to participate in a control commission action regarding any first- or
10 second-class license, that action shall be referred to the ~~Liquor Control Board~~
11 of Liquor and Lottery for investigation and action.

12 (c) An application for a first- or second-class license by or in behalf of a
13 member of the local control commission or a complaint or disciplinary action
14 regarding a first or second class first- or second-class license issued by a ~~board~~
15 commission on which any member is a licensee shall be referred to the ~~Liquor~~
16 ~~Control Board of Liquor and Lottery~~ for investigation and action.

17 Sec. 24. 7 V.S.A. § 203 is amended to read:

18 § 203. RESTRICTIONS; FINANCIAL INTERESTS; EMPLOYEES

19 (a)(1) Except as provided in section 271 of this title, a packager,
20 manufacturer, or rectifier licensed in Vermont or in another state, a certificate
21 of approval holder, or a wholesale dealer shall not have any financial interest

1 in the business of a first-, second-, or third-class licensee, and a first-, second-,
2 or third-class licensee may not have any financial interest in the business of a
3 packager, manufacturer, or rectifier licensed in Vermont or in another state, a
4 certificate of approval holder, or a wholesale dealer.

5 (2) Notwithstanding subdivision (1) of this subsection and except as
6 otherwise provided in section 271 of this title, a manufacturer of malt
7 beverages may have a financial interest in the business of a first- or second-
8 class license, and a first- or second-class licensee may have a financial interest
9 in the business of a manufacturer of malt beverages, provided the first- or
10 second-class licensee does not purchase, possess, or sell the malt beverages
11 produced by a manufacturer with which there is any financial interest. Any
12 manufacturer of malt beverages that has a financial interest in a first- or
13 second-class licensee and any first- or second-class licensee that has a financial
14 interest in a manufacturer of malt beverages, as permitted under this
15 subdivision, shall provide to the ~~Department~~ Division of Liquor Control and
16 the applicable wholesale dealer written notification of that financial interest
17 and the licensees involved. A wholesale dealer shall not be in violation of this
18 section for delivering malt beverages to a first- or second-class licensee that is
19 prohibited from purchasing, possessing, or selling those malt beverages under
20 this section.

21 * * *

1 Sec. 25. 7 V.S.A. § 204 is amended to read:

2 § 204. APPLICATION AND RENEWAL FEES FOR LICENSES AND
3 PERMITS; DISPOSITION OF FEES

4 * * *

5 (b) Except for fees collected for first-, second-, and third-class licenses, the
6 fees collected pursuant to subsection (a) of this section shall be deposited in the
7 Liquor Control Enterprise Fund. The other fees shall be distributed as follows:

8 * * *

9 (2) First- and second-class license fees: At least 50 percent of first-class
10 and second-class license fees shall go to the respective municipalities in which
11 the licensed premises are located, and the remaining percentage of those fees
12 shall go to the Liquor Control Enterprise Fund. A municipality may retain
13 more than 50 percent of the fees that the municipality collected for first- and
14 second-class licenses to the extent that the municipality has assumed
15 responsibility for enforcement of those licenses pursuant to a contract with the
16 Department. The ~~Liquor Control~~ Board of Liquor and Lottery shall adopt rules
17 regarding contracts entered into pursuant to this subdivision.

18 Sec. 26. 7 V.S.A. § 205 is amended to read:

19 § 205. TERMS OF PERMITS, LICENSES, AND CERTIFICATES

20 * * *

21 (b) A permit, license, or certificate may be renewed as follows:

1 (1) A first-class or second-class license, and an outside consumption
2 permit associated with a first-class license, may be renewed by:

3 (A) payment of the fee provided in section 204 of this title;

4 (B) submission to the local control commissioners of an application
5 demonstrating that the licensee satisfies all applicable rules and requirements;
6 and

7 (C) approval of the ~~Liquor Control Board~~ Board of Liquor and Lottery as
8 provided in section 221, 222, or 227 of this title.

9 (2) All other permits, licenses, and certificates may be renewed by:

10 (A) payment of the fee provided in section 204 of this title; and

11 (B) submission to the ~~Liquor Control Board~~ Board of Liquor and Lottery or
12 the ~~Department~~ Division, as appropriate, of an application demonstrating that
13 the holder satisfies all applicable rules and requirements.

14 Sec 27. 7 V.S.A. § 206 is amended to read:

15 § 206. DISPOSAL OF FEES

16 The control commissioners shall collect all fees for first- and second-class
17 licenses and shall pay the fees to the ~~Department~~ Division and the city and
18 town treasurers of the respective cities and towns where the fees are collected
19 as provided in subsection 204(b) of this chapter. The portion of each fee paid
20 to the city or town may be used as it may direct, less a fee of \$5.00 to be
21 retained by the city or town clerk as a fee for issuing and recording the license.

1 Except as otherwise provided in section 274 and 275 of this title, fees for all
2 other licenses shall be paid to the ~~Liquor Control Board~~ of Liquor and Lottery.

3 Sec. 28. 7 V.S.A. § 207 is amended to read:

4 § 207. CHANGE OF LOCATION

5 If a licensee desires to change the location of its business before the
6 expiration of his its license, the licensee may submit an application to the
7 ~~Liquor Control Board~~ of Liquor and Lottery, which may amend the license to
8 cover the new premises without the payment of any additional fee.

9 Sec. 29. 7 V.S.A. § 209 is amended to read:

10 § 209. BANKRUPTCY, DEATH, AND REVOCATION

11 * * *

12 (d)(1) The holder of a manufacturer's or rectifier's license may pledge or
13 mortgage alcoholic beverages manufactured or rectified by the licensee and the
14 pledgee or mortgagee may retain possession of the alcoholic beverages and, if
15 the licensee defaults, may sell and dispose of the alcoholic beverages to
16 persons to whom the licensee might lawfully sell such liquors the alcoholic
17 beverages, subject to the same restrictions and regulations as the licensee, and
18 to any further restriction or rules prescribed by the ~~Liquor Control Board~~ of
19 Liquor and Lottery with respect to advance notice to it of the sale and
20 determination by it of the persons entitled to buy and the manner of the sale.

1 (2) Any sale pursuant to a default on a pledge or mortgage shall not be
2 at public auction as required with respect to similar sales of other property, but
3 shall be upon not less than ten days' notice to the pledgor or mortgagor and for
4 the highest amount which may be offered pursuant to the rules of the ~~Liquor~~
5 ~~Control Board of Liquor and Lottery~~.

6 Sec. 30. 7 V.S.A. § 210 is amended to read:

7 § 210. SUSPENSION OR REVOCATION OF LICENSE OR PERMIT;

8 ADMINISTRATIVE PENALTY

9 (a)(1) The control commissioners or the ~~Liquor Control Board of Liquor~~
10 ~~and Lottery~~ shall have power to suspend or revoke any permit or license
11 granted pursuant to this title in the event the person holding the permit or
12 license shall at any time during the term of the permit or license conduct its
13 business in violation of this title, the conditions pursuant to which the permit or
14 license was granted, or of any rule prescribed by the ~~Liquor Control Board of~~
15 ~~Liquor and Lottery~~.

16 (2) No revocation shall be made until the permittee or licensee has been
17 notified and given a hearing before the ~~Liquor Control Board of Liquor and~~
18 ~~Lottery~~, unless the permittee or licensee has been convicted by a court of
19 competent jurisdiction of violating the provisions of this title.

1 (3) In the case of a suspension, the permittee or licensee shall be notified
2 and given a hearing before the ~~Liquor Control Board~~ Board of Liquor and Lottery or
3 the local control commissioners, whichever applies.

4 * * *

5 (b)(1) As an alternative to and in lieu of the authority to suspend or revoke
6 any permit or license, the ~~Liquor Control Board~~ Board of Liquor and Lottery shall
7 also have the power to impose an administrative penalty of up to \$2,500.00 per
8 violation against a holder of a wholesale dealer’s license or a holder of a first-,
9 second-, or third-class license for a violation of the conditions of the license or
10 of this title or of any rule adopted by the Board.

11 * * *

12 (4) For the first violation during a tobacco or alcohol compliance check
13 during any three-year period, a licensee or permittee shall receive a warning
14 and be required to attend a ~~Department~~ Division server training class.

15 * * *

16 Sec. 31. 7 V.S.A. § 211 is amended to read:

17 § 211. HEARING OFFICER

18 (a) The Chair of the ~~Liquor Control Board~~ Board of Liquor and Lottery may
19 appoint a hearing officer to conduct hearings pursuant to section 210 of this
20 title. A hearing officer may be a member of the Board appointed under section
21 210 of this title.

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Sec. 32. 7 V.S.A. § 212 is amended to read:

§ 212. COMPLAINTS AND PROSECUTIONS

The Commissioner of Liquor ~~Control~~ and Lottery or the local control commissioners shall make complaint to the State’s Attorney or town grand juror of any unlawful furnishing, selling, or keeping for sale of alcohol or alcoholic beverages, and provide evidence in support of the complaint to the State’s Attorney or town grand juror, who shall prosecute for the alleged violation.

Sec. 33. 7 V.S.A. § 213 is amended to read:

§ 213. LICENSEE EDUCATION

(a) A new first-class, second-class, third-class, fourth-class, 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 laws and rules pertaining to the purchase, storage, and sale of alcoholic beverages. A corporation, partnership, or association shall designate a director, partner, or manager who shall comply with the terms of this subsection.

1 (b)(1) Every holder of a first-class, second-class, third-class, fourth-class,
2 or manufacturer's or rectifier's license, or common carrier certificate shall
3 complete the ~~Department~~ Division of Liquor Control in-person licensee
4 training seminar or the appropriate ~~Department~~ Division of Liquor Control
5 online training program at least once every two years. A corporation,
6 partnership, or association shall designate a director, partner, or manager who
7 shall comply with the terms of this subsection.

8 (2) A first-class, second-class, third-class, fourth-class, or
9 manufacturer's or rectifier's license shall not be renewed unless the
10 ~~Department's~~ Division's records show that the licensee has complied with the
11 terms of this subsection.

12 (c)(1) Each licensee, permittee, or common carrier certificate holder shall
13 ensure that every employee who is involved in the delivery, sale, or serving of
14 alcoholic beverages completes a training program approved by the ~~Department~~
15 Division of Liquor Control before the employee begins serving or selling
16 alcoholic beverages and at least once every 24 months thereafter. Each
17 licensee shall maintain written documentation, signed by each employee
18 trained, of each training program conducted.

19 (2) A licensee may comply with this requirement by conducting its own
20 training program on its premises, using information and materials furnished or
21 approved by the ~~Department~~ Division of Liquor Control. A licensee who fails

1 to comply with the requirements of this subsection shall be subject to a
2 suspension of the license issued under this title for no less than one day.

3 (d) The following fees for ~~Department~~ Division of Liquor Control in-
4 person or online seminars will be paid:

5 * * *

6 Sec. 34. 7 V.S.A. § 214 is amended to read:

7 § 214. PROOF OF FINANCIAL RESPONSIBILITY

8 (a) Any first-, second-, or third-class licensee whose license is suspended by
9 the local control commissioners or suspended or revoked by the ~~Liquor Control~~
10 Board of Liquor and Lottery for selling or furnishing alcoholic beverages to a
11 minor, to a person apparently under the influence of alcohol, to a person after
12 legal serving hours, or to a person who it would be reasonable to expect would
13 be intoxicated as a result of the amount of alcoholic beverages served to that
14 person, shall be required to furnish to the Commissioner a certificate of
15 financial responsibility within 60 days of the commencement of the suspension
16 or revocation or at the time of reinstatement of the license, whichever is later.
17 Financial responsibility may be established by any one or a combination of the
18 following: insurance, surety bond, or letter of credit. Coverage shall be
19 maintained at not less than \$25,000.00 per occurrence and \$50,000.00
20 aggregate per occurrence. Proof of financial responsibility shall be required
21 for license renewal for the three years following the suspension or revocation.

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Sec. 35. 7 V.S.A. § 221 is amended to read:

§ 221. FIRST-CLASS LICENSES

(a)(1) With the approval of the ~~Liquor Control Board~~ 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 ~~Liquor Control Board~~ 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 ~~Department~~ Division shall post notice of pending applications on its website.

* * *

(f)(1) A holder of a first-class license may contract with another person to prepare and dispense food on the licensed premises.

1 (2) The first-class license holder shall provide to the ~~Department~~
2 Division written notification five business days prior to the start of the contract
3 the following information:

4 (A) the name and address of the license holder;

5 (B) a signed copy of the contract;

6 (C) the name and address of the person contracted to provide the
7 food;

8 (D) a copy of the person's license from the Department of Health for
9 the facility in which food is served; and

10 (E) the person's rooms and meals tax certificate from the Department
11 of Taxes.

12 (3) The holder of the first-class license shall notify the ~~Department~~
13 Division within five business days of the termination of the contract to prepare
14 and dispense food. The first-class licensee shall be responsible for controlling
15 all conduct on the premises at all times, including the area in which the food is
16 prepared and stored.

17 * * *

18 Sec. 36. 7 V.S.A. § 222 is amended to read:

19 § 222. SECOND-CLASS LICENSES

20 (a)(1) With the approval of the ~~Liquor-Control Board~~ of Liquor and Lottery,
21 the control commissioners may grant a second-class license to a retail dealer

1 for the premises where the dealer carries on business if the retail dealer submits
2 an application and pays the fee provided in section 204 of this title and satisfies
3 the Board that the premises:

4 (A) are leased, rented, or owned by the retail dealer; and

5 (B) are a safe, sanitary, and proper place from which to sell malt and
6 vinous beverages.

7 (2) The ~~Department~~ Division shall post notice of pending applications
8 on its website.

9 (b)(1) A second-class license permits the holder to export malt and vinous
10 beverages; and to sell malt and vinous beverages to the public from the
11 licensed premises for consumption off the premises.

12 (2) The ~~Department~~ Division of Liquor Control may grant a second-
13 class licensee a fortified wine permit pursuant to section 225 of this chapter or
14 a retail delivery permit pursuant to section 226 of this chapter.

15 * * *

16 Sec. 37. 7 V.S.A. § 223 is amended to read:

17 § 223. THIRD-CLASS LICENSES

18 (a)(1) The ~~Liquor Control~~ Board of Liquor and Lottery may grant to a
19 person who operates a hotel, restaurant, club, boat, or railroad dining car, or
20 who holds a manufacturer's or rectifier's license, a third-class license if the
21 person files an application accompanied by the fee provided in section 204 of

1 this title for the premises in which the business of the hotel, restaurant, or club
2 is carried on or for the boat or railroad dining car.

3 * * *

4 (d)(1) Except as otherwise provided in subdivision (2) of this subsection and
5 section 271 of this title, a person who holds a third-class license shall purchase
6 from the ~~Liquor Control Board~~ Board of Liquor and Lottery all spirits and fortified
7 wines dispensed in accordance with the provisions of the third-class license
8 and this title.

9 * * *

10 Sec. 38. 7 V.S.A. § 224 is amended to read:

11 § 224. FOURTH-CLASS LICENSES

12 (a) The ~~Liquor Control Board~~ Board of Liquor and Lottery may grant up to a
13 combined total of ten fourth-class licenses to a manufacturer or rectifier that
14 submits an application and the fee provided in section 204 of this title.

15 * * *

16 Sec. 39. 7 V.S.A. § 225 is amended to read:

17 § 225. FORTIFIED WINE PERMITS

18 (a)(1) The ~~Department~~ Division of Liquor Control may grant a fortified
19 wine permit to a second-class licensee if the licensee files an application
20 accompanied by the fee provided in section 204 of this title.

1 (2) The ~~Department~~ Division of Liquor Control shall issue no more than
2 150 fortified wine permits in any single year.

3 * * *

4 Sec. 40. 7 V.S.A. § 226 is amended to read:

5 § 226. RETAIL DELIVERY PERMITS

6 (a)(1) The ~~Department~~ Division of Liquor Control may grant a retail
7 delivery permit to a second-class licensee if the licensee files an application
8 accompanied by the fee provided in section 204 of this title.

9 (2) Notwithstanding subdivision (1) of this subsection, the ~~Department~~
10 Division of Liquor Control shall not grant a retail delivery permit in relation to
11 a second-class license issued to a licensed manufacturer or rectifier for the
12 manufacturer's or rectifier's premises.

13 (b) A retail delivery permit holder may deliver malt beverages or vinous
14 beverages sold from the licensed premises for consumption off the premises to
15 an individual who is at least 21 years of age subject to the following
16 requirements:

17 * * *

18 (4) An employee of a retail delivery permit holder shall not be permitted
19 to make deliveries of malt beverages or vinous beverages pursuant to the
20 permit unless he or she has completed a training program approved by the
21 ~~Department~~ Division pursuant to section 213 of this chapter.

1 * * *

2 Sec. 41. 7 V.S.A. § 227 is amended to read:

3 § 227. OUTSIDE CONSUMPTION PERMITS; FIRST-, THIRD-, AND
4 FOURTH-CLASS LICENSEES

5 Pursuant to the rules of the ~~Liquor Control~~ Board of Liquor and Lottery, the
6 ~~Department~~ Division of Liquor Control may grant an outside consumption
7 permit to the holder of a first-, first- and third-class, or fourth-class license for
8 all or part of the outside premises of the license holder if the permit is
9 approved by the local control commissioners and the Board.

10 Sec. 42. 7 V.S.A. § 229 is amended to read:

11 § 229. CLUBS

12 * * *

13 (c)(1) Before May 1 of each year, each club shall file with the ~~Liquor~~
14 ~~Control Board~~ of Liquor and Lottery a list of the names and residences of its
15 members and a list of its officers.

16 * * *

17 (3)(A) A club may provide for a salary for members, officers, agents, or
18 employees of the club by a vote at annual meetings by the club's members,
19 directors, or other governing body, and shall report the salary set for the
20 members, officers, agents, or employees to the ~~Liquor Control~~ Board of Liquor
21 and Lottery.

1 * * *

2 Sec. 43. 7 V.S.A. § 241 is amended to read:

3 § 241. CATERER’S LICENSE; COMMERCIAL CATERING LICENSE

4 (a) The ~~Liquor Control~~ Board of Liquor and Lottery may issue a caterer’s
5 license or a commercial catering license to a person who holds a first-class
6 license or first- and third-class licenses.

7 (b) The ~~Liquor Control~~ Board of Liquor and Lottery shall adopt rules as it
8 ~~deems~~ necessary to effectuate the purposes of this section.

9 Sec. 44. 7 V.S.A. § 242 is amended to read:

10 § 242. DESTINATION RESORT MASTER LICENSES

11 (a) The ~~Liquor Control~~ Board of Liquor and Lottery may grant a
12 destination resort master license to a person that operates a destination resort if
13 the applicant files an application with the ~~Liquor Control~~ Board of Liquor and
14 Lottery accompanied by the license fee provided in section ~~231~~ 204 of this
15 title. In addition to any information required pursuant to rules adopted by the
16 Board, the application shall:

17 * * *

18 (b) A licensee may, upon five days’ notice to the ~~Department~~ Division,
19 amend the list of licensed caterers and commercial caterers that are designated
20 in the destination resort master license.

1 (c) The holder of the destination resort master license shall, at least two
2 days prior to the date of the event, provide the ~~Department~~ Division and local
3 control commissioners with written notice of an event within the resort
4 boundaries that will be catered pursuant to the master license. A licensed
5 caterer or commercial caterer that is designated in the master license shall not
6 be required to obtain a request to cater permit to cater an event occurring
7 within the destination resort boundaries if the master licensee has provided the
8 ~~Department~~ Division and local control commissioners with the required notice
9 pursuant to this subsection.

10 * * *

11 Sec. 45. 7 V.S.A. § 243 is amended to read:

12 § 243. REQUEST TO CATER PERMIT

13 (a) The ~~Department~~ Division of Liquor Control may issue a request to cater
14 permit to the holder of a caterer's license or commercial caterer's license if the
15 licensee:

16 * * *

17 Sec. 46. 7 V.S.A. § 251 is amended to read:

18 § 251. EDUCATIONAL SAMPLING EVENT PERMIT

19 (a) The ~~Department~~ Division of Liquor Control may grant an educational
20 sampling event permit to a person if:

21 (1) the event is also approved by the local control commissioners; and

1 (3) paid the fee provided in section 204 of this title.

2 * * *

3 Sec. 49. 7 V.S.A. § 254 is amended to read:

4 § 254. SPECIAL VENUE SERVING PERMITS

5 (a) The ~~Department~~ Division of Liquor Control may grant an art gallery,
6 bookstore, public library, or museum a special venue serving permit if the
7 applicant has:

8 (1) received approval from the local control commissioners;

9 (2) submitted a request for a permit to the ~~Department~~ Division in a
10 form required by the Commissioner at least five days prior to the event; and

11 (3) paid the fee provided in section 204 of this title.

12 * * *

13 Sec. 50. 7 V.S.A. § 255 is amended to read:

14 § 255. RETAIL ALCOHOLIC BEVERAGE TASTING PERMITS

15 (a) The ~~Department~~ Division of Liquor Control may grant a licensee a
16 permit to conduct an alcoholic beverage tasting event as provided in subsection

17 (b) of this section if:

18 * * *

19 (b) The ~~Department~~ Division may grant the following alcoholic beverage
20 tasting permits to the following types of licensees:

21 * * *

1 Sec. 51. 7 V.S.A. § 256 is amended to read:

2 § 256. PROMOTIONAL TASTINGS FOR LICENSEES

3 (a)(1) At the request of a first- or second-class licensee, a holder of a
4 manufacturer's, rectifier's, or wholesale dealer's license may distribute without
5 charge to the first- or second-class licensee's management and staff, provided
6 they are of legal age and are off duty for the rest of the day, two ounces per
7 person of vinous or malt beverages for the purpose of promoting the beverage.

8 * * *

9 (3) No permit is required for a tasting pursuant to this subsection, but
10 written notice of the event shall be provided to the ~~Department~~ Division of
11 Liquor Control at least two days prior to the date of the tasting.

12 (b)(1) At the request of a holder of a wholesale dealer's license, a first-class
13 licensee may dispense malt or vinous beverages for promotional purposes
14 without charge to invited management and staff of first-, second-, or third-class
15 licensees, provided they are of legal age.

16 * * *

17 (4) No permit is required for a tasting pursuant to this subsection, but
18 the wholesale dealer shall provide written notice of the event to the
19 ~~Department~~ Division of Liquor Control at least 10 days prior to the date of the
20 tasting.

1 (c)(1) Upon receipt of a first- or second-class application by the
2 Department, a holder of a wholesale dealer’s license may dispense malt or
3 vinous beverages for promotional purposes without charge to invited
4 management and staff of the business that has applied for a first- or second-
5 class license, provided they are of legal age.

6 * * *

7 (5) No permit is required under this subdivision, but the wholesale
8 dealer shall provide written notice of the event to the ~~Department~~ Division at
9 least five days prior to the date of the tasting.

10 Sec. 52. 7 V.S.A. § 258 is amended to read:

11 § 258. PROMOTIONAL RAILROAD TASTING PERMIT

12 The ~~Department~~ Division of Liquor Control may grant to a person that
13 operates a railroad a tasting permit that permits the holder to conduct tastings
14 of alcoholic beverages in the dining car if the person files with the ~~Department~~
15 Division an application along with the fee provided in section 204 of this title.

16 Sec. 53. 7 V.S.A. § 259 is amended to read:

17 § 259. TASTING EVENTS; AGE AND TRAINING OF SERVERS

18 No individual who is under 18 years of age or who has not received training
19 as required by the ~~Department~~ Division may serve alcoholic beverages at a
20 tasting event under this subchapter.

1 Sec. 54. 7 V.S.A. § 271 is amended to read:

2 § 271. MANUFACTURER'S OR RECTIFIER'S LICENSE

3 (a) The ~~Liquor Control~~ Board of Liquor and Lottery may grant a
4 manufacturer's or rectifier's license upon application and payment of the fee
5 provided in section 204 of this title that permits the license holder to
6 manufacture or rectify:

7 * * *

8 (b) Except as otherwise provided in section 224 of this title and subsections
9 (d)–(f) of this section:

10 (1) spirits and fortified wine may be manufactured for sale to the ~~Liquor~~
11 ~~Control~~ Board of Liquor and Lottery or for export, or both; and

12 * * *

13 (d)(1) The ~~Liquor Control~~ Board of Liquor and Lottery may grant to a
14 licensed manufacturer or rectifier a first-class license or a first- and a third-
15 class license permitting the licensee to sell alcoholic beverages to the public at
16 an establishment located at the manufacturer's premises, provided the
17 manufacturer or rectifier owns or has direct control over that establishment.

18 * * *

19 (e) The ~~Liquor Control~~ Board of Liquor and Lottery may grant a licensed
20 manufacturer of malt beverages a second-class license permitting the licensee

1 to sell alcoholic beverages to the public anywhere on the manufacturer's
2 premises.

3 (f)(1) A licensed manufacturer or rectifier may serve alcoholic beverages
4 with or without charge at an event held on the premises of the licensee or at a
5 location on the contiguous real estate of the licensee provided the licensee at
6 least five days before the event gives the ~~Department~~ Division written notice of
7 the event, including details required by the ~~Department~~ Division.

8 (2) Any beverages not manufactured by the licensee and served at the
9 event shall be purchased on invoice from a licensed manufacturer or wholesale
10 dealer or the ~~Liquor Control Board~~ of Liquor and Lottery.

11 Sec. 55. 7 V.S.A. § 272 is amended to read:

12 § 272. PACKAGER'S LICENSE

13 (a) The ~~Liquor Control Board~~ of Liquor and Lottery may grant a
14 packager's license to a person if the person:

15 (1) submits an application;

16 (2) pays the fee provided in section 204 of this title; and

17 (3) satisfies the Commissioner of Liquor ~~Control~~ and Lottery as to its
18 compliance with the rules of the Board relating to the cleanliness of the
19 applicant's facilities for storage and bottling of alcoholic beverages.

20 * * *

1 Sec. 56. 7 V.S.A. § 273 is amended to read:

2 § 273. WHOLESALE DEALER'S LICENSE

3 (a) The ~~Liquor Control Board~~ Board of Liquor and Lottery may grant a wholesale
4 dealer's license to a person if the person:

5 * * *

6 Sec. 57. 7 V.S.A. § 274 is amended to read:

7 § 274. CERTIFICATE OF APPROVAL FOR DISTRIBUTION OF MALT
8 OR VINOUS BEVERAGES

9 (a) The ~~Liquor Control Board~~ Board of Liquor and Lottery may grant to a
10 manufacturer or distributor of malt or vinous beverages that is not licensed
11 under the provisions of this title a certificate of approval if the manufacturer or
12 distributor does all of the following:

13 * * *

14 (3) Pays the fee provided in section 204 of this title to the ~~Department~~
15 Division of Liquor Control by a certified check payable to the State of
16 Vermont or another form of payment approved by the ~~Liquor Control Board~~ of
17 Liquor and Lottery. If the Board does not grant the application, the certified
18 check or payment shall be returned to the applicant.

19 * * *

20 (d)(1) The ~~Liquor Control Board~~ Board of Liquor and Lottery may suspend or
21 revoke a certificate of approval if the holder fails to comply with the rules of

1 the Board or to submit reports to the Commissioner of Taxes in accordance
2 with all applicable laws and rules.

3 * * *

4 Sec. 58. 7 V.S.A. § 275 is amended to read:

5 § 275. SOLICITOR'S LICENSE

6 (a) The ~~Liquor Control~~ Board of Liquor and Lottery may grant an
7 individual a solicitor's license if he or she does all of the following:

8 (1) Submits an application to the ~~Liquor Control~~ Board of Liquor and
9 Lottery on a form prescribed by the Board. The application shall include, at a
10 minimum, the name, residence, and business address of the applicant, the name
11 and address of the vendor or employer to be represented by the applicant, and
12 an agreement by the applicant to comply with the rules of the Board.

13 * * *

14 (3) Pays the fee provided in section 204 of this title to the ~~Department~~
15 Division of Liquor Control by certified check made payable to the State of
16 Vermont. The certified check shall be returned to the applicant if the Board
17 does not grant him or her a license under this section.

18 * * *

19 (c) The ~~Liquor Control~~ Board of Liquor and Lottery may suspend or revoke
20 a solicitor's license for failure to comply with any rule of the Board or for

1 other cause. A solicitor's license shall not be revoked until the license holder
2 has had an opportunity for a hearing following reasonable notice.

3 * * *

4 Sec. 59. 7 V.S.A. § 276 is amended to read:

5 § 276. INDUSTRIAL ALCOHOL DISTRIBUTOR'S LICENSE

6 (a) The ~~Liquor Control~~ Board of Liquor and Lottery may grant an industrial
7 alcohol distributor's license upon application and payment of the fee provided
8 in section 204 of this title.

9 * * *

10 Sec. 60. 7 V.S.A. § 277 is amended to read:

11 § 277. MALT AND VINOUS BEVERAGE CONSUMER SHIPPING

12 LICENSE

13 (a)(1) A manufacturer or rectifier of malt or vinous beverages licensed in
14 Vermont may be granted an in-state consumer shipping license by filing with
15 the ~~Department~~ Division of Liquor Control an application in a form required
16 by the Commissioner accompanied by a copy of the applicant's current
17 Vermont manufacturer's license and the fee provided in section 204 of this
18 title.

19 (2) An in-state consumer shipping license may be renewed annually by
20 submitting to the ~~Department~~ Division the fee provided in section 204 of this

1 title accompanied by a copy of the licensee’s current Vermont manufacturer’s
2 license.

3 (b)(1) A manufacturer or rectifier of malt or vinous beverages licensed in
4 another state that operates a brewery or winery in the United States and holds
5 valid state and federal permits and licenses may be granted an out-of-state
6 consumer shipping license by filing with the ~~Department~~ Division of Liquor
7 Control an application in a form required by the Commissioner accompanied
8 by copies of the applicant’s current out-of-state manufacturer’s license and the
9 fee provided in section 204 of this title.

10 (2) An out-of-state consumer shipping license may be renewed annually
11 by submitting to the ~~Department~~ Division the fee provided in section 204 of
12 this title accompanied by the licensee’s current out-of-state manufacturer’s
13 license.

14 * * *

15 (c)(1) A consumer shipping license granted pursuant to this section shall
16 permit the licensee to ship malt or vinous beverages produced by the licensee
17 to private residents for personal use and not for resale.

18 * * *

19 (3) The beverages shall be shipped by common carrier certified by the
20 ~~Department~~ Division pursuant to section 280 of this subchapter. The common
21 carrier shall comply with all the following:

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* * *

Sec. 61. 7 V.S.A. § 278 is amended 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 ~~Department~~ 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 ~~Department~~ 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.

* * *

(d) The retail shipping license holder shall provide to the ~~Department~~ Division documentation of the annual and monthly number of gallons sold.

* * *

1 Sec. 62. 7 V.S.A. § 279 is amended to read:

2 § 279. CONSUMER AND RETAIL SHIPPING LICENSES; GENERAL
3 REQUIREMENTS

4 A holder of a shipping license granted pursuant to section 277 or 278 of this
5 subchapter shall comply with all of the following:

6 * * *

7 (2) Not ship to any address in a municipality that the ~~Department~~
8 Division of Liquor Control identifies as having voted to be “dry.”

9 * * *

10 (4) Report at least twice per year to the ~~Department~~ Division if a holder
11 of a consumer shipping license and once per year if a holder of a retail
12 shipping license in a manner and form required by the Commissioner all the
13 following information:

14 * * *

15 (6) Permit the State Treasurer, the ~~Department~~ Division of Liquor
16 Control, and the Department of Taxes, separately or jointly, upon request, to
17 perform an audit of its records.

18 (7) If an out-of-state license holder, be deemed to have consented to the
19 jurisdiction of the ~~Liquor Control Board~~ Board of Liquor and Lottery, Department of
20 Liquor and Lottery, Division of Liquor Control, or any other State agency and

1 the Vermont State courts concerning enforcement of this or other applicable
2 laws and rules.

3 * * *

4 (9) Comply with all applicable laws and ~~Liquor Control~~ Board of Liquor
5 and Lottery rules.

6 * * *

7 Sec. 63. 7 V.S.A. § 280 is amended to read:

8 § 280. COMMON CARRIERS; REQUIREMENTS

9 (a) A common carrier shall not deliver malt or vinous beverages pursuant
10 to this chapter until it has complied with the training provisions in section 213
11 of this title and been certified by the ~~Department~~ Division of Liquor Control.

12 * * *

13 Sec. 64. 7 V.S.A. § 281 is amended to read:

14 § 281. PROHIBITIONS

15 * * *

16 (c) For any violation of sections 277–280 of this subchapter, the ~~Liquor~~
17 ~~Control Board of Liquor and Lottery~~ may suspend or revoke a license issued
18 under section 277 or 278 of this subchapter, in addition to any other remedies
19 available to the Board.

1 Sec. 65. 7 V.S.A. § 282 is amended to read:

2 § 282. RULEMAKING

3 The ~~Liquor Control~~ Board of Liquor and Lottery and the Commissioner of
4 Taxes may adopt rules and forms necessary to implement sections 277–281 of
5 this subchapter.

6 Sec. 66. 7 V.S.A. § 283 is amended to read:

7 § 283. VINOUS BEVERAGE STORAGE AND SHIPPING LICENSE

8 (a) The ~~Liquor Control~~ Board of Liquor and Lottery may, pursuant to rules
9 adopted by the Board, grant a vinous beverage storage and shipping license to
10 a person that submits an application and pays the fee provided in section 204
11 of this title.

12 * * *

13 Sec. 67. 7 V.S.A. § 423 is amended to read:

14 § 423. RULES

15 (a) The Commissioner of Taxes and the ~~Liquor Control~~ Board of Liquor
16 and Lottery shall adopt rules as necessary for the proper administration and
17 collection of the tax imposed under section 422 of this title.

18 * * *

1 Sec. 68. 7 V.S.A. § 503 is amended to read:

2 § 503. SATISFACTION OF JUDGMENT; REVOCATION OF LICENSE

3 If a licensee fails to satisfy a judgment entered under section 501 of this title
4 for 30 days after the judgment is entered, the local control commissioners or
5 the ~~Liquor Control Board~~ of Liquor and Lottery shall revoke its license. A
6 license shall not be granted to a person against whom a judgment has been
7 recovered, until the judgment is satisfied.

8 Sec. 69. 7 V.S.A. § 561 is amended to read:

9 § 561. AUTHORITY OF LIQUOR CONTROL INVESTIGATORS;

10 ARREST FOR UNLAWFULLY MANUFACTURING,

11 POSSESSING, OR TRANSPORTING ALCOHOLIC BEVERAGES;

12 SEIZURE OF PROPERTY

13 * * *

14 (b) The Commissioner of ~~Liquor Control~~ and Lottery, the Director of ~~the~~
15 ~~Enforcement Division of~~ for the Department Division of Liquor Control, an
16 investigator employed by the ~~Liquor Control Board~~ of Liquor and Lottery or
17 by the ~~Department~~ Division of Liquor Control, or any other law enforcement
18 officer may arrest or take into custody pursuant to the Vermont Rules of
19 Criminal Procedure a person whom he or she finds in the act of manufacturing
20 alcohol or possessing a still; or other apparatus for the manufacture of alcohol;
21 unlawfully selling, bartering, possessing, furnishing, or transporting alcohol; or

1 unlawfully selling, furnishing, or transporting alcoholic beverages, and shall
2 seize the alcohol, vessels, and implements of sale and the stills or other
3 apparatus for the manufacture of alcohol in the possession of the person. He or
4 she may also seize and take into custody any property described in this section.

5 Sec. 70. 7 V.S.A. § 562 is amended to read:

6 § 562. SEARCH WARRANTS

7 (a) If a State's Attorney, the Commissioner of Liquor ~~Control~~ and Lottery,
8 an investigator duly acting for the ~~Liquor Control~~ Board of Liquor and Lottery,
9 a control commissioner, or a town grand juror make a complaint under oath or
10 affirmation to a judge of the Criminal Division of the Superior Court, that he or
11 she or they have reason to believe that alcoholic beverages or alcohol are kept
12 or deposited for sale or distribution contrary to law, or that alcohol is
13 manufactured or possessed contrary to law, in any kind of vehicle, air or water
14 craft, or other conveyance, or a dwelling house, railway car, or building or
15 place in the county, the judge shall issue a warrant to search the premises
16 described in the complaint.

17 * * *

18 Sec. 71. 7 V.S.A. § 567 is amended to read:

19 § 567. FORFEITURE OF SEIZED PROPERTY

20 * * *

1 (b) Alcoholic beverages, alcohol, or other property that is adjudged
2 forfeited and condemned under this section shall be turned over to the
3 Commissioner of Liquor ~~Control~~ and Lottery for the benefit of the State.

4 Sec. 72. 7 V.S.A. § 588 is amended to read:

5 § 588. FEES OF SHERIFF, CONSTABLE, OR POLICE OFFICER

6 When a sheriff, constable, or police officer makes a search under this title
7 pursuant to a warrant, he or she shall receive a fee for the search,
8 reimbursement for mileage at the rate set pursuant to 32 V.S.A. § 1267, and the
9 sum that he or she actually paid out for necessary assistance, if:

10 (1) the Commissioner of Liquor ~~Control~~ and Lottery deems the amount
11 to be reasonable; and

12 * * *

13 Sec. 73. 7 V.S.A. § 590 is amended to read:

14 § 590. LIQUOR CONTROL BOARD OF LIQUOR AND LOTTERY;

15 RULES

16 The ~~Liquor Control~~ Board of Liquor and Lottery shall adopt rules as necessary
17 to effectuate the purposes of section 589 of this title.

18 Sec. 74. 7 V.S.A. § 659 is amended to read:

19 § 659. REFUSAL OR NEGLECT OF OFFICERS TO PERFORM DUTIES

20 (a) The county sheriffs, sheriff's deputies, constables, officers or members
21 of the village or city police, State Police, and investigators of the ~~Liquor~~

1 ~~Control~~ Board of Liquor and Lottery shall have the authority and duty to see
2 that the provisions of this title and the rules adopted by the ~~Liquor Control~~
3 Board of Liquor and Lottery pursuant to this title are enforced within their
4 respective jurisdictions. Any officer who willfully refuses or neglects to
5 perform the duties imposed upon him or her by this section shall be fined not
6 more than \$500.00 or imprisoned not more than 90 days, or both.

7 * * *

8 Sec. 75. 7 V.S.A. § 661 is amended to read:

9 § 661. VIOLATIONS OF TITLE

10 (a)(1) A person that furnishes, sells, or keeps with intent to sell, or bottles
11 or prepares for sale any alcoholic beverages, except as authorized by this title,
12 or sells, barter, transports, imports, exports, delivers, prescribes, furnishes, or
13 possesses alcohol, except as authorized by the ~~Liquor Control~~ Board of Liquor
14 and Lottery, or that unlawfully manufactures alcohol or possesses a still or
15 other apparatus for the manufacture of alcohol shall be imprisoned not more
16 than 12 months nor less than three months or fined not more than \$1,000.00
17 nor less than \$100.00, or both.

18 * * *

19 (b) A person that willfully violates a provision of this title for which no
20 other penalty is prescribed or that willfully violates a rule of the ~~Liquor Control~~
21 Board of Liquor and Lottery shall be imprisoned not more than three months

1 nor less than one month or fined not more than \$200.00 nor less than \$50.00,
2 or both.

3 * * *

4 Sec. 76. 7 V.S.A. § 701 is amended to read:

5 § 701. DEFINITIONS

6 As used in this chapter:

7 (1) “Certificate of approval” means an authorization by the ~~Liquor~~
8 ~~Control Board~~ Board of Liquor and Lottery pursuant to section 274 of this title to a
9 manufacturer or distributor of malt beverages or vinous beverages, or both not
10 licensed under the provisions of this title, to sell those beverages to holders of a
11 packager’s or wholesale dealer’s license issued by the Board pursuant to
12 section 272 or 273 of this title.

13 * * *

14 Sec. 77. 7 V.S.A. § 1002 is amended to read:

15 § 1002. LICENSE REQUIRED; APPLICATION; FEE; ISSUANCE

16 (a)(1) No person shall engage in the retail sale of tobacco products, tobacco
17 substitutes, or tobacco paraphernalia in his or her place of business without a
18 tobacco license obtained from the ~~Department~~ Division of Liquor Control.

19 (2) No person shall engage in the retail sale of tobacco substitutes
20 without also obtaining a tobacco substitute endorsement from the ~~Department~~
21 Division of Liquor Control.

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(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 provided in section 204 of this title for a liquor license and a tobacco license;

* * *

(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. 78. 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,

1 and sale of tobacco products. A corporation, partnership, or association shall
2 designate a director, partner, or manager to comply with the requirements of
3 this subsection.

4 (b) The holder of a tobacco license that does not also hold a liquor license
5 issued pursuant to this title for the same premises shall:

6 (1) Complete the ~~Department's~~ Division's in-person or online
7 enforcement seminar at least once every two years. A corporation, partnership,
8 or association shall designate a director, partner, or manager to comply with
9 this subdivision.

10 (2) Ensure that every employee involved in the sale of tobacco products
11 completes a ~~Department~~ Division of Liquor Control in-person or online
12 training program or other training programs approved by the ~~Department~~
13 Division before the employee begins selling or providing tobacco products,
14 and at least once every 24 months thereafter. A licensee may comply with this
15 subdivision by conducting its own training program on its premises using
16 information and materials furnished by the ~~Department~~ Division of Liquor
17 Control. A licensee that fails to comply with the requirements of this
18 subsection shall be subject to suspension of its tobacco license for no less than
19 one day.

20 (3) Fees for ~~Department~~ Division of Liquor Control in-person and
21 online seminars for tobacco only shall be \$10.00 per person.

1 Sec. 79. 7 V.S.A. § 1007 is amended to read:

2 § 1007. FURNISHING TOBACCO TO PERSONS UNDER 18 YEARS OF
3 AGE; REPORT

4 * * *

5 (b)(1) The ~~Department~~ Division of Liquor Control shall conduct or contract
6 for compliance tests of tobacco licensees as frequently and as comprehensively
7 as necessary to ensure consistent statewide compliance with the prohibition on
8 sales to persons under 18 years of age of at least 90 percent for buyers who are
9 16 or 17 years of age. An individual under 18 years of age participating in a
10 compliance test shall not be in violation of section 1005 of this title.

11 * * *

12 (3) The ~~Department~~ Commissioner shall report to the House Committee
13 on General, Housing and Military Affairs, the Senate Committee on Economic
14 Development, Housing and General Affairs, and the Tobacco Evaluation and
15 Review Board annually, on or before January 15, the methodology and results
16 of compliance tests conducted during the previous year. The provisions of
17 2 V.S.A. § 20(d) (expiration of required reports) shall not apply to the required
18 report to be made under this subsection.

19 Sec. 80. 7 V.S.A. § 1008 is amended to read:

20 § 1008. RULEMAKING

1 (4) receive, warehouse, manage, and distribute all State property and
2 commodities, except alcoholic beverages purchased by the ~~Liquor Control~~
3 Board of Liquor and Lottery; and all surplus federal property and commodities;

4 * * *

5 (i) Notwithstanding subsection (a) of this section, all alcoholic beverages
6 sold by the ~~Liquor Control~~ Board of Liquor and Lottery shall be purchased by
7 the Board as set forth in 7 V.S.A. §§ 104 and 107.

8 Sec. 83. REPEALS

9 31 V.S.A. §§ 651 (State Lottery Commission), 652 (organization), and 653
10 (compensation) are repealed.

11 Sec. 84. 31 V.S.A. § 654 is redesignated and amended to read:

12 § ~~654~~ 651. POWERS AND DUTIES OF BOARD OF LIQUOR AND
13 LOTTERY

14 The ~~Commission~~ Board of Liquor and Lottery shall adopt rules pursuant to
15 3 V.S.A. chapter 25, governing the establishment and operation of the State
16 Lottery. The rules may include the following:

17 * * *

18 (7) Lottery product sales locations, which may include State agency
19 liquor stores ~~and liquor agencies~~; private business establishments, except
20 establishments holding first- or first- and third-class licenses pursuant to Title

1 7; fraternal, religious, and volunteer organizations; town clerks' offices; and
2 State fairs, race tracks, and other sporting arenas.

3 * * *

4 (11) Apportionment of total revenues, within limits hereinafter
5 specified, accruing to the State Lottery Fund among:

6 (A) the payment of prizes to winning ticket holders;

7 (B) the payment of all costs incurred in the creation, operation, and
8 administration of the ~~lottery~~ State Lottery, including compensation of the
9 ~~Commission Board, Director~~ Commissioner of Liquor and Lottery, employees
10 of the Department of Liquor and Lottery, consultants, contractors, and other
11 necessary expenses;

12 (C) the repayment of monies advanced to the State Lottery Fund for
13 initial funding of the ~~lottery~~ State Lottery;

14 * * *

15 Sec. 85. 31 V.S.A. § 654a is redesignated and amended to read:

16 § ~~654a~~ 652. MULTIJURISDICTIONAL LOTTERY GAME GAMES

17 (a) In addition to the Tri-State Lotto Compact provided for in subchapter 2
18 of this chapter; and the other authority to operate lotteries contained in this
19 chapter, the ~~Commission Board of Liquor and Lottery~~ is authorized to
20 negotiate and contract with up to four multijurisdictional lotteries to offer and
21 provide multijurisdictional lottery games. The ~~Commission Board~~ may join

1 any multijurisdictional lottery that provides indemnification for its standing
2 committee members, officers, directors, employees, and agents. The
3 ~~Commission~~ Board shall adopt rules under 3 V.S.A. chapter 25 to govern the
4 establishment and operation of any multijurisdictional lottery game authorized
5 by this section.

6 * * *

7 (c) The provisions of subdivisions 674L.1.1A through 674L.1.1I of this
8 title shall apply to the payment of prizes to a person other than a winner for
9 prizes awarded under any multijurisdictional lottery authorized by this section,
10 except that the ~~Vermont Lottery Commission~~ Board of Liquor and Lottery
11 shall be responsible for implementing ~~such~~ the provisions under this section,
12 rather than the Tri-State Lotto Commission.

13 Sec. 86. 31 V.S.A. § 655 is redesignated and amended to read:

14 § ~~655~~ 653. LICENSE FEES

15 A license fee shall be charged for each sales license granted to a person for
16 the purpose of selling lottery tickets at the time the person is first granted a
17 license. The fee shall be fixed by the ~~Commission~~ Board of Liquor and
18 Lottery, but no license fee in excess of \$50.00 may be charged.

19 Sec. 87. 31 V.S.A. § 656 is redesignated and amended to read:

20 § ~~656~~ 654. INTERSTATE LOTTERY; CONSULTANT; MANAGEMENT

1 (a) The ~~Commission~~ Board of Liquor and Lottery may develop and operate
2 a lottery or the State may enter into a contractual agreement with another state
3 or states to provide for the operation of the lottery. Approval of the Joint
4 Fiscal Committee and the Governor shall be required for such contractual
5 agreements with other states.

6 (b) If no interstate contract is entered into, the ~~Commission~~ Board shall
7 obtain the service of an experienced lottery design and implementation
8 consultant. The fee for the consultant may be fixed or may be based ~~upon~~ on a
9 percentage of gross receipts realized from the lottery.

10 (c) The ~~Commission~~ Board may enter into a facilities management type of
11 agreement for operation of the lottery by a third party.

12 Sec. 88. 31 V.S.A. § 657 is redesignated and amended to read:

13 § ~~657~~ 655. DIRECTOR AND DUTIES OF THE COMMISSIONER

14 (a) The State Lottery shall be under the immediate supervision and
15 direction of a ~~Lottery Director~~ the Commissioner of Liquor and Lottery. The
16 ~~Director shall devote his or her entire time and attention to the duties of his or~~
17 ~~her office and shall not be engaged in any other profession or occupation. The~~
18 ~~Office of Director of the State Lottery is an executive position and shall not be~~
19 ~~included in the plan of classification of State employees, notwithstanding~~
20 ~~3 V.S.A. § 310(a).~~

21 (b) The ~~Director~~ Commissioner shall:

1 (1) supervise and administer the operation of the ~~lottery~~ Lottery within
2 the rules adopted by the ~~Commission~~ Board of Liquor and Lottery;

3 (2) subject to the approval of the ~~Commission~~ Board, enter into such
4 contracts ~~as may be required~~ necessary for the proper creation, administration,
5 operation, modification, and promotion of the ~~lottery~~ Lottery or any part
6 ~~thereof of the Lottery~~. These contracts shall not be assignable;

7 (3) license sales agents and suspend or revoke any license in accordance
8 with the provisions of this chapter and the rules of the ~~Commission~~ Board;

9 (4) act as Secretary to the ~~Commission~~ Board, but as a nonvoting
10 member of the ~~Commission~~ Board;

11 (5) employ ~~such~~ professional and secretarial staff ~~as may be required~~
12 necessary to carry out the functions of the ~~Commission~~ Division of the Lottery.

13 3 V.S.A. chapter 13 shall apply to employees of the ~~Commission~~ Division; and

14 (6) annually prepare a budget and submit it to the ~~Commission~~ Board.

15 Sec. 89. 31 V.S.A. § 658 is redesignated and amended to read:

16 § ~~658~~ 656. STATE LOTTERY FUND

17 (a) There is hereby created in the State Treasury a separate fund to be
18 known as the State Lottery Fund. ~~This fund~~ The Fund shall consist of all
19 revenues received from the Treasurer for initial funding, from sale of lottery
20 tickets, from license fees, and from all other money credited or transferred
21 from any other fund or source pursuant to law. The monies in the State Lottery

1 Fund shall be disbursed pursuant to subdivision ~~654(11)~~ 651(11) of this title,
2 and shall be disbursed by the Treasurer on warrants issued by the
3 Commissioner of Finance and Management, when authorized by the
4 Commissioner of Liquor and Lottery Director and approved by the
5 Commissioner of Finance and Management.

6 (b) Expenditures for administrative and overhead expenses of the operation
7 of the ~~lottery~~ Lottery, except agent and bank commissions, shall be paid from
8 ~~lottery~~ Lottery receipts from an appropriation authorized for that purpose.

9 Agent commissions shall be set by the ~~Lottery Commission~~ Board of Liquor
10 and Lottery and ~~may~~ shall not exceed 6.25 percent of gross receipts and bank
11 commissions ~~may~~ shall not exceed ~~4~~ one percent of gross receipts. Once the
12 draw game results become official, the payment of any commission on any
13 draw game ticket that wins at least \$10,000.00 shall be made through the
14 normal course of processing payments to lottery agents, regardless of whether
15 the winning ticket is claimed.

16 * * *

17 Sec. 90. 31 V.S.A. § 659 is redesignated and amended to read:

18 § ~~659~~ 657. REPORT OF THE COMMISSION BOARD

19 The ~~Commission~~ Board of Liquor and Lottery shall make an annual report
20 to the Governor and to the General Assembly on or before the 10th day of
21 January in each year, ~~including therein~~. The report shall include an account of

1 ~~its~~ the Board's actions, and the receipts derived under the provisions of this
2 chapter, the practical effects of the application ~~thereof~~ of the proceeds of the
3 Lottery, and any recommendation for legislation ~~which that~~ the Commission
4 Board deems advisable.

5 Sec. 91. 31 V.S.A. § 660 is redesignated and amended to read:

6 § ~~660~~ 658. POST-AUDITS POSTAUDITS

7 All ~~lottery~~ Lottery accounts and transactions of the ~~Lottery Commission~~
8 Board of Liquor and Lottery and Division of the Lottery pursuant to this
9 chapter shall be subject to annual ~~post-audits~~ postaudits conducted by
10 independent auditors retained by the ~~Commission~~ Board for this purpose. The
11 ~~Commission~~ Board may order ~~such~~ other audits as it deems necessary and
12 desirable.

13 Sec. 92. 31 V.S.A. § 661 is redesignated and amended to read:

14 § ~~661~~ 659. SALES AND PURCHASE OF LOTTERY TICKETS

15 The following acts relating to the purchase and sale of lottery tickets are
16 prohibited:

17 * * *

18 (4) No member of the ~~Commission~~ Board of Liquor and Lottery or
19 employee of the ~~Commission~~ Department of Liquor and Lottery, or ~~members~~
20 member of ~~their~~ his or her immediate household, may claim or receive prize
21 money ~~hereunder~~ under this chapter.

1 Sec. 93. 31 V.S.A. § 662 is redesignated to read:

2 § ~~662~~ 660. UNCLAIMED PRIZE MONEY

3 Sec. 94. 31 V.S.A. § 663 is redesignated to read:

4 § ~~663~~ 661. STATE GAMING LAWS INAPPLICABLE AS TO LOTTERY

5 Sec. 95. 31 V.S.A. § 665 is redesignated to read:

6 § ~~665~~ 662. PENALTIES

7 Sec. 96. 31 V.S.A. § 666 is redesignated to read:

8 § ~~666~~ 663. PUBLICATION OF ODDS

9 Sec. 97. 31 V.S.A. § 667 is redesignated to read:

10 § ~~667~~ 664. FISCAL COMMITTEE REVIEW

11 * * *

12 (b) This section shall not apply in the event the ~~Commission~~ Board of
13 Liquor and Lottery enters into a facilities management agreement pursuant to
14 the provisions of subsection ~~656(e)~~ 654(c) of this title.

15 Sec. 98. 3 V.S.A. § 212 is amended to read:

16 § 212. DEPARTMENTS CREATED

17 The following administrative departments are hereby created, through the
18 instrumentality of which the Governor, under the Constitution, shall exercise
19 such functions as are by law assigned to each department respectively:

20 * * *

21 (14) The Department of Liquor ~~Control~~ and Lottery

1 * * *

2 Sec. 99. 32 V.S.A. § 1010 is amended to read:

3 § 1010. MEMBERS OF CERTAIN BOARDS

4 (a) Except for those members serving ex officio or otherwise regularly
5 employed by the State, the compensation of the members of the following
6 Boards shall be \$50.00 per diem:

7 * * *

8 (7) ~~Liquor Control Board~~ of Liquor and Lottery

9 * * *

10 Sec. 100. BOARD OF LIQUOR AND LOTTERY; DEPARTMENT OF
11 LIQUOR AND LOTTERY; POWERS AND DUTIES

12 On July 1, 2018:

13 (1)(A) The Board of Liquor and Lottery shall assume all the powers,
14 duties, rights, and responsibilities of the Liquor Control Board and the Lottery
15 Commission.

16 (B) The rules of the Liquor Control Board and the Lottery
17 Commission in effect on July 1, 2017 shall be the rules of the Board of Liquor
18 and Lottery until they are amended or repealed.

19 (2)(A) The Department of Liquor and Lottery shall assume all the
20 powers, duties, rights, and responsibilities of the Department of Liquor Control
21 and the State Lottery.

1 (B) All positions and appropriations of the Department of Liquor
2 Control and the State Lottery shall be transferred to the Department of Liquor
3 and Lottery.

4 (3)(A) The Commissioner of Liquor Control shall become the
5 Commissioner of Liquor and Lottery.

6 (B) The Commissioner of Liquor and Lottery shall assume all the
7 powers, duties, rights, and responsibilities of the Commissioner of Liquor
8 Control and the Director of the State Lottery.

9 Sec. 101. LEGISLATIVE COUNCIL; PREPARATION OF A DRAFT BILL

10 On or before January 15, 2019, the Office of Legislative Council shall
11 prepare and submit a draft bill to the House Committees on General, Housing
12 and Military Affairs and on Government Operations and the Senate
13 Committees on Economic Development, Housing and General Affairs and on
14 Government Operations that makes statutory amendments of a technical nature
15 and identifies all statutory sections that the General Assembly may need to
16 amend substantively to effect the intent of this act.

17 Sec. 102. DEPARTMENT OF LIQUOR AND LOTTERY; FUNCTIONS

18 AND DUTIES; EFFECTIVENESS; REPORT

19 The Commissioner Liquor and Lottery, in consultation with the Board of
20 Liquor and Lottery, shall examine the effectiveness of the Department of
21 Liquor and Lottery in fulfilling its functions and duties and shall identify

1 specific measures to enhance the Department’s ability to carry out its functions
2 and duties effectively and efficiently. On or before November 15, 2018, the
3 Chair of the Board shall submit a written report to the Governor and the
4 General Assembly of his or her findings and recommendations for legislative
5 action.

6 Sec. 103. EFFECTIVE DATE

7 This act shall take effect on July 1, 2018.

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