

1 TO THE HONORABLE SENATE:

2 The Committee on Economic Development, Housing and General Affairs to
3 which was referred House Bill No. 238 entitled “An act relating to
4 modernizing and reorganizing Title 7” respectfully reports that it has
5 considered the same and recommends the bill be amended by striking out all
6 after the enacting clause and inserting in lieu thereof the following:

7 * * * Modernization and Reorganization of Title 7 * * *

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

9 § 1. CONSTRUCTION

10 This title is based on the taxing power and the police power of the ~~state~~
11 State, and is for the protection of the public welfare, good order, health, peace,
12 safety, and morals of the people of the ~~state, and all of its~~ State. ~~The~~
13 provisions of this title shall be liberally construed ~~for the accomplishment of~~
14 the to accomplish its purposes set forth herein.

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

16 § 2. DEFINITIONS

17 ~~The following words as~~ As used in this title, ~~unless a contrary meaning is~~
18 ~~required by the context, shall have the following meaning:~~

19 (1) “Alcohol”:
20 means the product of distillation of spirits or any
fermented malt or vinous beverage, fermentation, or chemical synthesis,
21 including alcoholic beverages, ethyl alcohol, and nonpotable alcohol.

1 (2) “Alcoholic beverages” means malt beverages, vinous beverages,
2 spirits, and fortified wines.

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

5 (4) “Boat”[÷] means a vessel suitably equipped and operated for the
6 transportation of passengers in interstate commerce.

7 ~~(3) “Bottler”: any person that bottles malt beverages, vinous beverages,~~
8 ~~spirits, or fortified wines for sale or for distribution in this State.~~

9 ~~(4) “Bottler’s license”: the license granted by the Liquor Control Board~~
10 ~~permitting a bottler to bottle for sale and to distribute and sell at wholesale~~
11 ~~malt or vinous beverages.~~

12 ~~(6)(5) “Caterer’s license”[÷] means~~ a license issued by the ~~Liquor Control~~
13 ~~Board of Liquor and Lottery~~ authorizing the holder of a first-class license or
14 first- and third-class licenses ~~for a restaurant or hotel premises to serve malt or~~
15 ~~vinous beverages, spirits, or fortified wines~~ alcoholic beverages at a function
16 located on premises other than those occupied by a first-, first- and third-, or
17 second-class licensee to sell alcoholic beverages.

18 (6) “Certificate of approval” means a license granted by the Board of
19 Liquor and Lottery to a manufacturer or distributor of malt beverages or vinous
20 beverages, or both, that is not licensed under the provisions of this title, that

1 permits the licensee to sell those beverages to holders of a packager's or
2 wholesale dealer's license.

3 (7) "Club": means an unincorporated association or a corporation
4 authorized to do business in this State, that has been in existence for at least
5 two consecutive years prior to the date of application for a license under this
6 title and owns, hires, or leases a building or space in a building that is suitable
7 and adequate for the reasonable and comfortable use and accommodation of its
8 members and their guests and contains suitable and adequate kitchen and
9 dining room space and equipment implements and facilities. ~~A club may be~~
10 ~~used or leased by a nonmember as a location for a social event as if it were any~~
11 ~~other licensed commercial establishment. Such club shall file with the Liquor~~
12 ~~Control Board, before May 1 of each year, a list of the names and residences of~~
13 ~~its members and a list of its officers. Its affairs and management shall be~~
14 ~~conducted by a board of directors, executive committee, or similar body~~
15 ~~chosen by the members at its annual meeting, and no member or any officer,~~
16 ~~agent, or employee of the club shall be paid, or directly or indirectly receive, in~~
17 ~~the form of salary or other compensation, any profits from the disposition or~~
18 ~~sale of alcoholic liquors to the members of the club or its guests introduced by~~
19 ~~members beyond the amount of such salary as may be fixed and voted at~~
20 ~~annual meetings by the members or by its directors or other governing body,~~
21 ~~and as reported by the club to the Liquor Control Board. An auxiliary member~~

1 ~~of a club may invite one guest at any one time. An officer or director of a club~~
2 ~~may perform the duties of a bartender without receiving any payment for that~~
3 ~~service, provided the officer or director is in compliance with the requirements~~
4 ~~of this title that relate to service of alcoholic beverages. An officer, member,~~
5 ~~or director of a club may volunteer to perform services at the club other than~~
6 ~~serving alcoholic beverages, including seating patrons and checking~~
7 ~~identification, without receiving payment for those services. An officer,~~
8 ~~member, or director of a club who volunteers his or her services shall not be~~
9 ~~considered to be an employee of the club. A bona fide unincorporated~~
10 ~~association or corporation whose officers and members consist solely of~~
11 ~~veterans of the U.S. Armed Forces or a subordinate lodge or local chapter of~~
12 ~~any national fraternal order, and which fulfills all requirements of ~~this~~~~
13 ~~subdivision section 229 of this title, except that it has not been in existence for~~
14 ~~at least two years, shall come within the terms of this definition six months~~
15 ~~after the completion of its organization. A club located on and integrally~~
16 ~~associated with at least a regulation nine hole golf course need only be in~~
17 ~~existence for six months prior to the date of application for license under this~~
18 ~~title.~~

19 (8) “Commercial catering license” means a license granted by the Board
20 of Liquor and Lottery permitting a business licensed by the Department of
21 Health as a commercial caterer and having a commercial kitchen facility in the

1 home or place of business to sell alcoholic beverages at a function previously
2 approved by the local control commissioners.

3 (9) “Commissioner of Liquor and Lottery” or “Commissioner” means
4 the executive officer of the Board of Liquor and Lottery appointed under the
5 provisions of chapter 5 of this title.

6 ~~(8)~~(10) “Control commissioners” means the commissioners of a
7 municipality appointed under section 166 of this title.

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

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

1 ~~(9)~~(13) “Dining car” means a railroad car on which meals are prepared
2 and served.

3 (14) “Division” means the Division of Liquor Control within the
4 Department of Liquor and Lottery.

5 (15) “Festival permit” means a permit granted by the Division of Liquor
6 Control permitting a person to conduct an event at which malt or vinous
7 beverages, or both, are sold by the glass to the public, provided the event is
8 approved by the local control commissioners.

9 ~~(10)~~(16) “First-class license” means a license granted by the control
10 commissioners permitting the licensee to sell malt or vinous beverages to the
11 public for consumption only on the premises for which the license is granted.

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

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

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

4 (20) “Home-fermented beverages” means malt or vinous beverages
5 produced at home and not for sale.

6 ~~(11)~~(21) “Hotel” has the same meaning as in 32 V.S.A. § 9202(3) and as
7 determined by the ~~Liquor Control Board~~ of Liquor and Lottery. ~~A hotel that~~
8 ~~places a minibar in any room of a registered guest shall assure that the minibar~~
9 ~~is locked and that access to the minibar is restricted to guests of legal drinking~~
10 ~~age.~~

11 ~~(12) “Commissioner of Liquor Control”: the executive officer of the~~
12 ~~Liquor Control Board appointed under the provisions of this title.~~

13 (22) “Industrial alcohol distributor’s license” means a license granted by
14 the Board of Liquor and Lottery that allows holders to sell pure ethyl or grain
15 alcohol of at least 190 proof in quantities of five gallons or more directly to
16 manufacturers, industrial users, hospitals, druggists, and institutions of
17 learning.

18 (23) “Keg” means a reusable container capable of holding at least five
19 gallons of malt beverage or at least two and a half gallons of vinous beverage.

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

1 ~~(13) “Liquor Control Board”~~: the Board of Control appointed under the
2 provisions of this title.

3 ~~(14)~~(25) “Malt beverages”: means all fermented beverages of any name
4 or description manufactured for sale from malt, wholly or in part, or from any
5 substitute therefor, known as, among other things, beer, ~~porter~~, ale, ~~and stout or~~
6 lager, containing not less than one percent nor more than 16 percent of alcohol
7 by volume at 60 degrees Fahrenheit. ~~However, if such a beverage has an~~
8 ~~alcohol content of more than six percent and has a terminal specific gravity of~~
9 ~~less than 1.009, it shall be deemed to be a spirit and not a malt beverage. The~~
10 ~~holder of the certificate of approval or the manufacturer shall certify to the~~
11 ~~Liquor Control Board the terminal specific gravity of the beverage when the~~
12 ~~alcohol content is more than six percent.~~

13 ~~(15)~~(26) “Manufacturer’s or rectifier’s license”: means a license granted
14 by the ~~Liquor Control Board~~ of Liquor and Lottery that permits the holder to
15 manufacture or rectify malt beverages, ~~or~~ vinous beverages and fortified wines,
16 or spirits and fortified wines. ~~Spirits and fortified wines may be manufactured~~
17 ~~or rectified by a license holder for export and sale to the Liquor Control Board,~~
18 ~~and malt beverages and vinous beverages may be manufactured or rectified by~~
19 ~~a license holder for export and sale to bottlers or wholesale dealers. This~~
20 ~~license permits a manufacturer of vinous beverages or fortified wines to~~
21 ~~receive from another manufacturer licensed in or outside this State bulk~~

1 ~~shipments of vinous beverages to rectify with the licensee's own product,~~
2 ~~provided that the vinous beverages or fortified wines produced by a Vermont~~
3 ~~manufacturer may contain no more than 25 percent imported vinous beverage.~~
4 ~~The Liquor Control Board may grant to a licensed manufacturer or rectifier of~~
5 ~~spirits, fortified wines, vinous beverages, or malt beverages a first-class license~~
6 ~~or a first and a third-class license permitting the licensee to sell alcoholic~~
7 ~~beverages to the public only at the manufacturer's premises which for the~~
8 ~~purposes of a manufacturer of malt beverages, includes up to two licensed~~
9 ~~establishments that are located on the contiguous real estate of the holder of the~~
10 ~~manufacturer's license, provided the manufacturer or rectifier owns or has~~
11 ~~direct control over those establishments. The Liquor Control Board may grant~~
12 ~~to a licensed manufacturer or a rectifier of malt beverages a second-class~~
13 ~~license permitting the licensee to sell alcoholic beverages to the public~~
14 ~~anywhere on the manufacturer's or rectifier's premises. A licensed~~
15 ~~manufacturer or rectifier may serve, with or without charge, at an event held on~~
16 ~~the premises of the licensee or at a location on the contiguous real estate of the~~
17 ~~licensee, spirits, fortified wines, vinous beverages, and malt beverages,~~
18 ~~provided the licensee gives the Department written notice of the event,~~
19 ~~including details required by the Department, at least five days before the~~
20 ~~event. Any beverages not manufactured by the licensee and served at the event~~

1 ~~shall be purchased on invoice from a licensed manufacturer or wholesale~~
2 ~~dealer or the Liquor Control Board.~~

3 (27) “Minor” means an individual who has not attained 21 years of age.

4 (28) “Outside consumption permit” means a permit granted by the
5 Division of Liquor Control allowing the holder of a first-class, first- and third-
6 class, or fourth-class license to allow for consumption of alcoholic beverages
7 in a delineated outside area.

8 (29) “Packager’s license” means a license granted by the Board of
9 Liquor and Lottery permitting a person to bottle or otherwise package
10 alcoholic beverages for sale and to distribute and sell alcoholic beverages at
11 wholesale in this State.

12 ~~(16)~~(30) “Person”², as applied to licensees, means an individual who is a
13 citizen or a lawful permanent resident of the United States; a partnership
14 composed of individuals, a majority of whom are citizens or lawful permanent
15 residents of the United States; a corporation organized under the laws of this
16 State or another state in which a majority of the directors are citizens or lawful
17 permanent residents of the United States; or a limited liability company
18 organized under the laws of this State or another state in which a majority of
19 the members or managers are citizens or lawful permanent residents of the
20 United States.

1 (31) “Request to cater permit” means a permit granted by the Division
2 of Liquor Control authorizing a licensed caterer or commercial caterer to cater
3 individual events.

4 ~~(17) “Restaurant”: a space in a suitable building, approved by the Liquor~~
5 ~~Control Board, occupied, used, maintained, advertised, or held out to the~~
6 ~~public to be a place where food is served at all times when open for business~~
7 ~~and there are no sleeping accommodations. The space shall have adequate and~~
8 ~~sanitary kitchen and dining room capacity and the number and kinds of~~
9 ~~employees for preparing, cooking, and serving suitable food for guests and~~
10 ~~patrons as required by the Liquor Control Board.~~

11 ~~(18)~~(32) “Retail dealer”: means any person who sells or distributes
12 furnishes malt or vinous beverages to the public.

13 (33) “Retail delivery permit” means a permit granted by the Division of
14 Liquor Control that permits a second-class licensee to deliver malt beverages
15 or vinous beverages sold from the licensed premises for consumption off the
16 premises to an individual who is at least 21 years of age at a physical address
17 in Vermont.

18 (34) “Sampler flight” means a flight, ski, paddle, or any similar device
19 by design or name intended to hold alcoholic beverage samples for the purpose
20 of comparison.

1 ~~(19)~~(35) “Second-class license” ~~means a license granted by the control~~
2 ~~commissioners~~ permitting the licensee to export malt beverages or vinous
3 beverages and to sell malt beverages or vinous beverages to the public for
4 consumption off the premises for which the license is granted. ~~The Liquor~~
5 ~~Control Board may grant a second-class licensee a fortified wine permit that~~
6 ~~permits the licensee to export and to sell fortified wines to the public for~~
7 ~~consumption off the licensed premises.~~

8 (36) “Special event permit” means a permit granted by the Division of
9 Liquor Control permitting a licensed manufacturer or rectifier to sell, by the
10 glass or by the unopened bottle, alcoholic beverages manufactured or rectified
11 by the license holder at an event open to the public that has been approved by
12 the local control commissioners.

13 (37) “Special venue serving permit” means a permit granted by the
14 Division of Liquor Control permitting an art gallery, bookstore, public library,
15 or museum to conduct an event at which malt or vinous beverages or both are
16 served by the glass to the public. As used in this section, “art gallery” means a
17 fixed establishment whose primary purpose is to exhibit or offer for sale works
18 of art; “bookstore” means a fixed establishment whose primary purpose is to
19 offer books for sale; “public library” has the same meaning as in 22 V.S.A.
20 § 101; and “museum” has the same meaning as in 27 V.S.A. § 1151.

1 (38) “Specialty beer” means a malt beverage that contains more than
2 eight percent alcohol and not more than 16 percent alcohol by volume at
3 60 degrees Fahrenheit.

4 ~~(20)~~(39) “Spirits” or “spirituous liquors”: means beverages that contain
5 more than one percent of alcohol obtained by distillation, by chemical
6 synthesis, or through concentration by freezing; vinous beverages containing
7 more than 23 percent of alcohol; and malt beverages containing more than
8 16 percent of alcohol ~~or more than six percent of alcohol if the terminal~~
9 ~~specific gravity thereof is less than 1.009; in each case measured by volume at~~
10 60 degrees Fahrenheit.

11 ~~(21) “Specialty beer”:~~ ~~a malt beverage that contains more than eight~~
12 ~~percent alcohol and not more than 16 percent alcohol by volume at 60 degrees~~
13 ~~Fahrenheit.~~

14 ~~(22)~~(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 ~~(23)~~(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 ~~(24) “Wholesale dealer”: any person other than a bottler who buys malt~~
4 ~~or vinous beverages for distribution to or resale to retail dealers or to agencies~~
5 ~~of the United States.~~

6 ~~(25)(42) “Wholesale dealer’s license”: the~~ means a license granted by
7 the Liquor Control Board of Liquor and Lottery permitting the wholesale
8 dealer holder to sell or distribute malt or vinous beverages as a wholesale
9 dealer to first- and second-class licensees, to educational sampling event
10 permit holders, and to agencies of the United States.

11 ~~(26) “Minor”: a person who has not attained the age of 21.~~

12 ~~(27) “Special events permit”: a permit granted by the Liquor Control~~
13 ~~Board permitting a licensed manufacturer or rectifier to sell by the glass or by~~
14 ~~unopened bottle spirits, fortified wines, malt beverages, or vinous beverages~~
15 ~~manufactured or rectified by the license holder at an event open to the public~~
16 ~~that has been approved by the local licensing authority. For the purposes of~~
17 ~~tasting only, the permit holder may distribute, with or without charge,~~
18 ~~beverages manufactured by the permit holder by the glass no more than two~~
19 ~~ounces per product and eight ounces total of malt beverages or vinous~~
20 ~~beverages and no more than one ounce in total of spirits or fortified wines to~~
21 ~~each individual. No more than 104 special events permits may be issued to a~~

1 ~~licensed manufacturer or rectifier during a year. A special events permit shall~~
2 ~~be valid for the duration of each public event or four days, whichever is~~
3 ~~shorter. Requests for a special events permit, accompanied by the fee as~~
4 ~~required by subdivision 231(13) of this title, shall be submitted to the~~
5 ~~Department of Liquor Control at least five days prior to the date of the event.~~
6 ~~Each manufacturer or rectifier planning to attend a single special event under~~
7 ~~this permit may be listed on a single permit. However, each attendance at a~~
8 ~~special event shall count toward the manufacturer's or rectifier's annual limit~~
9 ~~of 104 special events permits.~~

10 ~~(28) "Fourth-class license" or "farmers' market license": the license~~
11 ~~granted by the Liquor Control Board permitting a licensed manufacturer or~~
12 ~~rectifier to sell by the unopened container and distribute by the glass with or~~
13 ~~without charge, beverages manufactured by the licensee. No more than a~~
14 ~~combined total of ten fourth-class and farmers' market licenses may be granted~~
15 ~~to a licensed manufacturer or rectifier. At only one fourth-class license~~
16 ~~location, a licensed manufacturer or rectifier may sell by the unopened~~
17 ~~container and distribute by the glass, with or without charge, vinous beverages,~~
18 ~~malt beverages, fortified wines, or spirits produced by no more than five~~
19 ~~additional manufacturers or rectifiers, provided these beverages are purchased~~
20 ~~on invoice from the manufacturer or rectifier. A manufacturer or rectifier may~~
21 ~~sell its product to no more than five additional manufacturers or rectifiers. A~~

1 ~~fourth class licensee may distribute by the glass no more than two ounces of~~
2 ~~malt beverages or vinous beverages with a total of eight ounces to each retail~~
3 ~~customer and no more than one quarter ounce of spirits or fortified wine with a~~
4 ~~total of one ounce to each retail customer for consumption on the~~
5 ~~manufacturer's premises or at a farmers' market. A fourth class licensee may~~
6 ~~distribute by the glass up to four mixed drinks containing a combined total of~~
7 ~~no more than one ounce of spirits or fortified wine to each retail customer for~~
8 ~~consumption only on the manufacturer's premises. A farmers' market license~~
9 ~~is valid for all dates of operation for a specific farmers' market location.~~

10 (29) ~~“Festival permit”: a permit granted by the Liquor Control Board~~
11 ~~permitting a person to conduct an event at which malt or vinous beverages, or~~
12 ~~both, are sold by the glass to the public, provided the event is approved by the~~
13 ~~local licensing authority. A festival permit holder may purchase invoiced~~
14 ~~volumes of malt or vinous beverages directly from a manufacturer or bottler,~~
15 ~~provided the manufacturer or bottler either holds a federal Basic Permit or a~~
16 ~~Brewers Notice or evidence of licensure in a foreign country, satisfactory to~~
17 ~~the Board, whichever applies. The invoiced volumes of malt or vinous~~
18 ~~beverages may be transported to the site and sold by the glass to the public by~~
19 ~~the permit holder or its employees and volunteers only during the event. A~~
20 ~~festival permit holder shall be subject to the provisions of this chapter,~~
21 ~~including section 240 of this title, and the rules of the Board regarding the sale~~

1 of the alcoholic beverages and shall pay the tax on the malt or vinous
2 beverages as required by section 421 of this title. A person shall not be
3 granted a festival permit more than four times in one year, and each permit
4 shall be valid for no more than four consecutive days. A request for a festival
5 permit shall be submitted to the Department in a form required by the
6 Department at least 15 days prior to the festival and shall be accompanied by a
7 permit fee as required by subdivision 231(a)(14) of this title to be paid to the
8 Department.

9 (30) ~~“Home fermented beverages”:~~ malt or vinous beverages produced
10 at home and not for sale.

11 (31) ~~“Legal age”:~~ 21 years of age or older.

12 (32) ~~“Art gallery or bookstore permit”:~~ a permit granted by the Liquor
13 Control Board permitting an art gallery or bookstore to conduct an event at
14 which malt or vinous beverages or both are served by the glass to the public,
15 provided that the event is approved by the local licensing authority. A permit
16 holder may purchase malt or vinous beverages directly from a licensed retailer.
17 A permit holder shall be subject to the provisions of this title and the rules of
18 the Board regarding the service of alcoholic beverages. A request for a permit
19 shall be submitted to the Department in a form required by the Department at
20 least five days prior to the event and shall be accompanied by the permit fee
21 required by subdivision 231(a)(22) of this title. As used in this section, “art

1 ~~gallery” means a fixed establishment whose primary purpose is to exhibit or~~
2 ~~offer for sale works of art; and “bookstore” means a fixed establishment whose~~
3 ~~primary purpose is to offer books for sale.~~

4 ~~(33) “Commercial catering license”: A license granted by the Board~~
5 ~~permitting a business licensed by the Department of Health as a commercial~~
6 ~~eaterer and having a commercial kitchen facility in the home or place of~~
7 ~~business to sell malt beverages, vinous beverages, spirits, or fortified wines at a~~
8 ~~function previously approved by the local licensing authority.~~

9 ~~(34) “Request to cater permit”: a permit granted by the Liquor Control~~
10 ~~Board authorizing a first- or first- and third-class licensed caterer or~~
11 ~~commercial caterer to cater individual events.~~

12 ~~(35) “Industrial alcohol distributors license”: a license granted by the~~
13 ~~Liquor Control Board that allows holders to sell pure ethyl or grain alcohol of~~
14 ~~at least 190 proof in quantities of five gallons or more directly to~~
15 ~~manufacturers, industrial users, hospitals, druggists, and institutions of~~
16 ~~learning. Alcohol sold under the industrial alcohol distributors license may~~
17 ~~only be used for manufacturing, mechanical, medicinal, and scientific~~
18 ~~purposes.~~

19 ~~(36) “Outside consumption permit”: a permit granted by the Liquor~~
20 ~~Control Board allowing the holder of a first-class, first- and third-class, or~~

1 ~~fourth class license to allow for consumption of alcohol in a delineated outside~~
2 ~~area.~~

3 ~~(37) “Sampler flight”: a flight, ski, paddle, or any similar device by~~
4 ~~design or name intended to hold alcoholic beverage samples for the purpose of~~
5 ~~comparison.~~

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

11 ~~(39) “Public library or museum permit”: a permit granted by the Liquor~~
12 ~~Control Board permitting a public library or museum to serve malt beverages~~
13 ~~or vinous beverages, or both, by the glass to the public for a period of not more~~
14 ~~than six hours during an event held for a charitable or educational purpose,~~
15 ~~provided that the event is approved by the local licensing authority. A permit~~
16 ~~holder may purchase malt beverages or vinous beverages directly from a~~
17 ~~licensed retailer. A permit holder shall be subject to the provisions of this title~~
18 ~~and the rules of the Board regarding the service of alcoholic beverages. A~~
19 ~~request for a permit shall be submitted to the Department in a form required by~~
20 ~~the Department at least five days prior to the event and shall be accompanied~~
21 ~~by the permit fee required by subdivision 231(a)(24) of this title. As used in~~

1 this section, “public library” has the same meaning as in 22 V.S.A. § 101 and
2 “museum” has the same meaning as in 27 V.S.A. § 1151.

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

7 (41) ~~“Destination resort master license”: a license granted by the Liquor~~
8 ~~Control Board pursuant to section 472 of this title permitting a destination~~
9 ~~resort to designate licensed caterers and commercial caterers that will be~~
10 ~~permitted to cater individual events within the boundaries of the resort without~~
11 ~~being required to obtain a request to cater permit for each individual event.~~
12 ~~For purposes of a destination resort master license, a “destination resort” is a~~
13 ~~resort that contains at least 100 acres of land, offers at least 50 units of sleeping~~
14 ~~accommodations, offers food and beverage service to the public for~~
15 ~~consideration, and has related sports and recreational facilities for the~~
16 ~~convenience or enjoyment of its guests. “Destination resort” does not include~~
17 ~~the University of Vermont, the Vermont State Colleges, or any other~~
18 ~~university, college, or postsecondary school.~~

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

2 § 3. CULINARY ARTS STUDENTS; EXEMPTIONS FROM PROVISIONS
3 OF TITLE

4 A student ~~aged~~ 18 years of age or older who is enrolled in a postsecondary
5 education culinary arts program, accredited by a commission recognized by the
6 U.S. Department of Education, shall be exempt from the provisions of this title
7 while attending classes that require the possession or consumption of alcoholic
8 beverages.

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

10 § 4. NONPROFIT ORGANIZATIONS; WINE AND BEER AUCTIONS;
11 FUNDRAISING

12 (a) A nonprofit organization qualified for tax exempt status pursuant to
13 Section 501(c) of the federal Internal Revenue Code, as amended, in the
14 discretion of the ~~commissioner~~ Commissioner, may auction ~~vinous or malt~~
15 ~~beverages, or both,~~ alcoholic beverages to the public without a license,
16 provided that:

17 (1) Prior to the auction, the organization provides written notification of
18 the auction accompanied by documentation of its nonprofit status satisfactory
19 to the ~~commissioner~~ Commissioner.

1 (2) The ~~commissioner~~ Commissioner approves the organization's
2 nonprofit qualifications and the organization's ~~right~~ proposal to auction ~~vinous~~
3 ~~or malt~~ alcoholic beverages.

4 (3) The profits from the ~~auction sale of~~ auctioned beverages are used
5 solely for the expenses of the nonprofit organization related to ~~conduct~~
6 conducting the sale auction or for the nonprofit purposes of the organization.

7 (b) A person who donates ~~vinous or malt~~ alcoholic beverages to a nonprofit
8 organization for an auction under this section is not required to be licensed
9 under this ~~chapter~~ title.

10 (c) A licensee under this title may donate alcoholic beverages to a nonprofit
11 organization pursuant to this section, provided the licensee pays to the ~~state~~
12 State all the taxes that would be due as if the alcoholic beverages had been sold
13 in the course of the licensee's business.

14 * * *

15 Sec. 5. 7 V.S.A. chapter 3 is redesignated to read:

16 CHAPTER 3. RESTRICTIONS AND PROHIBITED ACTS

17 Sec. 6. 7 V.S.A. § 61 is amended to read:

18 § 61. RESTRICTIONS; EXCEPTIONS

19 (a) A person, ~~partnership, association, or corporation~~ shall not furnish or
20 sell, ~~or expose~~ or keep with intent to sell, any ~~malt or vinous~~ beverages, ~~spirits,~~
21 ~~or fortified wines~~ alcoholic beverages, or manufacture, sell, barter, transport,

1 import, export, deliver, prescribe, furnish, or possess any alcohol, except as
2 authorized by this title.

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

5 (1) the furnishing of such alcoholic beverages or spirits by a person an
6 individual in his or her private dwelling unless such the dwelling becomes a
7 place of public resort, nor to the sale of fermented cider by the barrel or cask of
8 not less than 32 liquid gallons capacity, provided the same is delivered and
9 removed from the vendor's premises in such barrel or cask at the time of such
10 sale, nor to;

11 (2) the use of sacramental wine, nor to; or

12 (3) the furnishing, purchase, sale, barter, transportation, importation,
13 exportation, delivery, prescription, or possession of alcohol for manufacturing,
14 mechanical, medicinal, and scientific purposes, provided the same that it is
15 done under and in accordance with the rules and regulations made of the Board
16 of Liquor and Lottery and licenses and permits issued by the Liquor Control
17 Board or Division of Liquor Control as hereinafter provided in this title.

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

19 § 62. HOURS OF SALE

20 (a) ~~Holder~~ First- or first- and
21 third-class licensees, or festival, special event, or educational sampling event

1 ~~permit holders~~ may sell ~~malt and vinous beverages or spirits and fortified~~
2 ~~wines~~ alcoholic beverages between the hours of 8:00 a.m. and 2:00 a.m. the
3 next morning.

4 (b)(1) ~~Holders of second-class licenses~~ Second-class licensees may sell
5 malt and vinous beverages between the hours of 6:00 a.m. and 12:00 ~~a.m. the~~
6 ~~next morning~~ midnight.

7 (2) Fourth-class licensees may sell or furnish alcoholic beverages
8 between the hours of 6:00 a.m. and 12:00 midnight.

9 * * *

10 Sec. 8. 7 V.S.A. § 63 is amended to read:

11 § 63. IMPORTATION OR TRANSPORTATION OF LIQUORS ALCOHOL;
12 PROHIBITIONS; PERSONAL IMPORT LIMIT; PENALTY

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

19 (2) However Notwithstanding subdivision (1) of this subsection, a
20 person may import or transport not more than eight quarts of spirits ~~and~~ or
21 fortified wines, or both, into this State in his or her own private vehicle or in

1 his or her actual possession at the time of importation without a license or
2 permit, provided the beverages are not for resale.

3 (b)(1) Except as provided in sections ~~66 and 68~~ 277, 278, and 283 of this
4 title, all malt or vinous beverages, or both, imported or transported into this
5 State shall be imported or transported by and through a ~~wholesale dealer~~
6 ~~holding~~ the holder of a wholesale dealer's license issued by the ~~Liquor Control~~
7 Board of Liquor and Lottery. A person importing or transporting or causing to
8 be imported or transported into this State any malt or vinous beverages, or
9 both, in violation of this section shall be imprisoned not more than one year or
10 fined not more than \$1,000.00, or both.

11 (2) ~~Provided, however~~ Notwithstanding subdivision (1) of this
12 subsection, a person may import or transport not more than six gallons of malt
13 or vinous beverages, or both, into this State in his or her own private vehicle or
14 in his or her actual possession at the time of importation without a license or
15 permit, providing it is provided the beverages are not for resale.

16 Sec. 9. 7 V.S.A. § 64 is amended to read:

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

19 (a) ~~As used in this section, "keg" means a reusable container capable of~~
20 ~~holding at least five gallons of malt beverage.~~

1 ~~(b)~~ A keg shall be sold by a ~~second-class~~ second-class or fourth-class
2 licensee only under the following conditions:

3 (1) The keg shall be tagged in a manner and with a label approved by
4 the ~~board~~ Board of Liquor and Lottery. The label shall be supplied and
5 securely affixed to the keg by the wholesale dealer, or in the case of a second-
6 class license issued for the premises of a licensed manufactur-
7 class licensee, by the manufacturer.

8 (2) ~~A person~~ A purchaser shall exhibit ~~proper proof~~ a valid authorized
9 form of identification upon demand of a licensee or an agent of a licensee. If
10 the ~~person~~ purchaser fails to provide ~~such proof~~ a valid authorized form of
11 identification, the licensee shall be entitled to refuse to sell the keg to the
12 ~~person~~ individual. As used in this subsection, “~~proper proof~~ a valid authorized
13 form of identification” ~~means a photographic motor vehicle operator’s license,~~
14 ~~a liquor control photographic identification card, a valid passport, a United~~
15 ~~States military identification card or a photographic nondriver motor vehicle~~
16 ~~identification card obtained from the department of motor vehicles~~ has the
17 same meaning as in section 589 of this title.

18 (3) The purchaser shall complete a form, provided by the ~~board~~ Board,
19 ~~which~~ that includes at least the name, address, and date of birth of the
20 purchaser as they appear on the purchaser’s ~~proper proof~~ valid authorized form
21 of identification and the identification number of the keg. The form shall also

1 include the provisions of this section and the penalties for a violation of ~~these~~
2 ~~provisions~~ this section. The licensee shall retain the form for 90 days after
3 return of the keg.

4 (4) The licensee shall collect a deposit of at least \$25.00 which shall be
5 returned to the purchaser upon return of the keg with the label intact.

6 ~~(e)~~(b) A licensee shall not:

7 (1) sell a keg without a legible label attached; or

8 (2) return a deposit on a keg ~~which~~ that is returned without the label
9 intact.

10 ~~(d)~~(c) Any person, other than ~~the wholesaler~~ a wholesale dealer or
11 manufacturer, who intentionally removes or defaces the label attached to a keg
12 shall be imprisoned not more than two years or fined not more than \$1,000.00,
13 or both.

14 Sec. 10. 7 V.S.A. § 65 is redesignated and amended to read:

15 § ~~65~~ 66. HOME-FERMENTED MALT AND VINOUS BEVERAGES;

16 TASTING EVENT

17 (a) ~~A person~~ An individual of legal age may, without obtaining a license
18 under this title or paying ~~state~~ State taxes or fees, produce malt or vinous
19 beverages, or both, at home provided that the amount of home-fermented
20 beverages produced by that ~~person~~ individual does not exceed the quantities
21 limitation in 26 U.S.C. §§ 5053 and 5042.

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Sec. 11. REPEALS

7 V.S.A. §§ 66 (malt and vinous beverage shipping licenses) and 67 (alcoholic beverage tastings) are repealed.

Sec. 12. 7 V.S.A. § 69 is redesignated and amended to read:

§ ~~69~~ 67. POWDERED ALCOHOL PRODUCTS

(a) It shall be unlawful for a person to knowingly possess or sell a powdered alcohol product.

(b) A person that knowingly and unlawfully possessing possesses a powdered alcohol product shall be fined not more than \$500.00.

~~(b)~~(c) A person that knowingly and unlawfully selling sells a powdered alcohol product shall be imprisoned not more than two years or fined not more than \$10,000.00, or both.

~~(e)~~(d) As used in this section, “powdered alcohol product” means any alcoholic powder that can be added to water or food.

Sec. 13. 7 V.S.A. chapter 5 is amended to read:

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

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

1 (a)(1) The Department of Liquor ~~Control~~ and Lottery, created by 3 V.S.A.
2 § 212, shall administer the laws relating to alcoholic beverages, tobacco, and
3 the State Lottery. It shall include the Commissioner of Liquor ~~Control~~ and
4 Lottery and the ~~Liquor Control~~ Board of Liquor and Lottery.

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

8 (3)(A) The Department of Liquor and Lottery shall be under the
9 immediate supervision and direction of the Commissioner of Liquor and
10 Lottery.

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

14 (C) The Division of Lottery is created within the Department to
15 administer and carry out the laws relating to the State Lottery set forth in
16 31 V.S.A. chapter 14.

17 (D) The Commissioner, with the approval of the Governor, may
18 appoint a Deputy Commissioner of Liquor Control to supervise and direct the
19 Division of Liquor Control and a Deputy Commissioner of the State Lottery to
20 supervise and direct the Division of Lottery. Both Deputy Commissioners

1 shall be exempt from the classified service and shall serve at the pleasure of
2 the Commissioner.

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

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

8 (B) The Governor shall fill a vacancy occurring during a term by an
9 appointment for the unexpired term in accordance with the provisions of
10 3 V.S.A. § 257(b).

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

13 (3) A member of the Board may serve for no more than two consecutive
14 full terms. A member who is appointed to fill a vacancy occurring during a
15 term may serve two consecutive full terms in addition to the unexpired portion
16 of the term during which the member is first appointed.

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

20 (c) No member of the Board shall have a financial interest in any licensee
21 under this title or 31 V.S.A. chapter 14, nor shall any member of the Board

1 have a **financial** interest in any contract awarded by the Board or the
2 Department of Liquor and Lottery.

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

5 § 102. REMOVAL

6 Notwithstanding any provision of 3 V.S.A. § 2004 to the contrary, after
7 notice and hearing, the Governor may remove a the Chair or another member
8 of the ~~Liquor Control Board~~ of Liquor and Lottery for incompetency, failure to
9 discharge his or her duties, malfeasance, immorality, or other cause inimical to
10 the general good of the State. In case of such removal, the Governor shall
11 appoint a person to fill the unexpired term.

12 § 103. MEETINGS

13 The Board shall ~~hold such meetings~~ meet as may be required for the
14 performance of its duties. ~~The times and places for such meetings~~ time and
15 place for each meeting shall be designated by the Chair of the Board. ~~Such~~
16 The Chair shall call a meeting upon the written request of any two members
17 ~~and~~ or upon the written request of the Governor.

18 § 104. DUTIES; AUTHORITY TO RESOLVE ALLEGED VIOLATIONS

19 The Board shall ~~have supervision and management of~~ supervise and
20 manage the sale of spirits and fortified wines within the State in accordance

1 with the provisions of this title, and through the Commissioner of Liquor

2 ~~Control and Lottery~~ shall:

3 (1)(A) See that the laws relating to ~~intoxicating liquor alcohol~~ and ~~to the~~
4 ~~manufacture, sale, transportation, barter, furnishing, importation, exportation,~~
5 ~~delivery, prescription, and possession of malt and vinous beverages, spirits,~~
6 ~~fortified wines, and alcohol by licensees and others~~ alcoholic beverages are
7 enforced, using for that purpose ~~such as much~~ of the monies annually available
8 to the ~~Liquor Control Board~~ of Liquor and Lottery as may be necessary.

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

16 (C) When the Board acts to enforce any section of this title or any
17 administrative rule ~~or regulation~~ relating to sale to minors, its investigation on
18 the alleged violation shall be forwarded to the Attorney General or the
19 appropriate State's Attorney whether or not there is an administrative finding
20 of wrongdoing. Nothing in this section shall be deemed to affect the

1 responsibility or duties of ~~such~~ law enforcement officers or agencies with
2 respect to the enforcement of ~~such laws~~ the provisions of this title.

3 (D) The Commissioner or ~~his or her~~ designee is authorized to
4 prosecute administrative matters under this section and shall have the authority
5 to enter into direct negotiations with a licensee to reach a proposed resolution
6 or settlement of an alleged violation, subject to Board approval, or dismissal
7 with or without prejudice.

8 (2) Supervise the opening and operation of local agencies for the sale
9 and distribution of spirits and fortified wines.

10 (3) Locate ~~and~~, establish, and supervise the operation of a central liquor
11 agency warehouse and office for the purpose of supplying spirits and fortified
12 wines to local agencies established in accordance with this title and for the
13 purpose of selling spirits and fortified wines to licensees of the third-class and
14 ~~druggists, and supervise the operation of such central liquor agency~~ fortified
15 wine permit holders.

16 (4) Supervise the financial transactions of ~~such~~ the central liquor ~~agency~~
17 warehouse and office, and the local agencies established in accordance with
18 this title.

19 (5) Adopt rules necessary for the execution of its powers and duties and
20 of the powers and duties of all persons under its supervision and control.

1 (6) Employ ~~such~~ assistants, ~~inspectors~~ investigators, and other officers
2 as it deems necessary, subject to the approval of the Governor.

3 (7) Fix bonds or other security to be given by licensees.

4 (8) ~~Make~~ Adopt rules ~~and regulations~~ concerning, and issue licenses and
5 permits under ~~such~~ whatever terms and conditions as it may impose for the
6 furnishing, purchasing, selling, bartering, transporting, importing, exporting,
7 delivering, and possessing of alcohol, including denatured alcohol, for
8 manufacturing, mechanical, medicinal, and scientific purposes.

9 (9) Adopt rules regarding labeling and advertising of ~~malt or vinous~~
10 ~~beverages, spirits, and fortified wines~~ alcoholic beverages by adoption of
11 federal regulations or otherwise, and collaborate with federal agencies in
12 respect ~~thereto~~ to the adoption and the enforcement ~~thereof~~ of the rules.

13 (10) Adopt rules relating to extension of credit by and to licensees or
14 permittees.

15 (11) Adopt rules regarding intrastate transportation of malt and vinous
16 beverages.

17 § 105. DUTIES OF ATTORNEY GENERAL

18 The ~~attorney general~~ Attorney General shall collaborate with the ~~liquor~~
19 ~~control board~~ Board of Liquor and Lottery for the enforcement of the
20 provisions of subdivision ~~(1) of section~~ 104(1) of this title.

21 § 106. COMMISSIONER OF LIQUOR ~~CONTROL~~ AND LOTTERY;

1 REPORTS; RECOMMENDATIONS

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

6 (2) The Board shall review the applicants for the position of
7 Commissioner of Liquor ~~Control~~ and Lottery and by a vote of the majority of
8 the members of the Board shall select candidates to propose to the Governor.
9 The Board shall consider each applicant's administrative expertise and his or
10 her knowledge regarding the business of distributing and selling alcoholic
11 beverages and the administration of the State Lottery.

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

15 § 107. DUTIES OF COMMISSIONER OF LIQUOR ~~CONTROL~~ AND
16 LOTTERY

17 (a) The Commissioner of Liquor ~~Control~~ and Lottery shall direct and
18 supervise the Department of Liquor and Lottery and, subject to the direction of
19 the Board, shall see that the laws relating to alcohol and tobacco under this title
20 and the State Lottery under 31 V.S.A. chapter 14 are carried out. The

1 Commissioner shall annually prepare a budget for the Department and submit
2 it to the Board.

3 (b) With respect to the laws relating to alcohol, the Commissioner shall:

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

8 * * *

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

13 (5) Purchase ~~through the Commissioner of Buildings and General~~
14 ~~Services~~ spirits and fortified wines for and in behalf of the ~~Liquor Control~~
15 Board of Liquor and Lottery; supervise their storage and distribution to local
16 agencies, ~~druggists~~, third-class licensees, and holders of fortified wine
17 permits; and recommend rules subject to approval and adoption by the Board
18 regarding the sale and delivery from the central ~~storage plant~~ liquor warehouse.

19 * * *

1 § 108. ENFORCEMENT BY BOARD; REGULATIONS; FORMS AND
2 REPORTS

3 The ~~liquor control board~~ Board of Liquor and Lottery shall administer and
4 enforce the provisions of this title, and is authorized and empowered to
5 ~~prescribe such~~ adopt rules and regulations, including the issuing of issue the
6 necessary blanks, forms, and reports, except reports to the ~~commissioner of~~
7 ~~taxes~~ Commissioner of Taxes and to the ~~commissioner of public safety~~
8 Commissioner of Public Safety, as may be necessary to carry out the
9 provisions of this title.

10 § 109. AUDIT OF ACCOUNTS OF ~~LIQUOR CONTROL BOARD OF~~
11 LIQUOR AND LOTTERY

12 All accounts of the ~~liquor control board~~ Board of Liquor and Lottery related
13 to its activities pursuant to this title shall be audited annually by the ~~auditor of~~
14 ~~accounts~~ Auditor of Accounts and the annual report of ~~such~~ the audit shall
15 accompany the annual reports of ~~such liquor control board~~ the Board of Liquor
16 and Lottery.

17 § 110. SPECIAL BRANDS; PURCHASE BY COMMISSIONER OF
18 LIQUOR CONTROL AND LOTTERY

19 If ~~any~~ a person ~~shall desire~~ desires to purchase any class, variety, or brand
20 of spirits or fortified wine ~~which any~~ that a local agency or fortified wine
21 permit holder does not have in stock, the Commissioner of Liquor ~~Control~~ and

1 ~~Lottery~~ shall order the ~~same through the Commissioner of Buildings and~~
2 ~~General Services~~ product upon the payment of a reasonable deposit by the
3 purchaser in ~~such a~~ proportion of the approximate cost of the order as ~~shall be~~
4 prescribed by the ~~regulations~~ rules of the ~~Liquor Control Board of Liquor and~~
5 Lottery.

6 § 111. ~~VINOUS BEVERAGES MANUFACTURED IN VERMONT~~
7 TRANSFER OF LOCAL AGENCY STORE IN CONJUNCTION
8 WITH SALE OF REAL PROPERTY OR BUSINESS

9 ~~Vinous beverages manufactured in Vermont and bearing the Vermont seal~~
10 ~~of quality:~~

11 (1) ~~shall be sold in State operated stores;~~

12 (2) ~~may be sold in contract agency stores and may be displayed with the~~
13 ~~spirits and fortified wines or with the vinous beverages, or both.~~

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

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

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

9 § 112. LIQUOR CONTROL ENTERPRISE FUND

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

17 Sec. 14. 7 V.S.A. chapter 7 is amended to read:

18 CHAPTER 7. MUNICIPAL CONTROL

19 § 161. LICENSES VOTED BY TOWN; TOWN MEETINGS; WARNING

20 (a) Upon petition of not less than five percent of the legal voters of any
21 town, filed with the town clerk in conformance with 17 V.S.A. § 2642, the

1 warning of the annual or special meeting shall contain an article providing for
2 a vote upon the following questions:

3 Shall licenses for the sale of malt and vinous beverages be granted in this
4 town?

5 Shall spirits and fortified wines be sold in this town?

6 The vote under ~~such~~ the article shall be by ballot in the following form:

7 Shall licenses for the sale of malt and vinous beverages be granted in this
8 town?

9 Yes _____ No _____

10 Shall spirits and fortified wines be sold in this town?

11 Yes _____ No _____

12 (b) Licenses and permits for the sale of malt and vinous beverages and
13 ~~spirit~~ spirits and fortified wines shall be issued according to the vote at the
14 annual town meeting held in March 1969 until a town votes otherwise.

15 § 162. REPORT

16 After any annual town meeting ~~wherein the~~ in which a town votes on the
17 questions set forth in section 161 of this title, the town clerk ~~of the town~~ shall
18 report promptly the results of the vote to the ~~liquor control board~~ Board of
19 Liquor and Lottery, upon forms furnished by the ~~board~~ Board.

1 § 163. BALLOTS; COLOR

2 (a) Whenever a petition is filed under section 161 of this title, the town
3 clerk shall print, at least two weeks before the annual or special meeting, ~~cause~~
4 blank ballots for the votes provided for in section 161 of this title ~~to be printed~~
5 in any color except yellow, ~~in such manner that each ballot can be easily~~
6 ~~detached, to the number of.~~ The ballots shall be printed in a quantity equal to
7 not less than one and one-tenth times the number of registered voters ~~qualified~~
8 ~~to vote~~ at the last preceding general election, as shown by the checklist.

9 (b) Upon each ~~such~~ ballot shall be endorsed the words: “OFFICIAL
10 BALLOT” followed by the name of the town in which it is to be used and the
11 date of the election. The town clerk is authorized to use regular ballots for the
12 requisite number of sample ballots by adding in type or print on the front
13 ~~thereof of each ballot~~, the words: “SAMPLE BALLOT.”

14 § 164. DUTIES OF BALLOT CLERKS AND TOWN CLERKS

15 The board of civil authority, or the ballot clerks if directed by ~~them~~ the
16 board of civil authority, shall have charge of the ballots and perform the duties
17 imposed upon ballot clerks and assisting clerks and be subject to the penalties
18 imposed upon such officials by law. The town clerk shall perform the same
19 duties in respect to ~~such~~ the ballots as are imposed upon him or her by the
20 provisions of law governing general elections, except as otherwise provided.

1 § 165. HOURS OF OPENING

2 The box for the reception of ~~such~~ the ballots shall be opened at the hour the
3 meeting is called, and be closed when general voting ceases.

4 § 166. CONTROL COMMISSIONERS

5 There shall be control commissioners in each town and city. ~~Such~~ The
6 control commissioners shall be the selectboard members in each town and the
7 city council members in each city. The town and city clerks shall be recording
8 officers and clerks of the commissioners and be paid as ~~hereinafter~~ provided in
9 24 V.S.A. §§ 932 and 933.

10 § 167. DUTIES OF LOCAL CONTROL COMMISSIONERS

11 (a) The local control commissioners shall administer ~~such~~ the rules ~~and~~
12 ~~regulations, which shall be furnished to them by the liquor control board~~ Board
13 of Liquor and Lottery, as ~~shall be~~ necessary to carry out the purposes of this
14 title. Except as provided in subsection (b) of this section, all applications for
15 and forms of licenses and permits, and applications therefor and all rules ~~and~~
16 ~~regulations~~ shall be prescribed by the ~~liquor control board~~ Board of Liquor and
17 Lottery, which shall prepare and issue ~~such~~ the applications, forms, and rules
18 ~~and regulations.~~

19 (b) If the municipality so votes at a meeting duly warned for that purpose,
20 the local control commissioners may, in the exercise of their authority under
21 ~~subdivision 222(1)~~ of this title, condition the issuance of licenses and permits

1 upon compliance, during the term of the license or permit, with any ordinance
2 regulating entertainment or public nuisances that has been duly adopted by the
3 municipality; ~~and at a meeting duly warned for that purpose.~~

4 (c) The local control commissioners may, in the exercise of their authority
5 under section ~~236~~ 210 of this title, suspend or revoke a ~~liquor~~ license or permit
6 for a violation of any condition placed upon the issuance of a the license or
7 permit under subsection (b) of this section. ~~The local control commissioners~~
8 ~~shall give reasons for the suspension or revocation in writing and shall also~~
9 ~~state the duration of any suspension in writing.~~

10 § 168. UNORGANIZED PLACES, CONTROL COMMISSIONERS

11 In an unorganized town or gore, the supervisor shall be the control
12 commissioner for the administration of the ~~liquor control laws~~ rules necessary
13 to carry out the applicable provisions of this title. He or she may in his or her
14 discretion issue and approve the issuance of licenses and permits as he or she
15 finds will best serve the interests of the inhabitants ~~best served~~. The provisions
16 of sections 161–165, ~~221 and 224~~ and 201 of this title, insofar as they relate to
17 voting, shall not apply to unorganized towns and gores.

18 Sec. 15. REDESIGNATION; ADDITION OF SUBCHAPTER

19 7 V.S.A. chapter 9, subchapter 1, which shall include sections 201–214, is
20 added to read:

21 Subchapter 1. General Provisions

1 Sec. 16. REDESIGNATION; ADDITION OF SUBCHAPTER

2 7 V.S.A. chapter 9, subchapter 2, which shall include sections 221–229, is
3 added to read:

4 Subchapter 2. Retail Licenses and Permits

5 Sec. 17. REDESIGNATION; ADDITION OF SUBCHAPTER

6 7 V.S.A. chapter 9, subchapter 3, which shall include sections 241–243, is
7 added to read:

8 Subchapter 3. Catering Licenses and Permits

9 Sec. 18. REDESIGNATION; ADDITION OF SUBCHAPTER

10 7 V.S.A. chapter 9, subchapter 4, which shall include sections 251–259, is
11 added to read:

12 Subchapter 4. Tasting and Event Permits

13 Sec. 19. REDESIGNATION; ADDITION OF SUBCHAPTER

14 7 V.S.A. chapter 9, subchapter 5, which shall include sections 271–283, is
15 added to read:

16 Subchapter 5. Manufacturing and Distribution of Alcohol

17 Sec. 20. 7 V.S.A. § 221 is redesignated and amended to read:

18 § ~~224~~ 201. LICENSES CONTINGENT ON TOWN VOTE;~~RESTRICTIONS~~
19 ~~AS TO DANCING PAVILIONS~~

20 Licenses of the first or second class shall not be granted by the control
21 commissioners or the ~~Liquor Control Board~~ of Liquor and Lottery to be

1 exercised in any city or town, the voters of which vote “No” to the question:
2 ~~“Shall license be granted for the sale of malt and vinous beverages?”~~ on the
3 question of whether to permit the sale of malt beverages and vinous beverages
4 pursuant to section 161 of this title. Licenses of the third class shall not be
5 granted by the ~~Liquor Control Board~~ of Liquor and Lottery to be exercised in
6 any city or town, the voters of which vote “No” to the question: ~~“Shall spirits~~
7 ~~and fortified wines be sold in this town?”~~ on the question of whether to sell
8 fortified wines and spirits pursuant to section 161 of this title. Licenses of the
9 ~~third class shall not be granted to any open air or wayside dancing pavilions.~~

10 Sec. 21. 7 V.S.A. § 223 is redesignated and amended to read:

11 § ~~223~~ 202. LICENSES TO ENFORCEMENT OFFICER OR CONTROL
12 ~~BOARD MEMBER~~ COMMISSIONER; EXCEPTIONS

13 (a) No license of any class shall be granted to any enforcement officer or to
14 any person acting in the officer’s behalf.

15 (b) A member of a local control ~~board~~ commission to whom or in behalf of
16 whom a ~~first or second class~~ first- or second-class license was issued by that
17 ~~board~~ commission shall not participate in any control ~~board~~ commission action
18 regarding any ~~first or second class~~ first- or second-class license. If a majority
19 of the members of a local control ~~board~~ commission is unable to participate in
20 a control ~~board~~ commission action regarding any ~~first or second class~~ first- or

1 ~~second-class~~ license, that action shall be referred to the ~~state liquor control~~
2 ~~board~~ Board of Liquor and Lottery for investigation and action.

3 (c) An application for a ~~first or second class~~ first- or second-class license
4 by or in behalf of a member of the local control ~~board~~ commission or a
5 complaint or disciplinary action regarding a ~~first or second class~~ first- or
6 second-class license issued by a ~~board~~ commission on which any member is a
7 licensee shall be referred to the ~~state liquor control board~~ Board of Liquor and
8 Lottery for investigation and action.

9 Sec. 22. 7 V.S.A. § 230 is redesignated and amended to read:

10 § ~~230~~ 203. RESTRICTIONS; FINANCIAL INTERESTS; ~~DISPLAY OF~~
11 ~~LICENSE;~~ EMPLOYEES

12 (a)(1) Except as provided in ~~subdivision 2(15)~~ section 271 of this title, a
13 ~~bottler packager~~, manufacturer, or rectifier licensed in Vermont or in another
14 state, a certificate of approval holder, or a wholesale dealer shall not have any
15 financial interest in the business of a first-, second-, or third-class ~~license~~
16 licensee, and a first-, second-, or third-class licensee may not have any
17 financial interest in the business of a ~~bottler packager~~, manufacturer, or
18 rectifier licensed in Vermont or in another state, a certificate of approval
19 holder, or a wholesale dealer.

20 (2) ~~However~~ Notwithstanding subdivision (1) of this subsection and
21 except as otherwise provided in section 271 of this title, a manufacturer of malt

1 beverages may have a financial interest in the business of a first- or second-
2 class license, and a first- or second-class licensee may have a financial interest
3 in the business of a manufacturer of malt beverages, provided ~~a~~ the first- or
4 second-class licensee does not purchase, possess, or sell the malt beverages
5 produced by a manufacturer with which there is any financial interest. ~~All~~
6 ~~licenses or permits granted under this title shall be conspicuously displayed on~~
7 ~~the premises for which the license or permit is granted.~~ Any manufacturer of
8 malt beverages that has a financial interest in a first- or second-class licensee
9 and any first- or second-class licensee that has a financial interest in a
10 manufacturer of malt beverages, as permitted under this ~~section~~ subdivision,
11 shall provide to the ~~Department~~ Division of Liquor Control and the applicable
12 wholesale dealer written notification of that financial interest and the licensees
13 involved. A wholesale dealer shall not be in violation of this section for
14 delivering malt beverages to a first- or second-class licensee that is prohibited
15 from purchasing, possessing, or selling those malt beverages under this section.

16 (b) An individual who is an employee of a wholesale dealer that does not
17 hold a solicitor's license may also be employed by a first- or second-class
18 licensee on a paid or voluntary basis, provided that the employee does not
19 exercise any control over, or participate in, the management of the first- or
20 second-class licensee's business or business decisions, and that ~~either~~ neither
21 employment relationship ~~does not result~~ results in the exclusion of any

1 competitor wholesale dealer or any brand of alcoholic beverages of a
2 competitor wholesale dealer.

3 Sec. 23. 7 V.S.A. § 231 is redesignated and amended to read:

4 § ~~231~~ 204. FEES FOR LICENSES AND PERMITS; DISPOSITION OF
5 FEES

6 (a) The following fees shall be paid:

7 (1) For a manufacturer's or rectifier's license to manufacture or rectify
8 malt beverages, or vinous beverages and fortified wines, or spirits and fortified
9 wines, \$285.00 for each license.

10 (2) For a ~~bottler's~~ packager's license, \$1,865.00.

11 (3) For a wholesale dealer's license, \$1,245.00 for each location.

12 (4) For a first-class license, \$230.00.

13 (5) For a second-class license, \$140.00.

14 (6) For a third-class license, \$1,095.00 for an annual license and
15 \$550.00 for a six-month license.

16 (7) For a shipping license for malt beverages or vinous beverages:

17 (A) In-state consumer shipping license, ~~initial and renewal~~, \$330.00.

18 (B) Out-of-state consumer shipping license, ~~initial and renewal~~,
19 \$330.00.

20 (C) ~~Retail~~ Vinous beverages retail shipping license, \$250.00.

- 1 (8)(A) For a caterer’s license, \$250.00.
- 2 (B) For a commercial catering license, \$220.00.
- 3 (C) For a request to cater permit, \$20.00.
- 4 (9) ~~[Repealed.]~~
- 5 ~~(10) [Repealed.]~~
- 6 ~~(11)~~ For up to ten fourth-class licenses, \$70.00.
- 7 ~~(12)~~(10) For an industrial alcohol ~~distributors~~ distributor’s license,
- 8 \$220.00.
- 9 ~~(13)~~(11) For a special events permit, \$35.00.
- 10 ~~(14)~~(12) For a festival permit, \$125.00.
- 11 ~~(15)~~(13) For a ~~wine~~ an alcoholic beverages tasting permit, \$25.00.
- 12 ~~(16)~~(14) For an educational sampling event permit, \$250.00.
- 13 ~~(17)~~(15) For an outside consumption permit, \$20.00.
- 14 ~~(18)~~(16) For a certificate of approval:
- 15 (A) For malt beverages, \$2,485.00.
- 16 (B) For vinous beverages, \$985.00.
- 17 ~~(19)~~(17) For a solicitor’s license, \$70.00.
- 18 ~~(20)~~(18) For a vinous beverages storage license, \$235.00.
- 19 ~~(21)~~(19) For a promotional railroad tasting permit ~~for a railroad~~, \$20.00.
- 20 ~~(22)~~(20) For an ~~art gallery or bookstore~~ special venue serving permit,
- 21 \$20.00.

1 ~~(23)~~(21) For a fortified wine permit, \$100.00.

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

3 ~~(25)~~(22) For a retail delivery permit, \$100.00.

4 ~~(26)~~(23) For a destination resort master license, \$1,000.00.

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 (1) Third-class license fees: 55 percent shall go to the Liquor Control
9 Enterprise Fund, and 45 percent shall go to the General Fund and shall fund
10 alcohol abuse prevention and treatment programs.

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

1 Sec. 24. 7 V.S.A. § 232 is redesignated and amended to read:

2 § ~~232~~ 205. TERMS OF PERMITS AND, LICENSES, AND CERTIFICATES

3 (a) All permits and, licenses, and certificates shall expire midnight,
4 April 30, of each year and, upon the payment of a new fee,.

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

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

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

9 (B) submission to the local control commissioners with the of an
10 application demonstrating that the licensee satisfies all applicable rules and
11 requirements; and

12 (C) approval of the liquor control board Board of Liquor and Lottery
13 as provided in section 221, 222, or 227 of this title, provided the licensee is
14 entitled thereto.

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

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

17 (B) submission to the Board of Liquor and Lottery or the Division, as
18 appropriate, of an application demonstrating that the holder satisfies all
19 applicable rules and requirements.

1 Sec 25. 7 V.S.A. § 233 is redesignated and amended to read:

2 § ~~233~~ 206. DISPOSAL OF FEES

3 The control commissioners shall collect all fees for ~~retailers' licenses of the~~
4 ~~first first-~~ and ~~second-class~~ second-class licenses and shall pay ~~such~~ the fees to
5 the Division and the city and town treasurers of the respective cities and towns
6 where ~~such~~ the fees are collected ~~to be~~ as provided in subsection 204(b) of this
7 chapter. The portion of each fee paid to the city or town may be used as such
8 ~~cities and towns~~ it may direct, less a fee of \$5.00 to be retained by the city or
9 town clerk as a fee for issuing ~~such~~ and recording the license and recording the
10 ~~same. Fees~~ Except as otherwise provided in section 274 and 275 of this title,
11 fees for all other licenses shall be paid to the ~~liquor control board~~ Board of
12 Liquor and Lottery.

13 Sec. 26. 7 V.S.A. § 234 is redesignated and amended to read:

14 § ~~234~~ 207. CHANGE OF LOCATION

15 ~~In case any~~ If a licensee desires to change the location of ~~his~~ its business
16 before the expiration of ~~his~~ its license, ~~upon proper~~ the licensee may submit an
17 application, to the liquor control board Board of Liquor and Lottery, which
18 may amend his the license to cover the new premises without the payment of
19 any additional fee.

1 Sec. 27. 7 V.S.A. § 208 is added to read:

2 § 208. DISPLAY OF LICENSE

3 All licenses or permits granted under this title shall be conspicuously
4 displayed on the premises for which the license or permit is granted.

5 Sec. 28. 7 V.S.A. § 235 is redesignated and amended to read:

6 § 209. BANKRUPTCY, DEATH, AND REVOCATION

7 (a) If a licensee or permittee becomes bankrupt or dies before the
8 expiration of ~~his or her~~ its license or permit, ~~his or her~~ the licensee's or
9 permittee's trustee, executor, or administrator may sell the ~~intoxicating liquors~~
10 alcohol ~~which that~~ came into ~~his or her~~ its possession to a holder of a license or
11 permit of the same class.

12 (b) If a license or permit is revoked under the provisions of this title, after
13 ~~such~~ the revocation, the licensee or permittee may sell the ~~intoxicating liquors~~
14 ~~in his or her~~ alcohol in its possession at the time of ~~such~~ the revocation to a
15 holder of a license or permit of the same class.

16 (c)(1) All sales under this section ~~shall be accompanied by immediate and~~
17 ~~actual delivery and~~ shall be made within 30 days after ~~such~~ the bankruptcy,
18 death, or revocation and shall include immediate and actual delivery of the
19 alcohol.

20 (2) However Notwithstanding subdivision (1) of this subsection, upon
21 application of the executor or administrator of a deceased licensee or

1 ~~permittee~~, the ~~board~~ Board may transfer the license or permit of the decedent
2 to ~~such~~ the executor or administrator without payment of any additional fee,
3 and the executor or administrator may then carry on the business of the
4 decedent under the license or permit until ~~the~~ its expiration ~~thereof~~.

5 (d)(1) The holder of a manufacturer's or rectifier's license may pledge or
6 mortgage ~~intoxicating liquor~~ alcoholic beverages manufactured or rectified by
7 ~~such~~ the licensee and ~~such~~ the pledgee or mortgagee may retain possession of
8 ~~such liquor~~ the alcoholic beverages and ~~after condition broken, if the licensee~~
9 ~~defaults,~~ may sell and dispose of the alcoholic beverages to persons to whom
10 the licensee might lawfully sell ~~such liquors~~ the alcoholic beverages, subject to
11 the same restrictions and regulations as ~~such~~ the licensee, and to ~~such~~ any
12 further restriction ~~and regulation as may be~~ or rules prescribed by the ~~liquor~~
13 ~~control board~~ Board of Liquor and Lottery with respect to ~~notice to it in~~
14 advance notice to it of ~~such~~ the sale and determination by it of the persons
15 entitled to buy and the manner of ~~such~~ the sale.

16 (2) Any sale ~~under such~~ pursuant to a default on a pledge or mortgage
17 shall not be at public auction as required with respect to ~~like~~ similar sales of
18 other property, but shall be upon not less than ten days' notice to the pledgor or
19 mortgagor and for the highest amount which may be offered ~~under the~~
20 ~~regulations of such liquor control board as aforesaid~~ pursuant to the rules of the
21 Board of Liquor and Lottery.

1 Sec. 29. 7 V.S.A. § 236 is redesignated and amended to read:

2 § ~~236~~ 210. SUSPENSION OR REVOCATION OF LICENSE OR PERMIT;

3 ADMINISTRATIVE PENALTY

4 (a)(1) The control commissioners or the ~~liquor control board~~ Board of
5 Liquor and Lottery shall have power to suspend or revoke any permit or
6 license granted pursuant to this title in the event the person holding ~~such the~~
7 permit or license shall at any time during the term ~~thereof so~~ of the permit or
8 license conduct ~~his or her~~ its business ~~as to be~~ in violation of this title, the
9 conditions pursuant to which ~~such the~~ permit or license was granted, or ~~of~~ any
10 rule ~~or regulation~~ prescribed by the ~~liquor control board~~ Board of Liquor and
11 Lottery.

12 (2) No revocation shall be made until the permittee or licensee ~~shall be~~
13 has been notified and ~~be~~ given a hearing before the ~~liquor control board~~ Board
14 of Liquor and Lottery, unless ~~such the~~ permittee or licensee ~~shall have~~ has
15 been convicted by a court of competent jurisdiction of violating the provisions
16 of this title.

17 (3) In the case of a suspension, the permittee or licensee shall be notified
18 and given a hearing before the ~~liquor control board~~ Board of Liquor and
19 Lottery or the local ~~governing body~~ control commissioners, whichever applies.

1 (4) Any decision to suspend or revoke a license shall be issued in
2 writing and set forth the reasons for the suspension or revocation and, if
3 applicable, the duration of the suspension.

4 (5) A tobacco license may not be suspended or revoked for a first-time
5 violation. Suspension or revocation of a tobacco license shall not affect any
6 liquor license held by the licensee.

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

14 (2) The administrative penalty may be imposed after a hearing before
15 the ~~board~~ Board or after the licensee has been convicted by a court of
16 competent jurisdiction of violating the provisions of this title.

17 (3) The ~~board~~ Board may also impose an administrative penalty under
18 this subsection against a holder of a tobacco license for up to \$100.00 for a
19 first violation and up to \$1,000.00 for subsequent violations.

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

4 (c) For suspension or revocation proceedings involving a tobacco license or
5 the imposition of an administrative penalty against a tobacco licensee under
6 this section, the ~~commissioner~~ Commissioner, a ~~board~~ Board member
7 designated by the ~~chair~~ Chair, or a hearing officer designated by the ~~chair~~
8 Chair pursuant to section ~~236a~~ 211 of this title may conduct the hearing and
9 render a decision.

10 (d)(1) The ~~board~~ Board shall subpoena any person in this ~~state~~ State to
11 appear for a hearing or for a deposition in the same manner as prescribed for
12 judicial procedures.

13 (2) Sheriffs and witnesses shall receive the same fees for the service of
14 process and attendance before the ~~board~~ Board as are paid in ~~superior court~~
15 Superior Court.

16 Sec. 30. 7 V.S.A. § 236a is redesignated and amended to read:

17 § ~~236a~~ 211. HEARING OFFICER

18 (a) The ~~chair~~ Chair of the ~~board~~ Board of Liquor and Lottery may appoint a
19 hearing officer to conduct hearings pursuant to section ~~236~~ 210 of this title. A
20 hearing officer may be a member of the ~~board~~ Board appointed under section
21 ~~236~~ 210 of this title.

1 (b) The hearing officer may administer oaths in all cases, so far as the
2 exercise of that power is properly incidental to the performance of the hearing
3 officer's duty or that of the ~~board~~ Board. A hearing officer may hold any
4 hearing in any matter within the jurisdiction of the ~~board~~ Board.

5 (c) The hearing officer shall make findings of fact in writing to the ~~board~~
6 Board in the form of a proposal for decision. A copy of the proposal for
7 decision shall be served upon the parties pursuant to 3 V.S.A. § ~~811~~ 812.
8 Judgment on the hearing officer's proposal for decision shall be rendered by a
9 majority of the ~~board~~ Board.

10 (d) At least 10 days prior to a hearing ~~before the board~~, the hearing officer
11 shall give written notice of the time and place of the hearing to all parties in the
12 case and shall indicate either that the hearing will be before the Board or the
13 name and title of the person designated to conduct the hearing.

14 (e) The ~~chair~~ Chair may appoint a hearing officer to hear and finally
15 determine any complaint involving a tobacco license. In such a case, the
16 hearing officer may impose administrative penalties as provided in subsection
17 ~~236(b)~~ 210(b) of this title.

18 Sec. 31. 7 V.S.A. § 237 is redesignated and amended to read:

19 § ~~237~~ 212. COMPLAINTS AND PROSECUTIONS

20 The ~~commissioner of liquor control~~ Commissioner of Liquor and Lottery or
21 the local control commissioners shall make complaint to the ~~state's attorney~~

1 State's Attorney or town grand juror of any unlawful furnishing, selling, or
2 keeping for sale of alcohol, ~~spirituous liquor, or malt or vinous beverages or~~
3 alcoholic beverages, and ~~furnish the evidence thereof to such state's attorney~~
4 provide evidence in support of the complaint to the State's Attorney or town
5 grand juror, who shall prosecute for such the alleged violation.

6 Sec. 32. 7 V.S.A. § 239 is redesignated and amended to read:

7 § ~~239~~ 213. LICENSEE EDUCATION

8 (a) A new first-class, second-class, third-class, fourth-class, ~~or farmers'~~
9 ~~market license~~, or manufacturer's or rectifier's license, or common carrier
10 certificate shall not be granted until the applicant has attended a ~~Department~~
11 Division of Liquor Control in-person seminar or completed the appropriate
12 ~~Department~~ Division of Liquor Control online training program for the
13 purpose of being informed of the Vermont ~~liquor~~ laws, and rules, ~~and~~
14 ~~regulations~~ pertaining to the purchase, storage, and sale of ~~alcohol~~ alcoholic
15 beverages. A corporation, partnership, or association shall designate a
16 director, partner, or manager who shall comply with the terms of this
17 subsection.

18 (b)(1) Every holder of a first-class, second-class, third-class, fourth-class,
19 ~~or farmers' market licensee, and every holder of a~~ manufacturer's or rectifier's
20 license, or common carrier certificate shall complete the ~~Department~~ Division
21 of Liquor Control in-person licensee training seminar or the appropriate

1 ~~Department~~ Division of Liquor Control online training program at least once
2 every two years. A corporation, partnership, or association shall designate a
3 director, partner, or manager who shall comply with the terms of this
4 subsection.

5 (2) A first-class, second-class, third-class, fourth-class, ~~or farmers²~~
6 ~~market license~~, or manufacturer's or rectifier's license shall not be renewed
7 unless the Division's records ~~of the Department of Liquor Control~~ show that
8 the licensee has complied with the terms of this subsection.

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

16 (2) A licensee may comply with this requirement by conducting its own
17 training program on its premises, using information and materials furnished or
18 approved by the ~~Department~~ Division of Liquor Control. A licensee who fails
19 to comply with the requirements of this subsection shall be subject to a
20 suspension of the license issued under this title for no less than one day ~~of the~~
21 ~~license issued under this title.~~

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

3 (1) For a first-class or first- and third-class licensee seminar either ~~in~~
4 ~~person~~ in-person or online, \$25.00 per person.

5 (2) For a second-class licensee seminar either ~~in-person~~ in-person or
6 online, \$25.00 per person.

7 (3) For a combination first-class, first- and third-class, and second-class
8 licensee seminar either ~~in-person~~ in-person or online, \$25.00 per person.

9 (4) For a manufacturer's or rectifier's, ~~or fourth-class, or farmers'~~
10 ~~market~~ licensee seminar either ~~in-person~~ in-person or online, \$10.00 per
11 person.

12 (5) For common carrier seminars either ~~in-person~~ in-person or online,
13 \$10.00 per person.

14 (6) For all special event, festival, educational sampling, ~~art gallery,~~
15 ~~bookstore, museum and library~~ and special venue serving permit holders for
16 either an in-person or online seminar, \$10.00 per person.

17 (e) Fees for all seminars listed in this section and under other sections of
18 this title with regards to in-person or online training shall be deposited directly
19 in the Liquor Control Enterprise Fund.

1 Sec. 33. 7 V.S.A. § 240 is redesignated and amended to read:

2 § ~~240~~ 214. PROOF OF FINANCIAL RESPONSIBILITY

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

19 (b)(1) Proof of financial responsibility and completion of the licensee
20 education program established in section ~~239~~ 213 of this title shall be

1 conditions for a licensee to be permitted to resume operation after a suspension
2 or revocation for any of the reasons in subsection (a) of this section; ~~however,~~

3 (2) However, at the discretion of the suspending or revoking authority,
4 the licensee may receive a provisional license prior to the time these conditions
5 are met in order to allow for compliance with the education requirement or to
6 obtain the certificate of financial responsibility. A provisional license may not
7 be issued for a period exceeding 60 days.

8 Sec. 34. 7 V.S.A. § 221 is added to read:

9 § 221. FIRST-CLASS LICENSES

10 (a)(1) With the approval of the Board of Liquor and Lottery, the control
11 commissioners may grant a first-class license to a retail dealer for the premises
12 where the dealer carries on business if the retail dealer submits an application
13 and pays the fee provided in section 204 of this title, and satisfies the Board
14 that the premises:

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

16 (B) are devoted primarily to dispensing meals to the public, except in
17 the case of clubs; and

18 (C) have adequate and sanitary space and equipment for preparing
19 and serving meals.

1 (2) The Board of Liquor and Lottery may grant a first-class license to a
2 boat or railroad dining car if the person that operates it submits an application
3 and pays the fee provided in section 204 of this title.

4 (3) The Division shall post notice of pending applications on its website.

5 (b)(1) A first-class license permits the holder to sell malt and vinous
6 beverages for consumption only on those premises.

7 (2) Except as otherwise provided pursuant to sections 271 and 278 of
8 this title, a first-class license holder shall purchase all malt beverages and
9 vinous beverages sold pursuant to the license from Vermont wholesale dealers
10 or packagers.

11 (c) A retail dealer carrying on business in more than one place shall acquire
12 a first-class license for each place where the retail dealer sells malt or vinous
13 beverages for consumption on the premises.

14 (d) Partially consumed bottles of vinous beverages or specialty beers that
15 were purchased with a meal may be removed from first-class licensed premises
16 provided the beverages are recapped or resealed.

17 (e) No person under 18 years of age shall be employed by a first-class
18 licensee as:

19 (1) a bartender for the purpose of preparing, mixing, or dispensing
20 alcoholic beverages; or

21 (2) a waitress or waiter for the purpose of serving alcoholic beverages.

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

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

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

7 (B) a signed copy of the contract;

8 (C) the name and address of the person contracted to provide the
9 food;

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

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

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

19 (g) A hotel that holds a first-class license and places a minibar in any room
20 of a registered guest shall ensure that the minibar is locked and that access to
21 the minibar is restricted to guests of legal drinking age.

1 (h) The holder of a first-class license may permit a customer to:

2 (1) possess or carry no more than two open containers of alcoholic
3 beverages; and

4 (2) maintain control over his or her open container of alcoholic
5 beverages at all times while on the licensed premises.

6 Sec. 35. 7 V.S.A. § 222 is amended to read:

7 § 222. ~~FIRST AND SECOND-CLASS LICENSES; GRANTING OF; SALE~~
8 ~~TO MINORS; CONTRACTING FOR FOOD SERVICE~~

9 (a)(1) With the approval of the ~~Liquor Control Board of Liquor and~~
10 Lottery, the control commissioners may grant the following licenses a second-
11 class license to a retail dealer for the premises where the dealer carries on
12 business ~~if the retail dealer submits an application and pays the fee provided in~~
13 section 204 of this title and satisfies the Board that the premises:

14 ~~(1) Upon making application and paying the license fee provided in~~
15 ~~section 231 of this title, a first-class license which authorizes the dealer to sell~~
16 ~~malt and vinous beverages for consumption only on those premises, and upon~~
17 ~~satisfying the Liquor Control Board that the premises are leased, rented, or~~
18 ~~owned by the retail dealer and are devoted primarily to dispensing meals to the~~
19 ~~public, except clubs, and that the premises have adequate and sanitary space~~
20 ~~and equipment for preparing and serving meals. The term “public” includes~~
21 ~~patrons of hotels, boarding houses, restaurants, dining cars, and similar places~~

1 ~~where meals are served. A retail dealer carrying on business in more than one~~
2 ~~place shall acquire a first-class license for each place where the retail dealer~~
3 ~~sells malt and vinous beverages. No malt or vinous beverages shall be sold by~~
4 ~~a first-class licensee to a minor. Partially consumed bottles of vinous~~
5 ~~beverages or specialty beers that were purchased with a meal may be removed~~
6 ~~from first-class licensed premises provided the beverages are recapped or~~
7 ~~resealed.~~

8 ~~(2) Upon making application, paying the license fee provided in section~~
9 ~~231 of this title, and upon satisfying the Board that such~~

10 ~~(A) premises are leased, rented, or owned by the retail dealer; and~~

11 ~~(B) are a safe, sanitary, and proper place from which to sell malt and~~
12 ~~vinous beverages, a second-class license, which shall authorize such dealer.~~

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

14 ~~(b)(1) A second-class license permits the holder to export malt and vinous~~
15 ~~beverages; and to sell malt and vinous beverages to the public from such the~~
16 ~~licensed premises for consumption off the premises.~~

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

20 ~~(3) Except as otherwise provided pursuant to sections 225, 271, and 278~~
21 ~~of this title, a second-class license holder shall purchase all malt beverages and~~

1 vinous beverages sold pursuant to its license from Vermont wholesale dealers
2 or packagers.

3 (c) A retail dealer carrying on business in more than one place shall be
4 required to acquire a second-class license for each place where the retail dealer
5 sells malt and vinous beverages. ~~No malt or vinous beverages shall be sold by~~
6 ~~a second-class licensee to a minor.~~

7 ~~(3) No person under the age of 18 shall be employed by a first- or third-~~
8 ~~class licensee as a bartender for the purpose of preparing, mixing, or~~
9 ~~dispensing alcoholic beverages. No person under the age of 18 shall be~~
10 ~~employed by a first- or third-class licensee as a waitress or waiter for the~~
11 ~~purpose of serving alcoholic beverages.~~

12 ~~(4)(A) A holder of a first-class license may contract with another person~~
13 ~~to prepare and dispense food on the license holder's premises.~~

14 ~~(B) The first-class license holder shall provide to the Department~~
15 ~~written notification five business days prior to start of the contract the~~
16 ~~following information:~~

17 ~~(i) the name and address of the license holder;~~

18 ~~(ii) a signed copy of the contract;~~

19 ~~(iii) the name and address of the person contracted to provide the~~

20 ~~food;~~

1 ~~(iv) a copy of the person's license from the Department of Health~~
2 ~~for the facility in which food is served; and~~

3 ~~(v) the person's rooms and meals tax certificate from the~~
4 ~~Department of Taxes.~~

5 ~~(C) The holder of the first class license shall notify the Department~~
6 ~~within five business days of the termination of the contract to prepare and~~
7 ~~dispense food. It is the responsibility of the first class licensee to control all~~
8 ~~conduct on the premises at all times, including the area in which the food is~~
9 ~~prepared and stored.~~

10 ~~(5)(A) The holder of a first class license may serve a sampler flight of~~
11 ~~up to 32 ounces in the aggregate of malt beverages to a single customer at one~~
12 ~~time.~~

13 ~~(B) The holder of a first class license may serve a sampler flight of~~
14 ~~up to 12 ounces in the aggregate of vinous beverages to a single customer at~~
15 ~~one time.~~

16 ~~(C) The holder of a third class license may serve a sampler flight of~~
17 ~~up to four ounces in the aggregate of spirits or fortified wines to a single~~
18 ~~customer at one time.~~

19 ~~(6) The Liquor Control Board may grant a fortified wine permit to a~~
20 ~~second class licensee if the licensee files an application accompanied by the~~
21 ~~license fee as provided in section 231 of this title. The holder of a fortified~~

1 ~~wine permit may sell fortified wines to the public from the licensed premises~~
2 ~~for consumption off the premises. The Liquor Control Board shall issue no~~
3 ~~more than 150 fortified wine permits in any single year. The holder of a~~
4 ~~fortified wine permit shall purchase all fortified wines to be offered for sale to~~
5 ~~the public pursuant to the permit through the Liquor Control Board at a price~~
6 ~~equal to no more than 75 percent of the current retail price for the fortified~~
7 ~~wine established by the Commissioner pursuant to subdivision 107(3)(B) of~~
8 ~~this title.~~

9 ~~(7)(A)(i) The Liquor Control Board may grant a retail delivery permit to~~
10 ~~a second-class licensee if the licensee files an application accompanied by the~~
11 ~~fee provided in section 231 of this title.~~

12 ~~(ii) Notwithstanding subdivision (i) of this subdivision (7)(A), the~~
13 ~~Liquor Control Board shall not grant a retail delivery permit in relation to a~~
14 ~~second-class license issued to a licensed manufacturer or rectifier for the~~
15 ~~manufacturer's or rectifier's premises.~~

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

20 ~~(i) Deliveries shall only be made by the permit holder or an~~
21 ~~employee of the permit holder.~~

1 (ii) ~~Deliveries shall only occur between the hours of 9:00 a.m. and~~
2 5:00 p.m.

3 (iii) ~~Deliveries shall only be made to a physical address located in~~
4 Vermont.

5 (iv) ~~An employee of a retail delivery permit holder shall not be~~
6 permitted to make deliveries of malt beverages or vinous beverages pursuant to
7 the permit unless he or she has completed a training program approved by the
8 Department as required pursuant to section 239 of this chapter.

9 (v) ~~Malt beverages and vinous beverages delivered pursuant to a~~
10 retail delivery permit shall be for personal use and not for resale.

11 Sec. 36. 7 V.S.A. § 224 is redesignated and amended to read:

12 § ~~224~~ 223. ~~THIRD-CLASS LICENSES; OPEN CONTAINERS~~

13 (a)(1) The ~~Liquor Control Board~~ Liquor and Lottery may grant to a
14 person who operates a hotel, restaurant, ~~or~~ club, boat, or railroad dining car, or
15 who holds a manufacturer's or rectifier's license, a license of the third-class
16 third-class license if the person files an application accompanied by the ~~license~~
17 fee as provided in section ~~231~~ 204 of this title for the premises in which the
18 business of the hotel, restaurant, or club is carried on or for the boat or railroad
19 dining car.

1 (2) The applicant shall satisfy the Board that the applicant is the bona
2 fide owner or lessee of the premises, boat, or railroad dining car and that it is
3 operated for the purpose covered by the license.

4 **(b)** ~~The holder of a~~ A third-class license holder may sell spirits and fortified
5 wines for consumption only on the licensed premises ~~covered by the license.~~
6 ~~The applicant for a third class license shall satisfy the Liquor Control Board~~
7 ~~that the applicant is the bona fide owner or lessee of the premises and that the~~
8 ~~premises are operated for the purpose covered by the license, boat, or railroad~~
9 ~~dining car.~~

10 **(b)(c)** ~~The holder of a first- or first- and third-class license may permit a~~
11 ~~consumer~~ customer to:

12 (1) ~~Possess~~ possess or carry no more than two open containers of
13 alcoholic beverages; and

14 (2) ~~Maintain~~ maintain control over his or her open container of alcoholic
15 beverages at all times while on the licensed premises, boat, or railroad dining
16 car.

17 **(e)(d)(1)** ~~A~~ Except as otherwise provided in subdivision (2) of this
18 subsection and section 271 of this title, a person who holds a third-class license
19 shall purchase from the ~~Liquor Control Board~~ of Liquor and Lottery all spirits
20 and fortified wines dispensed in accordance with the provisions of the third-
21 class license and this title.

1 (2) For a third-class license issued for a dining car or boat, the licensee
2 may procure outside the State of Vermont spirits and fortified wines that are
3 sold pursuant to the license.

4 (e) No person under 18 years of age shall be employed by a third-class
5 licensee as:

6 (1) a bartender for the purpose of preparing, mixing, or dispensing
7 alcoholic beverages; or

8 (2) a waitress or waiter for the purpose of serving alcoholic beverages.

9 Sec. 37. 7 V.S.A. § 241 is redesignated and amended to read:

10 § 241 ~~224~~. ~~FOURTH CLASS LICENSE; RULES:~~

11 ~~ADVERTISING~~ FOURTH-CLASS LICENSES

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

15 (b) At each licensed location, a fourth-class licensee may sell by the
16 unopened container or distribute by the glass, with or without charge, alcoholic
17 beverages manufactured by the licensee.

18 (1) A licensee may, for consumption at the licensed premises or
19 location, distribute the following amounts of alcoholic beverages to a retail
20 customer:

1 (A) no more than two ounces of malt beverages or vinous beverages
2 with a total of eight ounces; and

3 (B) no more than one-quarter ounce of spirits or fortified wine with a
4 total of one ounce.

5 (2) At a fourth-class license location at the licensee's manufacturing
6 premises, the licensee may distribute by the glass up to four mixed drinks
7 containing a combined total of no more than one ounce of spirits or fortified
8 wine to each retail customer for consumption only on the licensed premises.

9 (3) At each licensed location, a fourth-class licensee may, pursuant to
10 section 64 of this title, sell malt beverages or vinous beverages, or both by
11 the keg.

12 (c)(1) At only one fourth-class license location, a licensed manufacturer or
13 rectifier may sell by the unopened container or distribute by the glass, with or
14 without charge, alcoholic beverages produced by no more than five additional
15 manufacturers or rectifiers, provided these beverages are purchased on invoice
16 from the manufacturer or rectifier.

17 (2) A manufacturer or rectifier may sell its product to no more than five
18 additional manufacturers or rectifiers.

19 (d) A fourth-class license issued for a farmers' market location shall be
20 valid for all dates of operation for the specific farmers' market location.

1 ~~(e)~~ Rules ~~and regulations~~ applicable to ~~second-class~~ second-class licenses
2 and pertaining to financial responsibility; ~~education of employees~~, age of
3 employees, ~~hours of sale~~, ~~age of purchasers~~, the selling and furnishing to
4 apparently intoxicated persons; and leases of businesses shall all apply ~~in like~~
5 ~~manner~~ to ~~fourth-class~~ fourth-class licenses.

6 ~~(b)~~(f) Signs and advertising of ~~fourth-class~~ fourth-class licenses at tasting
7 rooms and retail shops other than at the manufacturer's or rectifier's premises
8 shall indicate that the premises are a "tasting room and retail shop," and shall
9 be in lettering not less than 75 percent of the height and width of the lettering
10 setting forth the name of the licensee or establishment.

11 Sec. 38. 7 V.S.A. § 225 is redesignated and amended to read:

12 § ~~225~~ 251. EDUCATIONAL SAMPLING EVENT PERMIT

13 (a) The Division of Liquor Control Board may grant an educational
14 sampling event permit to a person ~~to conduct an event that is open to the public~~
15 ~~and at which malt beverages, vinous beverages, fortified wines, or spirits, or all~~
16 ~~four are served only for the purposes of marketing and educational sampling,~~
17 ~~provided if:~~

18 (1) the event is also approved by the local ~~licensing authority~~. ~~At~~
19 control commissioners; and

20 (2) at least 15 days prior to the event, ~~an~~ the applicant ~~shall submit~~
21 submits an application to the ~~Department~~ Division in a form required by the

1 ~~Department. The application shall include~~ Commissioner that includes a list of
2 the alcoholic beverages to be acquired for sampling at the event, ~~and the~~
3 ~~application shall be~~ and is accompanied by a the fee ~~in the amount required~~
4 ~~pursuant to~~ provided in section ~~231~~ 204 of this title.

5 (b) An educational sampling event permit holder is permitted to conduct an
6 event that is open to the public at which malt beverages, vinous beverages,
7 fortified wines, spirits, or all four are served only for the purposes of marketing
8 and educational sampling.

9 (c)(1) No more than four educational sampling event permits shall be
10 issued annually to the same person.

11 (2) An educational sampling event permit shall be valid for no more
12 than four consecutive days.

13 (d) The permit holder shall ensure all the following:

14 (1) Attendees at the educational sampling event shall be required to pay
15 an entry fee of no less than \$5.00.

16 (2)(A) Beverages Malt beverages or vinous beverages for sampling shall
17 be offered in glasses that contain no more than two ounces of either beverage.

18 (B) Fortified wines and spirits for sampling shall be offered in
19 glasses that contain no more than one quarter ounce of either beverage.

20 (3) The event shall be conducted in compliance with all the
21 requirements of this title.

1 ~~(b)~~(c) An educational sampling event permit holder:

2 (1) ~~May~~ may receive shipments directly from a manufacturer, ~~bottler~~
3 packager, certificate of approval holder, wholesale dealer, or importer licensed
4 in Vermont or that provides evidence of licensure in another state or foreign
5 country satisfactory to the Board;

6 (2) ~~May~~ may transport ~~malt beverages, vinous beverages, fortified~~
7 ~~wines, and spirits~~ alcoholic beverages to the event site, and those beverages
8 may be served at the event by the permit holder or the holder's employees,
9 volunteers, or representatives of a manufacturer, ~~bottler~~ packager, or importer
10 participating in the event, provided they meet the server age and training
11 requirements under section 259 of this chapter; and

12 (3) ~~[Repealed.]~~

13 ~~(e) All the~~ shall mark all cases and bottles of alcoholic beverages to be
14 served at the event ~~shall be marked by the permit holder~~ "For sampling only.
15 Not for resale."

16 ~~(d)~~(f) Taxes for the alcoholic beverages served at the event shall be paid as
17 follows:

18 (1) ~~Malt~~ malt beverages:

19 (A) \$0.265 per gallon of malt beverages served; that contain not more
20 than six percent of alcohol by volume at 60 degrees Fahrenheit; and

1 (B) \$0.55 per gallon of malt beverages served that contain more than
2 six percent of alcohol by volume at 60 degrees Fahrenheit;

3 (2) ~~Vinous~~ vinous beverages: \$0.55 per gallon served;

4 (3) ~~Spirituuous liquors~~ spirits: \$19.80 per gallon served; and

5 (4) ~~Fortified~~ fortified wines: \$19.80 per gallon served.

6 Sec. 39. 7 V.S.A. § 225 is added to read:

7 § 225. FORTIFIED WINE PERMITS

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

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

13 (b)(1) A fortified wine permit holder may sell fortified wines to the public
14 from the licensed premises for consumption off the premises.

15 (2) A fortified wine permit holder shall purchase all fortified wines to be
16 offered for sale to the public pursuant to the permit through the Liquor Control
17 Board at a price equal to no more than 75 percent of the current retail price for
18 the fortified wine established by the Commissioner pursuant to subdivision
19 107(3)(B) of this title.

1 Sec. 40. 7 V.S.A. § 226 is redesignated and amended to read:

2 § ~~226~~ 272. ~~BOTTLERS'~~ PACKAGER'S LICENSE

3 (a) ~~The liquor control board~~ Board of Liquor and Lottery may grant ~~to a~~
4 ~~bottler a license to bottle and sell malt and vinous beverages received by such~~
5 ~~bottler in bulk upon a packager's license to a person if the person:~~

6 (1) ~~submits an application and the payment of;~~

7 (2) ~~pays the license fee as provided in section 231~~ 204 of this title; and

8 (3) ~~upon satisfying~~ satisfies the ~~commissioner of liquor control~~

9 Commissioner of Liquor and Lottery as to the its compliance with the rules and
10 regulations of the liquor control board Board relating to the cleanliness of the
11 applicant's facilities for storage and bottling of the malt and vinous alcoholic
12 beverages.

13 (b) A packager's license holder may:

14 (1) bottle or otherwise package alcoholic beverages the licensee receives
15 in bulk for sale; and

16 (2) distribute and sell alcoholic beverages that are bottled or otherwise
17 packaged for sale by the licensee.

18 (c) A packager's license holder shall comply with the provisions of
19 subsection 274(c) of this subchapter.

1 Sec. 41. 7 V.S.A. § 226 is added to read:

2 § 226. RETAIL DELIVERY PERMITS

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

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

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

14 (1) Deliveries shall only be made by the permit holder or an employee
15 of the permit holder.

16 (2) Deliveries shall only occur between the hours of 9:00 a.m. and
17 5:00 p.m.

18 (3) Deliveries shall only be made to a physical address located in
19 Vermont.

20 (4) An employee of a retail delivery permit holder shall not be permitted
21 to make deliveries of malt beverages or vinous beverages pursuant to the

1 permit unless he or she has completed a training program approved by the
2 Division pursuant to section 213 of this chapter.

3 (5) Malt beverages and vinous beverages delivered pursuant to a retail
4 delivery permit shall be for personal use and not for resale.

5 Sec. 42. 7 V.S.A. § 227 is redesignated and amended to read:

6 § ~~227~~ 273. WHOLESALE DEALER'S LICENSE

7 (a) The ~~liquor control board~~ Board of Liquor and Lottery may grant to a
8 ~~wholesale dealer a license to distribute or sell malt and vinous beverages upon~~
9 ~~application of such wholesale dealer and the payment of a~~ wholesale dealer's
10 license to a person if the person:

11 (1) submits an application on a form required by the Board;

12 (2) pays the license fee as provided in section ~~231~~ 204 of this title; and

13 (3) ~~upon satisfying the liquor control board~~ satisfies the Board as to his
14 ~~or her~~ its qualifications as a wholesale dealer.

15 (b) A wholesale dealer's license holder may distribute or sell malt
16 beverages or vinous beverages to first- and second-class licensees and holders
17 of educational sampling event permits.

18 (c)(1) In no event shall a wholesale dealer's license ~~permit carrying~~ holder
19 be permitted to carry on business allowed by a ~~retail dealer's first class~~ first-
20 class license or ~~second-class~~ second-class license.

1 (2) A wholesale dealer’s license holder shall comply with the provisions
2 of subsection 274(c) of this subchapter.

3 Sec. 43. 7 V.S.A. § 228 is redesignated and amended to read:

4 § ~~228~~ 258. ~~DINING CARS AND BOATS; FIRST OR THIRD CLASS~~
5 ~~LICENSE; PURCHASE OF LIQUORS OUTSIDE STATE;~~
6 PROMOTIONAL RAILROAD TASTING PERMIT

7 ~~(a) The Liquor Control Board may grant to a person that operates a boat or~~
8 ~~dining car engaged in interstate commerce a license of the first class or third-~~
9 ~~class upon the application and payment of the license fee as provided in section~~
10 ~~231 of this title. A person that operates a dining car or boat engaged in~~
11 ~~interstate commerce may procure spirits and fortified wines outside the State of~~
12 ~~Vermont.~~

13 ~~(b) The~~ Division of Liquor Control Board ~~may grant to a person that~~
14 ~~operates a railroad a tasting permit that permits the holder to conduct tastings~~
15 ~~of Vermont-produced alcoholic beverages in the dining car, provided if the~~
16 ~~person files with the department~~ Division ~~an application along with the permit~~
17 ~~fee required pursuant to subdivision 231(a)(21) provided in section 204 of this~~
18 ~~title.~~

1 Sec. 44. 7 V.S.A. § 238a is redesignated and amended to read:

2 § ~~238a~~ 227. OUTSIDE CONSUMPTION PERMITS; FIRST-, THIRD-, AND
3 FOURTH-CLASS LICENSEES

4 Pursuant to ~~regulations of the rules of the Board of Liquor and Lottery, the~~
5 Division of Liquor Control Board, may grant an outside consumption permit
6 ~~may be granted~~ to the holder of a first- ~~or, first- and third-class licenses for all~~
7 ~~or part of the outside premises of a golf course or to the holder of a, or fourth-~~
8 class license for all or part of the outside premises of the license holder,
9 ~~provided that such~~ if the permit is first obtained from approved by the local
10 control commissioners and ~~approved by the Board.~~

11 Sec. 45. 7 V.S.A. § 228 is added to read:

12 § 228. SAMPLER FLIGHTS

13 (a) The holder of a first-class license may serve a sampler flight of up to
14 32 ounces in the aggregate of malt beverages to a single customer at one time.

15 (b) The holder of a first-class license may serve a sampler flight of up to
16 12 ounces in the aggregate of vinous beverages to a single customer at one
17 time.

18 (c) The holder of a third-class license may serve a sampler flight of up to
19 four ounces in the aggregate of spirits or fortified wines to a single customer at
20 one time.

1 Sec. 46. 7 V.S.A. § 229 is amended to read:

2 § 229. ~~NUMBER OF LICENSES ALLOWED~~ CLUBS

3 ~~Unless specially authorized by the board, it shall be unlawful for a person to~~
4 ~~hold more than one first class license or more than one second class license at~~
5 ~~the same time or a first class license and a second class license, or a second~~
6 ~~class license and a third class license at the same time, or a bottler's license or~~
7 ~~wholesale dealer's license and a license of any other class at the same time.~~
8 ~~However, nothing herein shall be construed to prevent a person holding a~~
9 ~~bottler's license and a wholesale dealer's license at the same time provided~~
10 ~~such person pays both the license fees as provided in section 231 of this title.~~

11 (a)(1) Except as otherwise provided in subdivisions (2) and (3) of this
12 subsection, a club shall be permitted to obtain a license under this title if it has
13 existed for at least two consecutive years prior to the date of its application.

14 (2) A club whose officers and members consist solely of veterans of the
15 U.S. Armed Forces or a subordinate lodge or local chapter of any national
16 fraternal order, which fulfills all requirements of this section except that it has
17 not been in existence for at least two consecutive years, shall be permitted to
18 obtain a license under this title if it has existed for at least six months prior to
19 the date of its application.

20 (3) A club that is located on and integrally associated with at least a
21 regulation nine-hole golf course shall be permitted to obtain a license under

1 this title if it has existed for at least six months prior to the date of its
2 application.

3 (b) The premises of a club that is licensed pursuant to this title may be used
4 or leased by a nonmember as a location for a social event as if it were any
5 other licensed commercial establishment.

6 (c)(1) Before May 1 of each year, each club shall file with the Board of
7 Liquor and Lottery a list of the names and residences of its members and a list
8 of its officers.

9 (2) Its affairs and management shall be conducted by a board of
10 directors, executive committee, or similar body chosen by the members at its
11 annual meeting.

12 (3)(A) A club may provide for a salary for members, officers, agents, or
13 employees of the club by a vote at annual meetings by the club's members,
14 directors, or other governing body, and shall report the salary set for the
15 members, officers, agents, or employees to the Board of Liquor and Lottery.

16 (B) No member, officer, agent, or employee of a club shall be paid,
17 or directly or indirectly receive, in the form of salary or other compensation,
18 any profits from the disposition or sale of alcoholic beverages to the club's
19 members or guests introduced by members beyond the amount of any salary
20 that may be fixed and voted pursuant to subdivision (A) of this subdivision (3).

21 (4) An auxiliary member of a club may invite one guest at any one time.

1 (5)(A) An officer or director of a club may perform the duties of a
2 bartender without receiving any payment for that service, provided the officer
3 or director is in compliance with the requirements of this title that relate to
4 service of alcoholic beverages.

5 (B) An officer, member, or director of a club may volunteer to
6 perform services at the club other than serving alcoholic beverages, including
7 seating patrons and checking identification, without receiving payment for
8 those services.

9 (6) An officer, member, or director of a club who volunteers his or her
10 services shall not be considered to be an employee of the club.

11 Sec. 47. 7 V.S.A. § 238 is redesignated and amended to read:

12 § ~~238~~ 241. ~~CATERER'S LICENSE, GRANTING OF; SALE TO MINORS;~~

13 COMMERCIAL CATERING LICENSE

14 (a) ~~The Liquor Control Board of Liquor and Lottery~~ may issue a caterer's
15 ~~license only to those persons who hold a current first-class license or current~~
16 ~~first- and third-class licenses for a restaurant or hotel premises.~~

17 ~~(b) The Board may issue or~~ a commercial catering license ~~only to those~~
18 ~~persons~~ a person ~~who hold~~ holds a first-class license or ~~current~~ first- and third-
19 class licenses.

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

1 ~~(d) No malt or vinous beverages, spirits, or fortified wines shall be sold or~~
2 ~~served to a minor by a holder of a caterer's license.~~

3 ~~(e) Notwithstanding the provisions of subsection (a) of this section, the~~
4 ~~Liquor Control Board may issue a caterer's license to a licensed manufacturer~~
5 ~~or rectifier who holds a current first-class license.~~

6 Sec. 48 7 V.S.A. § 243 is added to read:

7 § 243. REQUEST TO CATER PERMIT

8 (a) The Division of Liquor Control may issue a request to cater permit to
9 the holder of a caterer's license or commercial caterer's license if the licensee:

10 (1) submits an application for the permit on a form prescribed by the
11 Commissioner;

12 (2) receives approval for the proposed event from the local control
13 commissioners; and

14 (3) pays the fee required pursuant to section 204 of this title.

15 (b) A request to cater permit shall authorize a licensed caterer or
16 commercial caterer to serve alcoholic beverages at an individual event as set
17 forth in the permit.

18 Sec. 49. 7 V.S.A. § 252 is added to read:

19 § 252. SPECIAL EVENT PERMITS

20 (a)(1) The Division of Liquor Control may issue a special event permit if
21 the application is submitted to the Division of Liquor Control with the fee

1 provided in section 204 of this title at least five days prior to the date of the
2 event.

3 (2) A special event permit shall be valid for the duration of each public
4 event or four days, whichever is shorter.

5 (b)(1) A special event permit holder may sell alcoholic beverages
6 manufactured or rectified by the permit holder by the glass or the unopened
7 bottle.

8 (2) For purposes of tasting, a special event permit holder may distribute
9 beverages manufactured or rectified by the permit holder with or without
10 charge, provided the beverages are distributed:

11 (A) by the glass; and

12 (B) in quantities of no more than two ounces per product and eight
13 ounces total of malt beverages or vinous beverages and no more than one
14 ounce in total of spirits or fortified wines to each individual.

15 (c)(1) A licensed manufacturer or rectifier may be issued no more than 104
16 special event permits during a year.

17 (2) Each manufacturer or rectifier planning to attend a single special
18 event pursuant to this section may be listed on a single permit for the special
19 event. However, each attendance at a special event shall count toward the
20 manufacturer's or rectifier's annual limit of 104 special event permits.

1 Sec. 50. 7 V.S.A. § 253 is added to read:

2 § 253. FESTIVAL PERMITS

3 (a) The Division of Liquor Control may grant a festival permit if the
4 applicant has:

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

6 (2) submitted a request for a festival permit to the Division in a form
7 required by the Commissioner at least 15 days prior to the festival; and

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

9 (b)(1) A festival permit holder may purchase invoiced volumes of malt or
10 vinous beverages directly from a manufacturer or packager licensed in
11 Vermont, or a manufacturer or packager that holds a federal Basic Permit or
12 Brewers Notice or evidence of licensure in a foreign country that is satisfactory
13 to the Board.

14 (2) The invoiced volumes of malt or vinous beverages may be
15 transported to the site and sold by the glass to the public by the permit holder
16 or its employees and volunteers only during the event.

17 (c) A festival permit holder shall be subject to the provisions of this title,
18 including section 214 of this title, and the rules of the Board regarding the sale
19 of the alcoholic beverages and shall pay the tax on the malt or vinous
20 beverages pursuant to section 421 of this title.

1 (d) A person shall be granted no more than four festival permits per year,
2 and each permit shall be valid for no more than four consecutive days.

3 Sec. 51. 7 V.S.A. § 254 is added to read:

4 § 254. SPECIAL VENUE SERVING PERMITS

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

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

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

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

11 (b) A permit holder may purchase malt or vinous beverages directly from a
12 licensed retailer.

13 (c) A permit holder shall be subject to the provisions of this title and the
14 rules of the Board regarding the service of alcoholic beverages.

15 (d) A public library or museum may only be granted a permit pursuant to
16 this section for an event held for a charitable or educational purpose at which
17 malt and vinous beverages will be served for a period of not more than six
18 hours.

1 Sec. 52. 7 V.S.A. § 255 is added to read:

2 § 255. RETAIL ALCOHOLIC BEVERAGE TASTING PERMITS

3 (a) The Division of Liquor Control may grant a licensee a permit to
4 conduct an alcoholic beverage tasting event as provided in subsection (b) of
5 this section if:

6 (1) the licensee has submitted a written application in a form required by
7 the Commissioner and paid the fee provided in section 204 of this title at least
8 five days prior to the date of the alcoholic beverage tasting event; and

9 (2) the Commissioner determines that the licensee is in good standing.

10 (b) The Division may grant the following alcoholic beverage tasting
11 permits to the following types of licensees:

12 (1) A second-class licensee.

13 (A) The permit authorizes the employees of the second-class licensee
14 or of a designated manufacturer or rectifier to dispense to each customer of
15 legal age on the licensee's premises malt or vinous beverages by the glass not
16 to exceed two ounces of each beverage with a total of eight ounces of malt or
17 vinous beverages.

18 (B) Malt or vinous beverages dispensed at the tasting event shall be
19 from the inventory of the licensee or purchased from a wholesale dealer.

20 (C) A second-class licensee may be granted up to 48 tasting permits
21 per year. In addition, a second-class licensee may be granted up to five

1 permits per week to conduct a tasting as part of an educational food
2 preparation class or course conducted by the licensee on the licensee's
3 premises.

4 (2) A licensed manufacturer or rectifier of malt or vinous beverages.

5 (A) The permit authorizes the licensed manufacturer or rectifier to
6 dispense to each customer of legal age for consumption on the premises of a
7 second-class licensee beverages produced by the manufacturer or rectifier by
8 the glass not to exceed two ounces of each beverage with a total of eight
9 ounces of malt or vinous beverages.

10 (B) A manufacturer or rectifier may conduct no more than 48 tastings
11 per year.

12 (3) A licensed wholesale dealer. The permit authorizes a licensed
13 wholesale dealer to dispense malt or vinous beverages for promotional
14 purposes at the wholesale dealer's premises without charge to invited
15 employees of first-, second-, and third-class licensees, provided the invited
16 employees are of legal age.

17 (c) A vinous beverage or malt beverage tasting event held pursuant to
18 subsection (b) of this section, not including an alcoholic beverage tasting
19 conducted on the premises of the manufacturer or rectifier, shall comply with
20 the following:

1 (1) continue for no more than six hours, with no more than six
2 beverages to be offered at a single event, and no more than two ounces of any
3 single beverage and no more than a total of eight ounces of malt or vinous
4 beverages to be dispensed to a customer;

5 (2) serve no more than eight individuals at one time; and

6 (3) be conducted totally within a designated area that extends no further
7 than 10 feet from the point of service and that is marked by a clearly visible
8 sign that states that no one under 21 years of age may participate in the tasting.

9 (d) The holder of a permit issued under this section shall keep an accurate
10 accounting of the beverages consumed at a tasting event and shall be
11 responsible for complying with all applicable laws under this title.

12 (e) The holder of a permit issued under this section that provides alcoholic
13 beverages to a minor or permits an individual under 18 years of age to serve
14 alcoholic beverages at a tasting event under this section shall be fined not less
15 than \$500.00 nor more than \$2,000.00 or imprisoned not more than two years,
16 or both.

17 Sec. 53. 7 V.S.A. § 256 is added to read:

18 § 256. PROMOTIONAL TASTINGS FOR LICENSEES

19 (a)(1) At the request of a first- or second-class licensee, a holder of a
20 manufacturer's, rectifier's, or wholesale dealer's license may distribute without
21 charge to the first- or second-class licensee's management and staff, provided

1 they are of legal age and are off duty for the rest of the day, two ounces per
2 person of vinous or malt beverages for the purpose of promoting the beverage.

3 (2) At the request of a holder of a third-class license, a manufacturer or
4 rectifier of spirits or fortified wines may distribute without charge to the third-
5 class licensee's management and staff, provided they are of legal age and are
6 off duty for the rest of the day, one-quarter ounce of each beverage and no
7 more than a total of one ounce to each individual for the purpose of promoting
8 the beverage.

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 Division of Liquor Control
11 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 (2) The event shall be held on the premises of the first-class licensee.

17 (3) The first-class licensee shall be responsible for complying with all
18 applicable laws under this title.

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

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

6 (2) The event shall be held on the premises of the first- or second-class
7 applicant.

8 (3) The first- or second-class applicant shall be responsible for
9 complying with all applicable laws under this title.

10 (4) No malt or vinous beverages shall be left behind at the conclusion of
11 the tasting.

12 (5) No permit is required under this subdivision, but the wholesale
13 dealer shall provide written notice of the event to the Division at least five days
14 prior to the date of the tasting.

15 Sec. 54. 7 V.S.A. § 257 is added to read:

16 § 257. TASTINGS FOR PRODUCT QUALITY ASSURANCE

17 (a) A licensed manufacturer or rectifier may distribute to its management
18 and staff who are directly involved in the production of the licensee’s products,
19 provided they are of legal age and at the licensed premises, samples of the
20 licensee’s products for the purpose of assuring the quality of the products.

1 (b) Each sample of malt beverages or vinous beverages shall be no larger
2 than two ounces, and each sample of spirits or fortified wines shall be no larger
3 than one-quarter ounce.

4 (c) No permit is required for a tasting pursuant to this section.

5 Sec. 55. 7 V.S.A. § 259 is added to read:

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

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

10 Sec. 56. 7 V.S.A. § 271 is added to read:

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

12 (a) The Board of Liquor and Lottery may grant a manufacturer's or
13 rectifier's license upon application and payment of the fee provided in section
14 204 of this title that permits the license holder to manufacture or rectify:

15 (1) malt beverages;

16 (2) vinous beverages and fortified wines; or

17 (3) spirits and fortified wines.

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

20 (1) spirits and fortified wine may be manufactured for sale to the Board
21 of Liquor and Lottery or for export, or both; and

1 (2) malt beverages and vinous beverages may be manufactured or
2 rectified for sale to packagers or wholesale dealers, or for export, or both.

3 (c) A licensed manufacturer of vinous beverages or fortified wines may
4 receive from another manufacturer licensed in or outside this State bulk
5 shipments of vinous beverages to rectify with the licensee's own product,
6 provided that the vinous beverages or fortified wines produced by the licensed
7 manufacturer may contain no more than 25 percent imported vinous beverages.

8 (d)(1) The Board of Liquor and Lottery may grant to a licensed
9 manufacturer or rectifier a first-class license or a first- and a third-class license
10 permitting the licensee to sell alcoholic beverages to the public at an
11 establishment located at the manufacturer's premises, provided the
12 manufacturer or rectifier owns or has direct control over that establishment.

13 (2) For a manufacturer of malt beverages, the premises of the
14 manufacturer may include up to two licensed establishments that are located on
15 the contiguous real estate of the license holder, provided the manufacturer
16 owns or has direct control over both establishments.

17 (e) The Board of Liquor and Lottery may grant a licensed manufacturer of
18 malt beverages a second-class license permitting the licensee to sell alcoholic
19 beverages to the public anywhere on the manufacturer's premises.

20 (f)(1) A licensed manufacturer or rectifier may serve alcoholic beverages
21 with or without charge at an event held on the premises of the licensee or at a

1 location on the contiguous real estate of the licensee provided the licensee at
2 least five days before the event gives the Division written notice of the event,
3 including details required by the Division.

4 (2) Any beverages not manufactured by the licensee and served at the
5 event shall be purchased on invoice from a licensed manufacturer or wholesale
6 dealer or the Board of Liquor and Lottery.

7 Sec. 57. REPEAL

8 7 V.S.A. chapter 11 (Certificates of Approval) is repealed.

9 Sec. 58. 7 V.S.A. § 274 is added to read:

10 § 274. CERTIFICATE OF APPROVAL FOR DISTRIBUTION OF MALT
11 OR VINOUS BEVERAGES

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

16 (1) Submits an application on a form prescribed by the Board, including
17 any additional information that the Board may deem necessary.

18 (2) Agrees to comply with the rules of the Board.

19 (3) Pays the fee provided in section 204 of this title to the Division of
20 Liquor Control by a certified check payable to the State of Vermont or another
21 form of payment approved by the Board of Liquor and Lottery. If the Board

1 does not grant the application, the certified check or payment shall be returned
2 to the applicant.

3 (b) A certificate of approval shall permit the holder to export malt or
4 vinous beverages, or sell malt or vinous beverages to holders of packagers'
5 or wholesale dealers' licenses issued under section 272 or 273 of this title,
6 or both.

7 (c) A holder of a packager's or a wholesale dealer's license issued under
8 this title shall not purchase within or outside the State, or import or cause to be
9 imported into the State, any malt or vinous beverages unless the person,
10 manufacturer, or distributor from which the beverages are obtained holds a
11 valid certificate of approval or packager's license.

12 (d)(1) The Board of Liquor and Lottery may suspend or revoke a certificate
13 of approval if the holder fails to comply with the rules of the Board or to
14 submit reports to the Commissioner of Taxes in accordance with all applicable
15 laws and rules.

16 (2)(A) A certificate of approval shall not be revoked unless the holder
17 has been given a hearing following reasonable notice.

18 (B) Notice of a revocation or suspension shall be sent to each holder
19 of a packager's or wholesale dealer's license prior to the effective date of the
20 revocation or suspension.

1 (e) A person who violates a provision of this section shall be fined not
2 more than \$300.00 or imprisoned not more than one year, or both, for each
3 offense and shall forfeit any license issued under the provisions of this title.

4 Sec. 59. REPEAL

5 7 V.S.A. chapter 13 (Solicitor's License) is repealed.

6 Sec. 60. 7 V.S.A. § 275 is added to read:

7 § 275. SOLICITOR'S LICENSE

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

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

15 (2) Submits to the Board a recommendation by the vendor to be
16 represented by the applicant that indicates the applicant is qualified to hold a
17 solicitor's license.

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

1 (b) A solicitor's license holder may solicit orders for and promote the sale
2 of malt or vinous beverages by canvassing or interviewing holders of licenses
3 issued under the provisions of this title.

4 (c) The Board of Liquor and Lottery may suspend or revoke a solicitor's
5 license for failure to comply with any rule of the Board or for other cause. A
6 solicitor's license shall not be revoked until the license holder has had an
7 opportunity for a hearing following reasonable notice.

8 (d) A person who solicits orders for, or promotes the sale of malt or vinous
9 beverages, or attempts to solicit or promote the sale of malt or vinous
10 beverages by canvassing or interviewing a holder of a license issued under the
11 provisions of this title, without having first obtained a solicitor's license as
12 provided in this section, or who makes a false or fraudulent statement or
13 representation in an application for the license or in connection with an
14 application shall be imprisoned not more than six months or fined not more
15 than \$500.00, or both.

16 Sec. 61. 7 V.S.A. § 276 is added to read:

17 § 276. INDUSTRIAL ALCOHOL DISTRIBUTOR'S LICENSE

18 (a) The Board of Liquor and Lottery may grant an industrial alcohol
19 distributor's license upon application and payment of the fee provided in
20 section 204 of this title.

1 (b) Alcohol sold under an industrial alcohol distributor’s license may only
2 be used for manufacturing, mechanical, medicinal, and scientific purposes.

3 Sec. 62. 7 V.S.A. § 277 is added to read:

4 § 277. MALT AND VINOUS BEVERAGE CONSUMER SHIPPING

5 LICENSE

6 (a)(1) A manufacturer or rectifier of malt or vinous beverages licensed in
7 Vermont may be granted an in-state consumer shipping license by filing with
8 the Division of Liquor Control an application in a form required by the
9 Commissioner accompanied by a copy of the applicant’s current Vermont
10 manufacturer’s license and the fee provided in section 204 of this title.

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

15 (b)(1) A manufacturer or rectifier of malt or vinous beverages licensed in
16 another state that operates a brewery or winery in the United States and holds
17 valid state and federal permits and licenses may be granted an out-of-state
18 consumer shipping license by filing with the Division of Liquor Control an
19 application in a form required by the Commissioner accompanied by copies of
20 the applicant’s current out-of-state manufacturer’s license and the fee provided
21 in section 204 of this title.

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

4 (3) As used in this section, “out-of-state” means any state other than
5 Vermont, any territory or possession of the United States, and does not include
6 a foreign country.

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

10 (2) A licensee shall not ship more than 12 cases of malt beverages
11 containing no more than 36 gallons of malt beverages or no more than 12 cases
12 of vinous beverages containing no more than 29 gallons of vinous beverages to
13 any one Vermont resident in any calendar year.

14 (3) The beverages shall be shipped by common carrier certified by the
15 Division pursuant to section 280 of this subchapter. The common carrier shall
16 comply with all the following:

17 (A) deliver beverages pursuant to an invoice that includes the name
18 of the licensee and the name and address of the purchaser;

19 (B) on delivery, require a valid authorized form of identification, as
20 defined in section 589 of this title, from a recipient who appears to be under 30
21 years of age; and

1 (C) require the recipient to sign an electronic or paper form or other
2 acknowledgment of receipt.

3 Sec. 63. 7 V.S.A. § 278 is added to read:

4 § 278. VINOUS BEVERAGE RETAIL SHIPPING LICENSE

5 (a) A manufacturer or rectifier of vinous beverages that is licensed in-state
6 or out-of-state and holds valid state and federal permits and operates a winery
7 in the United States may apply for a retail shipping license by filing with the
8 Division of Liquor Control an application in a form required by the
9 Commissioner accompanied by a copy of its in-state or out-of-state license and
10 the fee provided in section 204 of this title.

11 (b) The retail shipping license may be renewed annually by submitting to
12 the Division the fee provided in section 204 of this title accompanied by the
13 licensee's current in-state or out-of-state manufacturer's license.

14 (c) A retail shipping license holder, including the holder's affiliates,
15 franchises, and subsidiaries, may sell up to 5,000 gallons of vinous beverages
16 per year directly to first- or second-class licensees and deliver the beverages by
17 common carrier, the manufacturer's or rectifier's own vehicle, or the vehicle of
18 an employee of a manufacturer or rectifier, provided that the beverages are
19 sold on invoice, and no more than 100 gallons per month are sold to any single
20 first- or second-class licensee.

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

3 (e) Vinous beverages sold under this section may be delivered by the
4 vehicle of a second-class license holder if the second-class licensee cannot
5 obtain the vinous beverages from a wholesale dealer.

6 Sec. 64. 7 V.S.A. § 279 is added to read:

7 § 279. CONSUMER AND RETAIL SHIPPING LICENSES; GENERAL
8 REQUIREMENTS

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

11 (1) Ensure that all containers of alcoholic beverages are shipped in a
12 container that is clearly labeled: “contains alcohol; signature of individual 21
13 years of age or older required for delivery.”

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

16 (3) Retain a copy of each record of sale for a minimum of five years
17 from the date of shipping.

18 (4) Report at least twice per year to the Division if a holder of a
19 consumer shipping license and once per year if a holder of a retail shipping
20 license in a manner and form required by the Commissioner all the following
21 information:

1 (A) the total amount of malt or vinous beverages shipped into or
2 within the State during the preceding six months if a holder of a consumer
3 shipping license or during the preceding 12 months if a holder of a retail
4 shipping license;

5 (B) the names and addresses of the purchasers to whom the
6 beverages were shipped; and

7 (C) the date purchased, the quantity and value of each shipment, and,
8 if applicable, the name of the common carrier used to make each delivery.

9 (5) Pay to the Commissioner of Taxes the tax required pursuant to
10 section 421 of this title on the malt or vinous beverages shipped pursuant to
11 this subchapter and comply with the provisions of 32 V.S.A. chapter 233,
12 24 V.S.A. § 138, and any other legally authorized local sales taxes. Delivery
13 in this State shall be deemed to constitute a sale in this State at the place of
14 delivery and shall be subject to all appropriate taxes levied by the State of
15 Vermont.

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

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

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

3 (8) Not have any direct or indirect financial interest in a Vermont
4 wholesale dealer or retail dealer, including a first-, second-, or third-class
5 licensee.

6 (9) Comply with all applicable laws and Board of Liquor and Lottery
7 rules.

8 (10) Comply with the beverage container deposit redemption system
9 pursuant to 10 V.S.A. chapter 53.

10 Sec. 65. 7 V.S.A. § 280 is added to read:

11 § 280. COMMON CARRIERS; REQUIREMENTS

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

15 (b) No employee of a certified common carrier may deliver malt or vinous
16 beverages until that employee completes the training required pursuant to
17 subsection 213(c) of this title.

18 (c) A certified common carrier shall deliver only malt or vinous beverages
19 that have been shipped by the holder of a license issued under section 277 or
20 278 of this subchapter or vinous beverages that have been shipped by the

1 holder of a vinous beverage storage license issued under section 283 of this
2 subchapter.

3 Sec. 66. 7 V.S.A. § 281 is added to read:

4 § 281. PROHIBITIONS

5 (a)(1) Except as otherwise provided in section 226 of this title, direct
6 shipments of malt or vinous beverages are prohibited if the shipment is not
7 specifically authorized and in compliance with sections 277–280 of this
8 subchapter.

9 (2) Any person who knowingly makes, participates in, imports, or
10 receives a direct shipment of malt or vinous beverages from a person who does
11 not hold a license, permit, or certificate pursuant to sections 226 or 277–280 of
12 this title may be fined not more than \$1,000.00 or imprisoned not more than
13 one year, or both.

14 (b) The holder of a license issued pursuant to section 277 or 278 of this title
15 or a common carrier that ships malt or vinous beverages to an individual under
16 21 years of age shall be fined not less than \$1,000.00 or more than \$3,000.00
17 or imprisoned not more than two years, or both.

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

1 Sec. 67. 7 V.S.A. § 282 is added to read:

2 § 282. RULEMAKING

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

6 Sec. 68. 7 V.S.A. § 68 is redesignated and amended to read:

7 § 283. VINOUS BEVERAGE STORAGE AND SHIPPING LICENSE

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

12 (b)(1) A vinous beverage storage and shipping licensee may operate a
13 climate-controlled storage facility in which vinous beverages owned by
14 another person are stored for a fee a license that allows the licensee to store
15 and may transport vinous beverages on which all applicable taxes already have
16 been paid.

17 (2) A vinous beverage storage facility may also accept shipments from
18 any licensed in-state or out-of-state vinous beverage manufacturer that has an
19 in-state or out-of-state consumer shipping license pursuant to section ~~66~~ 277 of
20 this title.

1 (3) Vinous beverages stored by the licensee may be transported only for
2 shipment to the owner of the beverages or to another licensed vinous beverage
3 storage facility, and the beverages shall be shipped only by common carrier in
4 compliance with ~~subsection 66(f)~~ section 280 of this title. ~~The licensee shall~~
5 ~~pay a fee pursuant to subdivision 231(a)(20) of this title. A license under this~~
6 ~~section shall be issued pursuant to rules adopted by the board.~~

7 (c) A person granted a license pursuant to this section may not sell or resell
8 any vinous beverages stored at the storage facility.

9 Sec. 69. 7 V.S.A. § 421 is amended to read:

10 § 421. TAX ON MALT AND VINOUS BEVERAGES

11 (a) Every ~~bottler packager and wholesaler~~ wholesale dealer shall pay to the
12 Commissioner of Taxes the sum of 26 and one-half cents per gallon for every
13 gallon or its equivalent of malt ~~beverage~~ beverages containing not more than
14 six percent of alcohol by volume at 60 degrees Fahrenheit sold by them to
15 retailers in the State and the sum of 55 cents per gallon for each gallon of malt
16 ~~beverage~~ beverages containing more than six percent of alcohol by volume at
17 60 degrees Fahrenheit and each gallon of vinous beverages sold by them to
18 retailers in the State ~~and shall also pay to the Liquor Control Board all fees for~~
19 ~~bottler's and wholesaler's licenses.~~ A manufacturer or rectifier of malt or
20 vinous beverages shall pay the taxes required by this subsection to the

1 Commissioner of Taxes for all malt and vinous beverages manufactured or
2 rectified by them and sold at retail.

3 (b) A ~~bottler~~ packager or ~~wholesaler~~ wholesale dealer may sell malt or
4 vinous beverages to any duly authorized agency of the U.S. Armed Forces on
5 ~~the Ethan Allen Air Force Reservation in the towns of Colchester and Essex or~~
6 ~~the firing range of the U.S. Armed Forces in the towns of Bolton, Jericho, and~~
7 ~~Underhill and at the Air Force bases at St. Albans and at the North Concord~~
8 ~~Air Force Station at North Concord or any other U.S. Armed Forces'~~
9 installation presently existing in the State or which may in the future be
10 established as though to a retail dealer but without the payment of the
11 gallonage tax, subject to the filing of the returns ~~hereinafter~~ as provided in
12 subsection (c) of this section.

13 (c)(1) For the purpose of ascertaining the amount of tax, on the filing dates
14 set out in subdivision (2) of this subsection according to tax liability, each
15 ~~bottler and wholesaler~~ packager, wholesale dealer, manufacturer, or rectifier
16 shall transmit to the Commissioner of Taxes, upon a form prepared and
17 furnished by the Commissioner, a statement or return under oath or affirmation
18 showing the quantity of malt and vinous beverages sold by the ~~bottler or~~
19 ~~wholesaler~~ packager, wholesale dealer, manufacturer, or rectifier during the
20 preceding filing period, and report any other information requested by the
21 Commissioner accompanied by payment of the tax required by this section.

1 The amount of tax computed under subsection (a) of this section shall be
2 rounded to the nearest whole cent. At the same time this form is due, each
3 ~~bottler and wholesaler~~ packager, wholesale dealer, manufacturer, or rectifier
4 also shall transmit to the Commissioner in electronic format a separate report
5 showing the description, quantity, and price of malt and vinous beverages sold
6 by the ~~bottler or wholesaler~~ packager, wholesale dealer, manufacturer, or
7 rectifier to each retail dealer as defined in ~~subdivision 2(18)~~ section 2 of this
8 title; provided, however, for direct sales to retail dealers by manufacturers or
9 rectifiers of vinous beverages, the report required by this subsection may be
10 submitted in a nonelectronic format.

11 (2) Where the tax liability for the immediately preceding full calendar
12 year has been (or would have been in cases when the business was not
13 operating for the entire year):

14 (A) \$2,000.00 or less, then payment of the tax and submission of the
15 documents required by this section shall be due and payable in quarterly
16 installments on or before the 25th day of the calendar month succeeding the
17 quarter ending the last day of March, June, September, and December of each
18 year; or

19 (B) ~~More~~ more than \$2,000.00, then payment of the tax and
20 submission of the documents required by this section shall be due and payable

1 monthly on or before the 25th (23rd of February) day of the month following
2 the month for which the tax is due.

3 (d) The exemption provided in this section for beverages sold on any U.S.
4 Armed Forces' installation presently existing in the State is allowed only if the
5 sales are evidenced by a proper voucher or affidavit in a form prescribed by the
6 Commissioner of Taxes, which shall be a part of the return filed.

7 (e) A person ~~or corporation~~ failing to pay the tax when due, or failing to
8 make returns as required by this section, shall be subject to and governed by
9 the provisions of 32 V.S.A. §§ 3202 and 3203.

10 (f) ~~All holders of a license of the first or second class shall purchase all~~
11 ~~malt and vinous beverages from Vermont wholesalers or bottlers. [Repealed.]~~

12 Sec. 70. 7 V.S.A. § 423 is amended to read:

13 § 423. RULES

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

17 * * *

18 Sec. 71. 7 V.S.A. § 425 is amended to read:

19 § 425. TAXES A PERSONAL DEBT; ACTION FOR RECOVERY

20 All taxes imposed by this title and all increases, interest, and penalties
21 ~~thereon~~ on those taxes, from the time they become due and payable, shall

1 become a personal debt, from the person liable to pay the ~~same~~, amounts due
2 to the ~~state~~ State of Vermont, ~~to~~ and may be recovered in ~~an~~ a civil action ~~on~~
3 ~~this statute~~ brought pursuant to this section.

4 Sec. 72. 7 V.S.A. chapter 17 is redesignated to read:

5 CHAPTER 17. SALE TO INTOXICATED PERSONS
6 AND PUBLIC CHARGES

7 Sec. 73. 7 V.S.A. § 501 is amended to read:

8 § 501. UNLAWFUL SALE OF ~~INTOXICATING LIQUORS~~ ALCOHOLIC
9 BEVERAGES; CIVIL ACTION FOR DAMAGES

10 (a) Action for damages. A spouse, child, guardian, employer, or other
11 person who is injured in person, property, or means of support by an
12 intoxicated person, or in consequence of the intoxication of any person, shall
13 have a right of action in his or her own name, jointly or severally, against any
14 person or persons who have caused in whole or in part ~~such~~ the intoxication by
15 selling or furnishing ~~intoxicating liquor~~ alcoholic beverages:

16 (1) to a minor as defined in section 2 of this title;

17 (2) to a person apparently under the influence of ~~intoxicating liquor~~
18 alcohol;

19 (3) to a person after legal serving hours; or

1 (4) to a person ~~whom~~ who it would be reasonable to expect would be
2 under the influence of ~~intoxicating liquor~~ alcohol as a result of the amount of
3 ~~liquor~~ alcoholic beverages served by the defendant to that person.

4 (b) Survival of action; joint action. Upon the death of either party, the
5 action and right of action shall survive to or against the party's executor or
6 administrator. The party injured or his or her legal representatives may bring
7 either a joint action against the person intoxicated ~~and~~, the person or persons
8 who furnished the ~~liquor~~ alcoholic beverages, and an owner who may be liable
9 under subsection (c) of this section, or a separate action against either or any
10 of them.

11 (c) Landlord liability.

12 (1) If the ~~intoxicating liquor was~~ alcoholic beverages were sold or
13 furnished to the intoxicated person in a rented building, the owner may be
14 joined as a defendant in the action, and judgment ~~therein~~ in the action may be
15 rendered against the owner, if the owner of the building or in the case of a
16 corporation, its agent, knew or had reason to know that ~~intoxicating liquor was~~
17 alcoholic beverages were sold or furnished by the tenant:

18 (1)(A) to minors as defined in section 2 of this title;

19 (2)(B) to persons apparently under the influence of ~~intoxicating~~
20 ~~liquor~~ alcohol;

21 (3)(C) to persons after legal serving hours; or

1 ~~(4)(D)~~ to persons ~~whom~~ who it would be reasonable to expect would
2 be under the influence of ~~intoxicating liquor~~ alcohol as a result of the amount
3 of ~~liquor~~ alcoholic beverages served to them by the tenant.

4 (2) It shall be an affirmative defense to an action against an owner that
5 the owner took reasonable steps to prevent the sale of ~~intoxicating liquor~~
6 alcoholic beverages under the circumstances described in this subsection or to
7 evict the tenant.

8 (d) Statute of limitations. An action to recover ~~for~~ damages under this
9 section shall be commenced within two years after the cause of action accrues,
10 and not after.

11 (e) Evidence.

12 (1) In an action brought under this section, evidence of responsible
13 actions taken or not taken is admissible, if otherwise relevant.

14 (2) Responsible actions may include, ~~but are not limited to,~~ instruction
15 of servers as to laws governing the sale of alcoholic beverages, training of
16 servers regarding intervention techniques, admonishment to patrons or guests
17 concerning laws regarding the consumption of ~~intoxicating liquor~~ alcoholic
18 beverages, and inquiry under the methods provided by law as to the age or
19 degree of intoxication of the persons involved.

1 (f) Right of contribution. A defendant in an action brought under this
2 section has a right of contribution from any other responsible person or
3 persons, which may be enforced in a separate action brought for that purpose.

4 (g) Social host.

5 (1) Except as set forth in subdivision (2) of this subsection, nothing in
6 this section shall create a statutory cause of action against a social host for
7 furnishing ~~intoxicating liquor~~ alcoholic beverages to any person without
8 compensation or profit, ~~if the social host is not a licensee or required to be a~~
9 ~~licensee under this title.~~ However, this subdivision shall not be construed to
10 limit or otherwise affect the liability of a social host for negligence at
11 common law.

12 (2) A social host who knowingly furnishes ~~intoxicating liquor~~ alcoholic
13 beverages to a minor may be held liable under this section if the social host
14 knew, or a reasonable person in the same circumstances would have known,
15 that the person who received the ~~intoxicating liquor~~ alcoholic beverages was a
16 minor.

17 (h) Definitions. ~~For the purpose of~~ As used in this section:

18 (1) “Apparently under the influence of ~~intoxicating liquor~~ alcohol”
19 means a state of intoxication accompanied by a perceptible act or series of
20 actions which present signs of intoxication.

1 (2) “Social host” means a person who is not the holder of a ~~liquor~~
2 license or permit under this title and is not required to hold a license or permit
3 under this title ~~to hold a liquor license~~.

4 Sec. 74. 7 V.S.A. § 502 is amended to read:

5 § 502. MINORS; PAYMENT OF DAMAGES RECOVERED

6 All damages recovered by a minor in ~~such an action under section 501 of~~
7 this chapter shall be paid over to ~~such the~~ minor or to his or her guardian on
8 such whatever terms as the court may order.

9 Sec. 75. 7 V.S.A. § 503 is amended to read:

10 § 503. SATISFACTION OF JUDGMENT; REVOCATION OF LICENSE

11 If ~~a judgment recovered against a licensee under the provisions of~~ fails to
12 satisfy a judgment entered under section 501 of this title ~~remains unsatisfied~~
13 for 30 days after ~~the entry thereof~~ the judgment is entered, the ~~board of local~~
14 control commissioners or the ~~liquor control board~~ Board of Liquor and Lottery
15 shall revoke ~~his~~ its license. A license shall not be granted to a person against
16 whom ~~such a~~ judgment has been recovered, until the ~~same~~ judgment is
17 satisfied.

18 Sec. 76. 7 V.S.A. § 504 is amended to read:

19 § 504. ~~ACTION FOUNDED ON TORT; CERTIFIED EXECUTION~~

20 ~~A judgment for the plaintiff under section 501 of this title shall be treated as~~
21 ~~rendered in an action founded on tort. At the time of such judgment, the court~~

1 shall adjudge that the cause of action arose from the wilful and malicious act of
2 the defendant, and that he or she ought to be confined in close jail, and a
3 certificate thereof shall be stated in or upon the execution. [Repealed.]

4 Sec. 77. 7 V.S.A. § 505 is amended to read:

5 ~~§ 505. NOTICE TO PROHIBIT SALES TO CERTAIN PERSONS~~

6 ~~The father, mother, husband, wife, child, brother, sister, guardian, or~~
7 ~~employer of a person may, in writing, notify any board of control~~
8 ~~commissioners as defined in section 2 of this title, who may, on investigation,~~
9 ~~forbid the sale or furnishing of spirits, fortified wines, or malt or vinous~~
10 ~~beverages, or all four, by licensees as defined in section 2 of this title, within~~
11 ~~the jurisdiction of that board of control commissioners to that person.~~

12 [Repealed.]

13 Sec. 78. 7 V.S.A. § 506 is amended to read:

14 ~~§ 506. RECORD OF NOTICES~~

15 ~~(a) Such board of control commissioners shall place on file the notices~~
16 ~~received under section 505 of this title and they shall be open to public~~
17 ~~inspection at reasonable times, except that the notices of a husband, father,~~
18 ~~wife, child, mother or a sister provided for in section 505 of this title shall not~~
19 ~~be open to inspection nor be disclosed by such board of control commissioners.~~
20 ~~Upon receipt of a notice, such board of control commissioners may, upon~~
21 ~~investigation, give written notice forbidding the sale or furnishing of spirits,~~

1 fortified wines, or malt and vinous beverages, or all four to such person and to
2 all licensees within the jurisdiction of such board of control commissioners.

3 (b) ~~Copies of all notices sent by a board of control commissioners shall be~~
4 ~~furnished forthwith to the Commissioner of Liquor Control who may upon~~
5 ~~receipt of such copy forbid the sale of spirits and fortified wines by any State~~
6 ~~agency or agencies to such person. [Repealed.]~~

7 Sec. 79. 7 V.S.A. § 561 is amended to read:

8 § 561. AUTHORITY OF LIQUOR CONTROL INVESTIGATORS;

9 ARREST FOR UNLAWFULLY MANUFACTURING,

10 POSSESSING, OR TRANSPORTING ALCOHOLIC BEVERAGES;

11 SEIZURE OF PROPERTY

12 * * *

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

1 transporting ~~spirits, fortified wines, or malt and vinous~~ alcoholic beverages,
2 and shall seize the ~~liquors~~, alcohol, vessels, and implements of sale and the
3 stills or other apparatus for the manufacture of alcohol in the possession of the
4 person. He or she may also seize and take into custody any property described
5 in this section.

6 Sec. 80. 7 V.S.A. § 563 is redesignated and amended to read:

7 § ~~563~~ 562. SEARCH WARRANTS

8 (a) If a ~~state's attorney~~ State's Attorney, the ~~commissioner of liquor control~~
9 Commissioner of Liquor and Lottery, or an ~~inspector~~ investigator duly acting
10 for the ~~liquor control board~~ Board of Liquor and Lottery, or a control
11 commissioner, or a town grand juror or ~~two reputable citizens of the county~~,
12 make a complaint under oath or affirmation, ~~before~~ to a judge of a ~~criminal~~
13 ~~division~~ the Criminal Division of the ~~superior court~~ Superior Court, that he or
14 she or they have reason to believe that ~~malt or vinous beverages or spirituous~~
15 ~~liquor~~ alcoholic beverages or alcohol are kept or deposited for sale or
16 distribution contrary to law, or that alcohol is manufactured or possessed
17 contrary to law, in any kind of vehicle, air or water craft, or other conveyance,
18 or a dwelling house, ~~store, shop, steamboat, or water craft of any kind, depot,~~
19 railway car, ~~motor vehicle or land or air carriage of any kind, warehouse or~~
20 ~~other~~ building or place in the county, the judge shall issue a warrant to search
21 the premises described in the complaint.

1 (b) If the ~~liquor~~ alcoholic beverages or alcohol is found ~~therein~~ there under
2 circumstances warranting the belief that it is intended for sale or distribution
3 contrary to law, or if ~~the~~ alcohol is found ~~therein~~ in that place under
4 circumstances warranting the belief that it is unlawfully manufactured or
5 possessed, or if any still; or ~~any~~ other apparatus for the manufacture of alcohol
6 is found ~~therein~~ in that place, the officer shall seize and convey the ~~same~~
7 alcoholic beverages, alcohol, or still or other apparatus to ~~some~~ a secure place
8 of security, and keep it until ~~final action is had thereon~~ the court renders a final
9 judgment on it.

10 Sec. 81. 7 V.S.A. 564 is redesignated and amended to read:

11 § ~~564~~ 563. SEARCH OF PREMISES WITHOUT WARRANT

12 (a) A ~~sheriff, deputy sheriff, constable, police~~ law enforcement officer,
13 selectboard member, or grand juror who has information that ~~malt, vinous, and~~
14 ~~spirituous liquor~~ alcoholic beverages or alcohol is kept with intent to sell, or is
15 sold contrary to law in a ~~tent, shanty, hut, or place of any kind for selling~~
16 ~~refreshments in a~~ any kind of public place for selling refreshments, except a
17 dwelling ~~houses~~ house, on or near the ~~ground~~ grounds of a ~~cattle show,~~
18 ~~agricultural exhibition, military muster, or~~ public occasion of any kind; shall
19 search ~~such~~ the suspected place without a warrant.

20 (b)(1) If ~~such~~ the officer finds ~~such liquor~~ alcoholic beverages or alcohol
21 upon the premises, he or she shall seize ~~the same~~ it and apprehend the keeper

1 of ~~such~~ the place and take him or her, without the ~~liquor so~~ seized alcoholic
2 beverages or alcohol, ~~forthwith or~~ as soon as ~~conveniently may be~~ practicable,
3 before a ~~district~~ judge of the Criminal Division of the Superior Court in ~~whose~~
4 the jurisdiction where the same alcoholic beverages or alcohol is found, ~~and~~
5 ~~thereupon such~~.

6 (2) The officer shall make a written complaint under oath, ~~subscribed by~~
7 ~~him or her~~, or affirmation to ~~such magistrate~~ the judge, setting forth the details
8 of the finding of such liquor the alcoholic beverages or alcohol.

9 (c)(1) Upon proof that ~~the liquor is intoxicating and that the same was the~~
10 alcoholic beverages or alcohol were found in the possession of the accused in a
11 ~~tent, shanty, or other~~ a public place, with intent to sell contrary to law, the
12 ~~liquor~~ seized alcoholic beverages or alcohol shall be adjudged forfeited and
13 disposed of by order of ~~such magistrate~~ the court, as provided in this chapter.

14 ~~Such~~

15 (2) The owner or keeper shall be proceeded against, ~~as provided in~~
16 pursuant to this chapter, for keeping ~~such malt and vinous beverage, spirituous~~
17 ~~liquor, the alcoholic beverages~~ or alcohol with intent to sell.

18 Sec. 82. 7 V.S.A. § 565 is redesignated and amended to read:

19 § ~~565~~ 564. NOTICE OF SEIZURE; HEARING; FEES

20 The An officer who makes a seizure of malt, vinous or spirituous liquor or
21 pursuant to section 562 or 563 of this chapter seizes alcoholic beverages,

1 alcohol, or a still or other apparatus for the manufacture of alcohol, with or
2 without a warrant, shall ~~forthwith~~ promptly give notice ~~thereof of the seizure~~ to
3 a grand juror of the town in which ~~such~~ the seizure is made, or to the ~~state's~~
4 ~~attorney~~ State's Attorney of the county. ~~Such~~ The grand juror or ~~state's~~
5 ~~attorney~~ State's Attorney shall then attend and act in behalf of the ~~state~~ State at
6 the hearing against the ~~liquor~~ seized alcoholic beverages, alcohol, still, or
7 apparatus ~~so seized, and the~~. An officer making ~~the a~~ seizure without a
8 warrant shall be allowed the same fees as if he or she had acted under a
9 warrant.

10 Sec. 83. 7 V.S.A. § 566 is redesignated and amended to read:

11 § ~~566~~ 565. ARREST OF OWNER OF SEIZED PROPERTY

12 The officer shall promptly apprehend and bring ~~forthwith~~ before the
13 ~~magistrate court~~ the owner and, keeper, and all persons having ~~the~~ custody of,
14 or exercising any control over, the ~~liquor~~ alcoholic beverages, alcohol, or other
15 property seized pursuant to section 562 or 563 of this chapter, ~~either whether~~
16 as principal, clerk, servant, or agent.

17 Sec. 84. 7 V.S.A. § 567 is redesignated and amended to read:

18 § ~~567~~ 566. ARREST OF OWNER OF BUILDING

19 If the owner or keeper of ~~such liquor~~ the alcoholic beverages, alcohol, or
20 other property seized pursuant to section 562 or 563 of this chapter is unknown
21 to the officer, or if a person is not found in possession or custody of the ~~same~~

1 seized alcoholic beverages, alcohol, or other property, the officer shall
2 apprehend and bring before the ~~magistrate~~ court the owner or occupant of the
3 building or apartments in which ~~such liquor~~ the seized alcoholic beverages,
4 alcohol, or other property was found, if ~~known to him or can be by him~~
5 ascertained he or she knows or can ascertain the person's identity.

6 Sec. 85. 7 V.S.A. § 568 is redesignated and amended to read:

7 § ~~568~~ 567. FORFEITURE OF SEIZED PROPERTY

8 (a) If, ~~upon~~ after a hearing, it appears the court determines that ~~such liquor~~
9 the alcoholic beverages, alcohol, or other property seized pursuant to section
10 562 or 563 of this chapter was intended for sale, distribution, or use contrary to
11 law, it shall be adjudged forfeited and condemned. ~~When liquor~~

12 (b) Alcoholic beverages, alcohol, or other property that is adjudged
13 forfeited and condemned under this section, ~~it~~ shall be turned over to the
14 ~~commissioner of liquor control~~ Commissioner of Liquor and Lottery for the
15 benefit of the ~~state~~ State.

16 Sec. 86. 7 V.S.A. § 569 is redesignated and amended to read:

17 § ~~569~~ 568. COSTS OF FORFEITURE AND CONDEMNATION

18 PROCEEDINGS

19 Upon condemnation of ~~such liquor~~ alcoholic beverages, alcohol, or other
20 property pursuant to section 567 of this title, any ~~and all persons~~ person
21 apprehended and brought before ~~such magistrate~~ the court under sections 564

1 563 and ~~566~~ 565 of this title shall be liable ~~to pay for~~ for the costs of ~~such the~~
2 proceedings, if, in the judgment of the ~~magistrate court~~, any of them by
3 themselves, or through clerks, servants, or agents, ~~shall have been~~;

4 (1) engaged in, or aided in, assisted ~~in~~, or abetted the keeping of ~~such~~
5 ~~liquor~~ the alcoholic beverages, alcohol, or other property for unlawful sale,
6 distribution, or use, ~~or have been~~;

7 (2) were privy ~~thereto~~, to the keeping of the alcoholic beverages,
8 alcohol, or other property for unlawful sale, distribution, or use; ~~or have~~

9 (3) knowingly permitted the use of any building or apartments ~~by them~~
10 the person owned or controlled, for ~~the~~ storing or keeping ~~of such liquor~~ the
11 alcoholic beverages, alcohol, or other property for ~~such~~ unlawful sale,
12 distribution, or use.

13 Sec. 87. 7 V.S.A. § 570 is redesignated and amended to read:

14 § ~~570~~ 569. EXECUTION FOR COSTS

15 ~~Against any and all persons by the magistrate adjudged~~ If the court
16 determines that a person is liable to pay for the costs, in case of the
17 proceedings pursuant to section 568 of this title and the costs are not paid, the
18 ~~magistrate court~~, after a hearing, shall issue an execution in favor of the ~~state~~
19 State and against the ~~body or bodies of the persons,~~ person that is liable for the
20 costs; ~~upon which.~~ The execution shall be certified as follows: “This
21 execution is issued for the costs of the seizure and condemnation of

1 ~~intoxicating liquor~~ alcoholic beverages, alcohol, or a still or other apparatus for
2 the manufacture of alcohol that was kept in violation of law.” ~~Persons~~
3 ~~committed upon the executions shall not be admitted to the liberties of the jail~~
4 ~~yard.~~

5 Sec. 88. 7 V.S.A. § 571 is amended to read:

6 ~~§ 571. SEARCH OF VEHICLE OR CRAFT WITHOUT WARRANT~~

7 ~~If a sheriff, deputy sheriff, constable, police officer, Commissioner of~~
8 ~~Liquor Control or inspector duly acting for the Liquor Control Board, or State~~
9 ~~Police has reason to believe and does believe, that a person is engaged in the~~
10 ~~act of smuggling, delivering, or transporting, in violation of law, malt or~~
11 ~~vinous beverages, spirits, fortified wines, or alcohol in any wagon, buggy,~~
12 ~~automobile, motor vehicle, air or water craft, or other vehicle, he or she shall~~
13 ~~search for and seize without warrant, malt or vinous beverages, spirits, fortified~~
14 ~~wines, or alcohol found therein being smuggled, delivered, or transported~~
15 ~~contrary to law. Whenever malt or vinous beverages, spirits, fortified wines,~~
16 ~~or alcohol, transported unlawfully or alcohol possessed illegally shall be seized~~
17 ~~by such officer, he or she shall take possession of the vehicle, team,~~
18 ~~automobile, boat, air or water craft, or other conveyance and shall arrest the~~
19 ~~person in charge thereof.~~ [Repealed.]

1 Sec. 89. 7 V.S.A. § 572 is redesignated and amended to read:

2 § ~~572~~ 570. FORFEITURE AND CONDEMNATION OF SEIZED VEHICLE
3 OR CRAFT

4 (a) If ~~such an~~ officer seizes ~~malt or vinous beverages, spirits, fortified~~
5 ~~wines, alcoholic beverages~~ or alcohol and takes possession of a vehicle, ~~team,~~
6 ~~automobile, boat, air or water craft, or other conveyance in which such malt or~~
7 ~~vinous beverages, spirits, fortified wines, or alcohol is being unlawfully~~
8 ~~transported or in which alcohol is unlawfully possessed, without a warrant, he~~
9 or she shall ~~forthwith~~ promptly make a complaint, under oath, ~~subscribed by~~
10 ~~him or her, or affirmation~~ to a judge of the Criminal Division of the Superior
11 Court, in ~~whose~~ the jurisdiction the same was seized where the seizure
12 occurred. ~~Thereupon the~~

13 (b) The same proceedings shall be had as with respect to the liquor
14 alcoholic beverages or alcohol and the vehicle ~~and team or automobile, motor~~
15 ~~vehicle, boat, air or water craft, or other conveyances as would be had if malt~~
16 ~~or vinous beverages, spirits, or fortified wines had been seized, except that if~~
17 the vehicle ~~and team, or automobile, boat, air or water craft, or other~~
18 conveyance, ~~shall be finally~~ is adjudged forfeited and condemned ~~the same, it~~
19 shall, upon the written order of the ~~magistrate court, shall~~ be sold at a public
20 sheriff's sale for the benefit of the State. The officer making the sale shall
21 make a return in writing to the court ~~issuing such~~ that issued the order of sale

1 with the proceeds ~~thereof~~ from the sale, less his or her expenses and fees for
2 keeping and selling the ~~same~~ vehicle, air or water craft, or other conveyance,
3 which ~~fees~~ shall be the same as for the sale of personal property upon
4 execution.

5 Sec. 90. 7 V.S.A. § 573 is redesignated and amended to read:

6 § ~~573~~ 572. PROCEEDS OF SALE OF CONDEMNED VEHICLE OR
7 CRAFT

8 (a) From the net proceeds of ~~such a~~ sale pursuant to section 571 of this title,
9 the court shall pay all liens, according to their priority ~~which are~~ that:

10 (1) are established by intervention or otherwise at the time the court
11 enters the judgment of forfeiture ~~being adjudged~~ or in other proceedings
12 brought for ~~such that~~ purpose, as being; and

13 (2) are bona fide and ~~having been~~ were created without the owner's
14 having any knowledge that the carrying vehicle was ~~being~~ used or ~~was to~~
15 would be used for the illegal ~~transportation~~ transport of ~~malt or vinous~~
16 ~~beverages, spirits, fortified wines,~~ alcoholic beverages or alcohol ~~and~~.

17 (b) The court shall pay the balance of the proceeds to the State Treasurer;
18 ~~as provided for the payment of fines under the provisions of law.~~

1 Sec. 91. 7 V.S.A. § 574 is redesignated and amended to read:

2 § ~~574~~ 573. RIGHTS OF OWNER; ADJOURNED HEARING

3 (a) Nothing ~~herein~~ in this chapter shall be construed to prejudice the rights
4 of ~~the~~ a bona fide owner of any such a vehicle, air or water craft, or other
5 conveyance to have it returned to his or her possession upon affirmative proof
6 ~~by the owner~~ that he or she had no ~~express or implied~~ knowledge that ~~such~~
7 ~~conveyance~~ it was being used or was to be used for the illegal transportation of
8 ~~malt or vinous beverages, spirits, fortified wines,~~ alcoholic beverages or
9 alcohol, ~~and the owner shall be entitled to a return of the same if provided he~~
10 or she ~~appears~~ enters an appearance before ~~adjudication~~ the court has entered a
11 judgment of forfeiture.

12 (b)(1) If ~~upon,~~ following a hearing, the person in charge of ~~any such a~~
13 vehicle, air or water craft, or other conveyance ~~does not appear~~ is determined
14 not to be the its owner thereof and no person ~~shall claim such conveyance~~ has
15 claimed it, ~~further~~ the hearing shall be continued to a date certain; and the
16 taking of ~~such~~ the vehicle, air or water craft, or other conveyance and the date
17 of the adjourned hearing shall be advertised in ~~some~~ a newspaper; published in
18 the town or county where it was taken ~~and or,~~ if there ~~be~~ is no newspaper
19 published in ~~such~~ the town or county, ~~then~~ in a newspaper having circulation in
20 ~~such~~ the county, once a week for three successive weeks.

1 (2) ~~The magistrate~~ Commissioner of Finance and Management shall
2 provide the court conducting the hearing ~~shall be allowed by the Commissioner~~
3 ~~of Finance and Management~~ with the cost of ~~such~~ the advertising.

4 Sec. 92. 7 V.S.A. § 575 is redesignated and amended to read:

5 § ~~575~~ 574. REOPENING OF FORFEITURE PROCEEDING

6 (a) At any time within one year after ~~such~~ a vehicle, air or water craft, or
7 other conveyance shall have has been adjudged forfeited, ~~and upon notice to~~
8 ~~the state's attorney of the county,~~ a claimant may provide notice to the State's
9 Attorney of the county and, upon showing that he or she had no knowledge of
10 the forfeiture hearing, may apply to the court ~~or magistrate before whom~~
11 ~~former proceedings were had to~~ that entered the judgment of forfeiture to have
12 the case reopened, ~~provided he or she shall.~~ The court may require the
13 claimant to give security by way of recognizance posting a bond to the state,
14 with State in a sufficient sureties in such sum, as the court directs, conditioned
15 that on the claimant ~~will prosecute~~ prosecuting his or her claim to effect and
16 pay paying the costs awarded against him or her.

17 (b) If upon rehearing ~~such~~ the claimant establishes his or her claim, the
18 court ~~or magistrate~~ shall certify to the ~~commissioner of finance and~~
19 ~~management~~ Commissioner of Finance and Management the amount of ~~such~~
20 the claim, ~~not exceeding~~ which shall not exceed the net amount actually
21 realized by the ~~state~~ State from the sale of ~~such~~ the vehicle, air or water craft,

1 ~~or other conveyance, and the commissioner of finance and management~~
2 Commissioner of Finance and Management shall issue his or her warrant
3 ~~therefor to pay the sum.~~

4 Sec. 93. 7 V.S.A. § 576 is redesignated and amended to read:

5 § ~~576~~ 575. CLAIM BY OWNER, KEEPER, OR POSSESSOR FOR SEIZED
6 GOODS OR APPARATUS; BOND

7 (a)(1) When the owner, keeper, or possessor of ~~malt, vinous, or spirituous~~
8 ~~liquor or~~ alcoholic beverages, alcohol, or a still or other apparatus for the
9 manufacture of alcohol seized under the provisions of this title; appears and
10 makes a claim to the same seized alcoholic beverages, alcohol, or other
11 property, he or she shall file a written claim with the magistrate court before
12 ~~whom which~~ the proceedings are pending, ~~setting.~~

13 (2) The claim shall set forth his or her interest in the liquor seized
14 alcoholic beverages, alcohol, or other property, and the reasons why it should
15 not be adjudged forfeited.

16 (b) ~~He or she shall also~~ The court may require the claimant to give security
17 by way of recognizance posting a bond to the state State, with sufficient
18 sureties, in such a sufficient sum as the court directs, conditioned that he or she
19 will prosecute on the claimant prosecuting his or her claim to effect and pay
20 paying the costs awarded against him or her.

1 Sec. 94. 7 V.S.A. § 577 is redesignated and amended to read:

2 § ~~577~~ 576. APPEAL; BOND

3 ~~An appeal shall not be allowed to the~~ If a claimant elects to appeal from the
4 judgment of the court until he or she gives security by way of recognizance
5 under this chapter, the court may require that he or she give security by posting
6 a bond to the state State, with sufficient sureties, in such a sufficient sum, as
7 the court directs, conditioned that he or she will prosecute on the claimant's
8 prosecuting his or her appeal to effect and pay paying the costs awarded
9 against him or her.

10 Sec. 95. 7 V.S.A. § 578 is redesignated and amended to read:

11 § ~~578~~ 577. JUDGMENT AGAINST CLAIMANT; FORFEITURE; COSTS

12 If the court renders judgment is against the claimant pursuant to section 575
13 or 576 of this title, the liquor alcoholic beverages or alcohol and the casks or
14 vessels containing the same alcoholic beverages or alcohol shall be adjudged
15 forfeited and condemned, as provided in this title chapter, and the court shall
16 also enter judgment shall be rendered against the claimant for all costs of
17 prosecution incurred after the filing of his or her claim.

18 Sec. 96. 7 V.S.A. § 579 is redesignated and amended to read:

19 § ~~579~~ 578. DISPOSITION OF LIQUOR CONDEMNED ON APPEAL

20 If the appellant fails to enter and prosecute his or her appeal pursuant to
21 section 576 of this title, or if judgment is against him or her on appeal, the

1 court in which ~~such~~ the appeal is finally decided shall order the ~~liquor~~
2 alcoholic beverages or alcohol to be disposed of as in the case of ~~liquor~~
3 alcoholic beverages or alcohol adjudged forfeited and condemned under an
4 order of a ~~district~~ judge of the Criminal Division of the Superior Court
5 pursuant to section 567 of this title.

6 Sec. 97. 7 V.S.A. § 580 is redesignated and amended to read:

7 § ~~580~~ 579. SEIZED PROPERTY TAKEN BY WRIT OF REPLEVIN

8 If ~~liquor~~ alcoholic beverages, alcohol, or other property seized by an officer
9 under the provisions of this ~~title~~ chapter is taken from his or her possession by
10 a writ of replevin, it shall not be delivered to the claimant, but shall be held by
11 the officer serving ~~such~~ the writ, until the final determination of the seizure
12 action; whereupon the same. Upon the final determination of the action, the
13 alcoholic beverages, alcohol, or other property held by the officer who served
14 the writ shall be delivered to the party in whose favor judgment is rendered, or
15 to ~~such~~ an officer as who has authority to hold or dispose of ~~the same~~ it under
16 the original seizure proceedings.

17 Sec. 98. 7 V.S.A. § 581 is redesignated and amended to read:

18 § ~~581~~ 580. SEIZURE PROCEEDINGS WITHOUT DELAY BY REPLEVIN

19 Proceedings on the seizure of ~~malt, vinous or spirituous liquor or~~ alcoholic
20 beverages, alcohol, or a still or other apparatus for the manufacture of alcohol,
21 except final execution, shall not be delayed by a replevin ~~thereof~~ of the seized

1 alcoholic beverages, alcohol, or other property, but the cause shall proceed to
2 final judgment as if the action for replevin had not been commenced.

3 Sec. 99. 7 V.S.A. § 582 is redesignated and amended to read:

4 § ~~582~~ 581. COSTS AGAINST OWNER OR KEEPER

5 If proceedings for the condemnation of ~~malt, vinous, spirituous liquor or~~
6 alcoholic beverages, alcohol, or a still or other apparatus for the manufacture
7 of alcohol result in the prosecution and conviction of the owner or keeper
8 ~~thereof~~ of the alcoholic beverages, alcohol, or other property for an offense
9 ~~hereunder~~ under this title, the costs in ~~such~~ the proceedings shall be taxed
10 against ~~such~~ the owner or keeper.

11 Sec. 100. 7 V.S.A. § 584 is redesignated and amended to read:

12 § ~~584~~ 582. SALE OF LIQUOR TAKEN BY ATTACHMENT OR ON
13 EXECUTION

14 ~~Malt, vinous, or spirits and fortified wines~~ Alcoholic beverages lawfully
15 taken by attachment or on execution issued by a court of this State may be sold
16 by a duly authorized officer as other personal property taken on execution, but
17 only to the persons and institutions to which ~~liquor~~ alcoholic beverages may be
18 sold under the provisions of this title.

1 Sec. 101. 7 V.S.A. § 585 is redesignated and amended to read:

2 § ~~585~~ 583. ENFORCEMENT AS STATE EXPENSE

3 Fees payable and expenses incurred under the provisions of this title shall
4 be paid by the ~~state~~ State.

5 Sec. 102. 7 V.S.A. § 586 is amended to read:

6 § 586. ~~NOTICE TO FEDERAL GOVERNMENT~~

7 ~~When a person is convicted of or pleads guilty to furnishing or selling~~
8 ~~intoxicating liquor contrary to law, the court shall forthwith give notice thereof~~
9 ~~to the United States district director of internal revenue for this district, if such~~
10 ~~court has reason to believe that such person has not paid any special tax~~
11 ~~imposed by the United States government upon dealers in intoxicating liquors.~~

12 [Repealed.]

13 Sec. 103. 7 V.S.A. § 588 is redesignated and amended to read:

14 § ~~588~~ 584. SUFFICIENCY OF SPECIFICATION

15 If a specification is required in prosecutions for offenses under this title, it
16 shall be sufficient to specify the offenses with ~~such~~ as much certainty as to the
17 time, place, and person as the prosecutor is able to provide, and ~~the same~~ the
18 specifications provided may be amended ~~upon~~ at trial. When the specifications
19 set forth the sale or furnishing of alcoholic beverages or alcohol to any
20 unknown person or persons ~~unknown~~, the witnesses may be inquired of as to
21 ~~such~~ those transactions. If the name of the person is disclosed, it may be added

1 to the specifications, and upon ~~such~~ any terms as related to postponement of
2 the trial as the court deems reasonable.

3 Sec. 104. 7 V.S.A. § 589 is redesignated and amended to read:

4 ~~§ 589~~ 585. TAX RECEIPT ALCOHOL DEALER REGISTRATION AS

5 EVIDENCE

6 ~~The receipt for or record of the payment of the United States special tax as~~
7 ~~liquor seller~~ A copy or record of a person's Alcohol Dealer Registration with
8 the U.S. Alcohol and Tobacco Tax and Trade Bureau shall be prima facie
9 evidence that the person named ~~therein~~ in the registration keeps for sale and
10 sells ~~intoxicating liquors~~ alcoholic beverages or alcohol.

11 Sec. 105. 7 V.S.A. § 590 is redesignated and amended to read:

12 ~~§ 590~~ 587. FINES AND COSTS

13 Fines collected under this title shall be remitted to the ~~general fund~~ General
14 Fund. Costs collected under this title shall be remitted to the ~~liquor control~~
15 ~~fund~~ Liquor Control Enterprise Fund.

16 Sec. 106. 7 V.S.A. § 598 is amended to read:

17 ~~§ 598. FORM OF NOTICE TO FEDERAL GOVERNMENT~~

18 ~~The notice to the United States district director of internal revenue shall be~~
19 ~~in substance as follows:~~

20 I hereby notify you that _____ of _____ in the county
21 of _____ and state of Vermont, has this day been convicted of or

1 ~~has pleaded guilty to the crime of furnishing or selling intoxicating liquor,~~
2 ~~contrary to law. I give you this information so that you may, if you desire,~~
3 ~~investigate as to whether or not said _____ has paid the special~~
4 ~~internal revenue tax to the United States government. [Repealed.]~~

5 Sec. 107. 7 V.S.A. § 600 is redesignated and amended to read:

6 § ~~600~~ 588. FEES OF SHERIFF, CONSTABLE, OR POLICE OFFICER

7 When a sheriff, constable, or police officer makes a search ~~for intoxicating~~
8 ~~liquor by direction of a lawful~~ under this title pursuant to a warrant, he or she
9 shall receive ~~as fees for such services \$2.00 a fee for the search, \$0.15 a mile~~
10 ~~for actual travel~~ reimbursement for mileage at the rate set pursuant to
11 32 V.S.A. § 1267, and such the sum as that he or she shall actually pay paid
12 ~~out for necessary assistance, if deemed reasonable by the commissioner of~~
13 ~~finance and management;~~

14 (1) the Commissioner of Liquor and Lottery deems the amount to be
15 reasonable; and if

16 (2) the officer makes declares under oath that the money was so
17 expended as claimed, stating and, if applicable, states the name of his or her
18 assistant and the amount paid for the assistance.

1 Sec. 108. 7 V.S.A. § 602 is redesignated as follows:

2 § ~~602~~ 589. EXHIBITION OF CARD

3 Sec. 109. 7 V.S.A. § 603 is redesignated and amended to read:

4 § ~~603~~ 590. ~~LIQUOR CONTROL BOARD~~ BOARD OF LIQUOR AND LOTTERY;

5 RULES

6 The ~~liquor control board~~ Board of Liquor and Lottery shall ~~make~~ adopt
7 rules ~~and regulations~~ as necessary to effectuate the purposes of section ~~602~~ 589
8 of this title.

9 Sec. 110. 7 V.S.A. § 651 is amended to read:

10 § 651. SOLICITING ORDERS

11 A person who, for himself or herself or as agent, takes or solicits orders for
12 the sale of malt or vinous beverages, except for licensees or from agencies of
13 the U.S. ~~Army~~ Armed Forces as specified in section 421 of this title, or of
14 spirits or fortified wines shall be imprisoned not more than six months nor less
15 than three months or fined not more than \$500.00 nor less than \$100.00, or
16 both.

17 Sec. 111. 7 V.S.A. § 652 is amended to read:

18 § 652. TRANSPORTATION

19 A person who, by himself or herself, or through a clerk or agent, brings into
20 the ~~state~~ State, or conveys or transports over or along a railroad or public
21 highway, or by land, air, or water, ~~malt or vinous beverages or spirituous liquor~~

1 alcoholic beverages, or alcohol which the person knows or has reason to
2 believe is to be unlawfully kept, sold, or furnished, shall be imprisoned not
3 more than six months nor less than three months or fined not more than
4 \$500.00 nor less than \$100.00, or both.

5 Sec. 112. 7 V.S.A. § 654 is amended to read:

6 § 654. ~~TAMPERING WITH SAMPLES~~

7 ~~A person who tampers with samples of alcohol, malt or vinous beverages or~~
8 ~~spirituous liquor taken for analysis under this chapter shall be imprisoned not~~
9 ~~more than 12 months nor less than six months or fined not more than \$500.00~~
10 ~~nor less than \$100.00, or both. [Repealed.]~~

11 Sec. 113. 7 V.S.A. § 655 is amended to read:

12 § 655. BARTER

13 (a) A licensee or permittee ~~who~~ shall be imprisoned not more than 12
14 months nor less than six months or fined not more than \$1,000.00 nor less than
15 \$300.00, or both, if the licensee or permittee:

16 (1) purchases or receives ~~wearing~~ apparel, tools, implements of trade or
17 husbandry, household goods, furniture, or provisions, directly or indirectly, by
18 way of sale or barter, the consideration ~~of~~ for which is, in whole or in part ~~is~~,
19 ~~malt or vinous beverages or spirituous liquor~~ alcoholic beverages or alcohol or
20 the price ~~thereof~~, of the alcoholic beverages or alcohol; or

1 (2) ~~receives such article~~ apparel, tools, implements of trade or
2 husbandry, household goods, furniture, or provisions in pawn for ~~such~~
3 ~~beverage or liquor~~ alcoholic beverages or alcohol or the price thereof, shall be
4 ~~imprisoned not more than twelve months nor less than six months or fined not~~
5 ~~more than \$1,000.00 nor less than \$300.00, or both~~ of the alcoholic beverages
6 or alcohol.

7 (b) ~~On~~ A person's license or permit issued under this title shall be revoked
8 following a conviction thereof, his or her license or permit shall be revoked
9 under subsection (a) of this section.

10 Sec. 114. 7 V.S.A. § 658 is amended to read:

11 § 658. SALE OR FURNISHING TO MINORS; ENABLING
12 CONSUMPTION BY MINORS; MINORS CAUSING DEATH OR
13 SERIOUS BODILY INJURY

14 (a) ~~No~~ A person shall not:

15 (1) sell or furnish ~~malt or vinous beverages, spirits, or fortified wines~~
16 alcoholic beverages to a person under ~~the age of 21~~ years of age; or

17 (2) knowingly enable the consumption of ~~malt or vinous beverages,~~
18 ~~spirits, or fortified wines~~ alcoholic beverages by a person under ~~the age of~~
19 21 years of age.

20 (b) As used in this section, “enable the consumption of ~~malt or vinous~~
21 ~~beverages, spirits, or fortified wines~~ alcoholic beverages” means creating a

1 direct and immediate opportunity for a person to consume ~~malt or vinous~~
2 ~~beverages, spirits, or fortified wines~~ alcoholic beverages.

3 (c) A person who violates subsection (a) of this section shall be fined not
4 less than \$500.00 nor more than \$2,000.00 or imprisoned not more than two
5 years, or both. However, an employee of a licensee or an employee of a ~~State-~~
6 ~~contracted~~ State liquor agency, who in the course of employment violates
7 subdivision (a)(1) of this section:

8 (1) during a compliance check conducted by a law enforcement officer
9 as defined in 20 V.S.A. § 2358:

10 (A) shall be assessed a civil penalty of not more than \$100.00 for the
11 first violation, and a civil penalty of not less than \$100.00 nor more than
12 \$500.00 for a second violation that occurs more than one year after the first
13 violation-; and

14 (B) shall be subject to the criminal penalties provided in this
15 subsection for a second violation within a year of the first violation, and for a
16 third or subsequent violation within three years of the first violation.

17 (2) may plead as an affirmative defense that:

18 (A) the purchaser exhibited and the employee carefully viewed
19 photographic identification that complied with section ~~602~~ 589 of this title and
20 indicated the purchaser to be 21 years of age or older; ~~and~~

1 (B) an ordinary prudent person would believe the purchaser to be of
2 legal age to make the purchase; and

3 (C) the sale was made in good faith, based upon the reasonable belief
4 that the purchaser was of legal age to purchase alcoholic beverages.

5 (d) A person who violates subsection (a) of this section, where the person
6 under ~~the age of 21~~ years of age, while operating a motor vehicle on a public
7 highway causes death or serious bodily injury to himself or herself or to
8 another person as a result of the violation, shall be imprisoned not more than
9 five years or fined not more than \$10,000.00, or both.

10 Sec. 115. 7 V.S.A. § 659 is amended to read:

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

12 (a) The sheriffs of the several counties and their county sheriffs, sheriff's
13 deputies, constables, officers or members of the village or city police, state
14 police State Police, and inspectors investigators of the liquor control board are
15 hereby empowered, and it is hereby made their Board of Liquor and Lottery
16 shall have the authority and duty to see that the provisions of this title and the
17 rules and regulations made as authorized adopted by the liquor control board
18 herein provided for Board of Liquor and Lottery pursuant to this title are
19 enforced within their respective jurisdictions. Any such officer who willfully
20 willfully refuses or neglects to perform the duties imposed upon him or her by

1 this section shall be fined not more than \$500.00 or imprisoned not more than
2 90 days, or both.

3 (b) A control commissioner, ~~state's attorney~~ State's Attorney, or town
4 grand juror who ~~wilfully~~ willfully refuses or neglects to investigate a complaint
5 for a violation of this chapter, when accompanied by evidence in support
6 ~~thereof of the complaint~~, shall be fined \$300.00.

7 Sec. 116. 7 V.S.A. § 665 is amended to read:

8 § 665. ~~PRESCRIPTIONS FOR OTHER THAN MEDICAL USE~~

9 ~~A physician who gives a prescription for spirituous liquor, when he knows~~
10 ~~or has reason to believe it is not necessary for medicinal use, shall be fined not~~
11 ~~more than \$200.00 for the first offense and \$500.00 for each subsequent~~
12 ~~offense. [Repealed.]~~

13 Sec. 117. 7 V.S.A. § 666 is redesignated and amended to read:

14 § ~~666~~ 660. ADVERTISING

15 (a) ~~No~~ A person shall not display on outside billboards or signs erected on
16 the highway any advertisement of any kind ~~of malt, vinous beverage or~~
17 ~~spirituous liquor~~ relating to alcoholic beverages, or indicate where ~~the same~~
18 alcoholic beverages may be procured. ~~However, the prohibition contained in~~
19 ~~this section shall not apply to a motor vehicle lawfully transporting in transit~~
20 ~~malt, vinous beverage or spirituous liquor from a place in another state to a~~
21 ~~place in another state.~~ A person who violates any provision of this section

1 shall be fined not more than \$100.00 nor less than \$10.00, for each offense,
2 and ~~such a conviction for a violation~~ shall be cause for revoking the person's
3 license ~~after conviction~~ issued under this title.

4 (b) ~~Advertising of malt or vinous~~ Notwithstanding subsection (a) of this
5 section, advertising of alcoholic beverages on ~~vehicles~~ a motor vehicle
6 lawfully transporting alcoholic beverages or on a vehicle drawn by horses shall
7 be permitted.

8 (c)(1) The ~~alcoholic~~ alcohol content of any malt beverage shall not be set
9 forth or stated in any advertising or promotion ~~thereof~~ of the beverage in any
10 medium.

11 (2) ~~No~~ A person shall not advertise or promote the sale of any fermented
12 beverage made from malt by indicating in any way that the beverage has a
13 higher alcoholic content than other similar beverages.

14 (3) ~~However~~ Notwithstanding subdivisions (1) and (2) of this
15 subsection, the alcoholic content of a malt beverage may be set forth on its
16 label or packaging.

17 Sec. 118. 7 V.S.A. § 667 is redesignated and amended to read:

18 § ~~667~~ 661. VIOLATIONS OF TITLE

19 (a)(1) A person, ~~partnership, association, or corporation who~~ that furnishes,
20 sells, ~~exposes,~~ or keeps with intent to sell, or bottles or prepares for sale any
21 ~~malt or vinous beverages, spirits, or fortified wines~~ alcoholic beverages, except

1 as authorized by this title, or sells, barter, transports, imports, exports,
2 delivers, prescribes, furnishes, or possesses alcohol, except as authorized by
3 the ~~Liquor Control Board~~ Board of Liquor and Lottery, or ~~who~~ that unlawfully
4 manufactures alcohol or possesses a still or other apparatus for the manufacture
5 of alcohol shall be imprisoned not more than 12 months nor less than three
6 months or fined not more than \$1,000.00 nor less than \$100.00, or both.

7 (2) For a subsequent conviction ~~thereof~~ under subdivision (1) of this
8 subsection within one year, ~~such a person, partnership, association, or~~
9 ~~corporation~~ shall be imprisoned not more than three years nor less than six
10 months or fined not more than \$2,000.00 nor less than \$500.00, or both.

11 (b) A person, ~~partnership, association, or corporation, who~~ that willfully
12 violates a provision of this title for which no other penalty is prescribed or ~~who~~
13 that willfully violates a ~~provision of the regulations~~ rule of the ~~Liquor Control~~
14 ~~Board~~ Board of Liquor and Lottery shall be imprisoned not more than three months
15 nor less than one month or fined not more than \$200.00 nor less than \$50.00,
16 or both.

17 (c) The provisions of subsection (b) of this section shall not apply to a
18 violation of subsection 1005(a) of this title, relating to purchase of tobacco
19 products by a person less than 18 years of age.

1 Sec. 119. 7 V.S.A. § 668 is redesignated and amended to read:

2 § ~~668~~ 662. LIMIT OF SENTENCE

3 A sentence of imprisonment under this title, ~~either cumulative or on failure~~
4 ~~to pay fine and costs~~, shall not exceed ~~the~~ a term of three years.

5 Sec. 120. 7 V.S.A. § 671 is redesignated and amended to read:

6 § ~~671~~ 65. PURCHASE OF KEGS OF MALT BEVERAGES

7 Any ~~person~~ individual who, within 60 days of purchase, fails to return a
8 ~~keg, as defined in section 64 of this title~~, sold pursuant to section 64 of this
9 chapter to the ~~second-class~~ second-class or fourth-class licensee from which
10 the keg was purchased shall be fined not more than \$200.00.

11 Sec. 121. 7 V.S.A. § 701 is amended to read:

12 § 701. DEFINITIONS

13 As used in this chapter, ~~and unless otherwise required by the context~~:

14 (1) “Certificate of approval” ~~shall mean~~ means an authorization by the
15 ~~liquor control board~~ Board of Liquor and Lottery pursuant to section 274 of
16 this title to a manufacturer or distributor of malt beverages or vinous
17 beverages, or both not licensed under the provisions of this title, to sell ~~such~~
18 those beverages ~~either~~ to holders of ~~bottlers~~ a packager’s or wholesale ~~dealers~~
19 ~~licenses~~ dealer’s license issued by the ~~board~~ Board ~~under the provisions of~~
20 pursuant to section ~~226~~ 272 or ~~227~~ 273 of this title.

1 (2) “Franchise” or “agreement” shall mean one or more of the
2 following:

3 (A) a commercial relationship between a wholesale dealer and a
4 certificate of approval holder or a manufacturer of a definite duration or
5 indefinite duration, ~~which~~ that is or is not in writing and ~~which relationship~~ has
6 been in existence for at least one year;

7 (B) a relationship ~~whereby~~ that has been in existence for at least one
8 year in which the wholesale dealer is granted the right to offer and sell the
9 brands of ~~beer~~ malt beverages or ~~wine~~ vinous beverages offered by the
10 certificate of approval holder or manufacturer ~~and which relationship has been~~
11 ~~in existence for at least one year;~~

12 (C) a relationship ~~whereby~~ that has been in existence for at least one
13 year in which the wholesale dealer, as an independent business, constitutes a
14 component of a certificate of approval holder’s or manufacturer’s distribution
15 system ~~and which relationship has been in existence for at least one year;~~

16 (D) a relationship ~~whereby~~ that has been in existence for at least one
17 year in which the wholesale dealer’s business is substantially associated with
18 the certificate of approval holder’s or manufacturer’s brand, advertising, or
19 other commercial symbol designating the manufacturer ~~and which relationship~~
20 ~~has been in existence for at least one year;~~

1 (E) a relationship ~~whereby~~ that has been in existence for at least one
2 year in which the wholesale dealer’s business is substantially reliant on the
3 certificate of approval holder or manufacturer for the continued supply of ~~beer~~
4 malt beverages or ~~wine~~ ~~and which relationship has been in existence for at~~
5 ~~least one year~~ vinous beverages; and

6 (F) a written or oral arrangement for a definite or indefinite period
7 ~~whereby~~ that has been in existence for at least one year in which a certificate of
8 approval holder or manufacturer grants to a wholesale dealer a license to use a
9 trade name, trade mark, service mark, or related characteristic, and in which
10 there is a community of interest in the marketing of goods or services at
11 wholesale, retail, by lease, or otherwise ~~and which arrangement has been in~~
12 ~~existence for at least one year.~~

13 (3) “Franchisee” means any ~~beer~~ malt beverages or ~~wine~~ vinous
14 beverages wholesale dealer to whom a franchise or agreement as defined
15 herein in this section is granted or offered, or any ~~beer~~ malt beverages or ~~wine~~
16 vinous beverages certificate of approval holder or manufacturer who is a party
17 to a franchise or agreement as defined ~~herein~~ in this section.

18 (4) “Franchisor” means any ~~beer~~ malt beverages or ~~wine~~ vinous
19 beverages certificate of approval holder or manufacturer who enters into any
20 franchise or agreement with a ~~beer~~ malt beverages or ~~wine~~ vinous beverages
21 wholesale dealer, or any ~~beer~~ malt beverages or ~~wine~~ vinous beverages

1 certificate of approval holder or manufacturer who is a party to a franchise or
2 agreement as defined ~~herein~~ in this section.

3 (5) “Territory” or “sales territory” ~~shall mean~~ means the area of sales
4 responsibility designated by any agreement or franchise between any
5 franchisee or franchisor for the brand or brands of any franchisor or
6 manufacturer.

7 (6) ~~As used herein, brand~~ “Brand” and “brands” are synonymous with
8 label and labels.

9 Sec. 122. 7 V.S.A. § 702 is amended to read:

10 § 702. PROHIBITED ACTS BY MANUFACTURER

11 ~~No~~ A manufacturer shall not:

12 (1) induce or coerce, or attempt to induce or coerce, any wholesale
13 dealer to accept delivery of any alcoholic beverage, any form of advertisement,
14 or any other commodity, ~~which shall not have been~~ that was not ordered by the
15 wholesale dealer;

16 (2) induce or coerce, or attempt to induce or coerce, any wholesale
17 dealer to do any illegal act or thing by threatening to cancel or terminate ~~his~~
18 ~~beer~~ the wholesale dealer’s malt beverages or ~~wine~~ vinous beverages franchise
19 agreement; or

1 (3) fail or refuse to deliver promptly to a wholesale dealer after the
2 receipt of ~~his~~ its order any ~~beer~~ malt beverages or ~~wine~~ vinous beverages when
3 the product is publicly advertised for immediate sale.

4 Sec. 123. 7 V.S.A. § 703 is amended to read:

5 § 703. CANCELLATION OF FRANCHISE

6 Notwithstanding the terms, provisions, or conditions of any agreement or
7 franchise, no certificate of approval holder or manufacturer shall cancel,
8 terminate, or refuse to continue a franchise, or cause a wholesale dealer to
9 relinquish a franchise, unless good cause is shown to exist.

10 Sec. 124. 7 V.S.A. § 704 is amended to read:

11 § 704. ~~120 DAYS~~ DAYS' NOTICE FOR CANCELLATION;

12 RECTIFICATION

13 (a)(1) Except as provided in subsection (c) of this section, a certificate of
14 approval holder or manufacturer shall provide a franchisee or agreement holder
15 at least 120 ~~days~~ days' written notice of any intent to terminate or cancel any
16 franchise or agreement.

17 (2) The notice shall state the causes and reasons for the intended
18 termination or cancellation. The franchisee shall have ~~such~~ 120 days in which
19 to rectify any claimed deficiency.

1 (b) The ~~superior court~~ Superior Court, upon petition and after due notice to
2 both parties and the opportunity to be heard, shall decide whether good cause
3 exists to allow termination or cancellation of the franchise or agreement.

4 (c) The notice provisions of subsection (a) of this section may be waived if
5 the reason for termination, cancellation, or nonrenewal is insolvency, the
6 occurrence of an assignment for the benefit of creditors, bankruptcy, or if the
7 certificate of approval holder or manufacturer is able to prove to the court that
8 ~~such~~ providing the required notice would do irreparable harm to the marketing
9 of ~~his~~ its product.

10 Sec. 125. 7 V.S.A. § 705 is amended to read:

11 § 705. EXCLUSIVE TERRITORIES

12 No certificate of approval holder or manufacturer, who ~~shall designate~~
13 designates a sales territory for which ~~any~~ a wholesale dealer shall be primarily
14 responsible or in which ~~any~~ a wholesale dealer is required to concentrate its
15 efforts, shall enter into any franchise or agreement with any other wholesale
16 dealer for the purpose of establishing an additional franchisee for its brand or
17 brands of ~~beer~~ malt beverages or ~~wine~~ vinous beverages in the territory being
18 primarily served or concentrated upon by a the first licensed wholesale dealer.

1 Sec. 126. 7 V.S.A. § 706 is amended to read:

2 § 706. SALE TO RETAILERS BY FRANCHISEES

3 No franchisee ~~who shall be~~ that is granted a sales territory for which the
4 franchisee shall be primarily responsible or in which the franchisee is required
5 to concentrate its efforts shall make any sale or delivery of ~~beer~~ malt beverages
6 or ~~wine~~ vinous beverages to any retail licensee whose place of business is not
7 within the sales territory granted to the franchisee.

8 Sec. 127. 7 V.S.A. § 707 is amended to read:

9 § 707. SALE OR TRANSFER; PURCHASE BY MANUFACTURER

10 (a) A wholesale dealer wishing to sell or otherwise transfer ~~his~~ its interests
11 in a franchise shall give at least 90 days' written notice to the certificate of
12 approval holder or manufacturer, prior to ~~such~~ the sale or transfer. The notice
13 of intended sale or transfer shall give the full name and address of the proposed
14 transferee, along with full details outlining the qualifications of the proposed
15 transferee which, in the opinion of the wholesale dealer, make the proposed
16 transferee competent to operate the franchise.

17 (b) In the event the certificate of approval holder or manufacturer wishes to
18 resist the proposed sale or transfer to the proposed transferee, ~~he~~ the certificate
19 of approval holder or manufacturer shall petition the ~~superior court~~ Superior
20 Court for a hearing no later than 60 days prior to the date of the proposed sale
21 or transfer, ~~clearly stating his~~. The petition shall clearly state the certificate of

1 approval holder's or manufacturer's reasons for resisting the proposed sale or
2 transfer.

3 (c) Upon receipt of a petition brought resisting a sale or transfer, the
4 ~~superior court~~ Superior Court shall hold a hearing on the proposed transfer or
5 sale. The court shall make a full inquiry into the qualifications of the proposed
6 transferee, and shall determine whether or not ~~such~~ the proposed transferee is
7 in a position to substantially continue the operations of the franchise, to assume
8 the obligations of the franchise holder, and to conduct the business in a manner
9 ~~which~~ that will ~~serve to~~ protect the legitimate interests of the certificate of
10 approval holder or manufacturer.

11 (d) ~~In the event~~ If the ~~superior court~~ Superior Court finds the proposed
12 transferee to be qualified to operate the franchise, it shall approve the transfer
13 of the franchise to the proposed transferee ~~shall be approved~~.

14 Sec. 128. 7 V.S.A. § 709 is redesignated to read:

15 § ~~709~~ 708. MERGER OF FRANCHISOR

16 Sec. 129. 7 V.S.A. § 710 is redesignated to read:

17 § ~~710~~ 709. HEIRS, SUCCESSORS, AND ASSIGNS

18 Sec. 130. REPEAL

19 7 V.S.A. chapter 25 (rathskellars) is repealed.

1 Sec. 131. 7 V.S.A. § 1002 is amended to read:

2 § 1002. LICENSE REQUIRED; APPLICATION; FEE; ISSUANCE

3 (a)(1) No person shall engage in the retail sale of tobacco products, tobacco
4 substitutes, or tobacco paraphernalia, ~~or provide a vending machine for their~~
5 ~~sale~~ in his or her place of business without a tobacco license obtained from the
6 ~~Department~~ Division of Liquor Control; ~~provided, however, that no,~~

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

10 (3) Tobacco licenses and tobacco substitute endorsements shall expire at
11 midnight, April 30, of each year.

12 (b)(1) The Board shall prepare and issue tobacco license and tobacco
13 substitute endorsement forms and applications. These shall be incorporated
14 into the liquor license forms and applications prepared and issued under this
15 title.

16 (2) The licenses issued under this section shall be entitled “LIQUOR
17 LICENSE,” “LIQUOR-TOBACCO LICENSE₂” or “TOBACCO LICENSE,”
18 as applicable. The endorsements issued under this section shall be entitled
19 “TOBACCO SUBSTITUTE ENDORSEMENT.”

20 (3) The Board shall also provide simple instructions for licensees
21 designed to assist them in complying with the provisions of this chapter.

1 (c) Each tobacco license and tobacco substitute endorsement shall be
2 prominently displayed on the premises identified in the license.

3 (d)(1) For a license or endorsement required under this section, a person
4 shall apply to the legislative body of the municipality and shall pay the
5 following fees:

6 (A) to the ~~Department~~ Division of Liquor Control, the applicable
7 liquor license fee, ~~as set forth in chapter 9~~ provided in section 204 of this title,
8 for a liquor license and a tobacco license;

9 (B) to the legislative body of the municipality, a fee of \$110.00 for a
10 tobacco license or renewal; and

11 (C) to the legislative body of the municipality, a fee of \$50.00 for a
12 tobacco substitute endorsement as provided in ~~subsection (a)~~ subdivision (a)(2)
13 of this section.

14 (2) The municipal clerk shall forward the application to the ~~Department~~
15 Division, and the ~~Department~~ Division shall issue the tobacco license and the
16 tobacco substitute endorsement, as applicable, and shall forward all fees to the
17 Commissioner for deposit in the Liquor Control Enterprise Fund.

18 * * *

1 Sec. 132. 7 V.S.A. § 1002a is amended to read:

2 § 1002a. LICENSEE EDUCATION

3 (a) An applicant for a tobacco license that does not hold a liquor license
4 issued under this title shall be granted a tobacco license pursuant to section
5 1002 of this title only after the applicant has attended a ~~Department~~ Division of
6 Liquor Control in-person seminar or completed the appropriate ~~Department~~
7 Division of Liquor Control online training program for the purpose of being
8 informed about the Vermont tobacco laws pertaining to the purchase, storage,
9 and sale of tobacco products. A corporation, partnership, or association shall
10 designate a director, partner, or manager to comply with the requirements of
11 this subsection.

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

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

18 (2) Ensure that every employee involved in the sale of tobacco products
19 completes a ~~Department~~ Division of Liquor Control in-person or online
20 training program or other training programs approved by the ~~Department~~
21 Division before the employee begins selling or providing tobacco products,

1 and at least once every 24 months thereafter. A licensee may comply with this
2 subdivision by conducting its own training program on its premises using
3 information and materials furnished by the ~~Department~~ Division of Liquor
4 Control. A licensee ~~who~~ that fails to comply with the requirements of this
5 subsection shall be subject to suspension of ~~the~~ its tobacco license for no less
6 than one day.

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

9 Sec. 133. 7 V.S.A. § 1003 is amended to read:

10 § 1003. SALE OF TOBACCO PRODUCTS; TOBACCO SUBSTITUTES;
11 TOBACCO PARAPHERNALIA; REQUIREMENTS;
12 PROHIBITIONS

13 (a) A person shall not sell or provide tobacco products, tobacco substitutes,
14 or tobacco paraphernalia to any person ~~younger than~~ under 18 years of age.

15 (b) ~~Beginning August 28, 1997, vending machines selling tobacco~~
16 ~~products, tobacco substitutes, or tobacco paraphernalia are prohibited. This~~
17 ~~subsection shall not apply to a vending machine that is located in a commercial~~
18 ~~establishment in which by law no person younger than 18 years of age is~~
19 ~~permitted to enter at any time. A single vending machine may not be used to~~
20 ~~sell other commodities in combination with tobacco products, tobacco~~

1 ~~substitutes, or tobacco paraphernalia. A violation of this subsection shall result~~
2 ~~in the seizure of the vending machine.~~

3 ~~(e) Beginning January 1, 2001, and subject to receiving any necessary~~
4 ~~exemption from preemption from the U.S. Food and Drug Administration, all~~
5 All vending machines selling tobacco products are prohibited.

6 ~~(d)~~(c)(1) Persons holding a tobacco license may only display or store
7 tobacco products or tobacco substitutes:

8 (A) behind a sales counter or in any other area of the establishment
9 that is inaccessible to the public; or

10 (B) in a locked container.

11 (2) This subsection shall not apply to the following:

12 (A) a display of tobacco products that is located in a commercial
13 establishment in which by law no person ~~younger than~~ under 18 years of age is
14 permitted to enter at any time;

15 (B) cigarettes in unopened cartons and smokeless tobacco in
16 unopened multipack containers of 10 or more packages, any of which shall be
17 displayed in plain view and under the control of a responsible employee so that
18 removal of the cartons or multipacks from the display can be readily observed
19 by that employee; or

20 (C) cigars and pipe tobacco stored in a humidor on the sales counter
21 in plain view and under the control of a responsible employee so that the

1 removal of these products from the humidor can be readily observed by that
2 employee.

3 ~~(e)~~(d) The sale and the purchase of bidis is prohibited. A person who holds
4 a tobacco license who sells bidis as prohibited by this subsection shall be fined
5 not more than \$500.00. A person who purchases bidis from any source shall
6 be fined not more than \$250.00.

7 ~~(f)~~(e) No person holding a tobacco license shall sell cigarettes or little
8 cigars individually or in packs that contain fewer than 20 cigarettes or little
9 cigars.

10 ~~(g)~~(f) As used in this section, “little cigars” means any rolls of tobacco
11 wrapped in leaf tobacco or any substance containing tobacco, other than any
12 roll of tobacco which is a cigarette within the meaning of 32 V.S.A. § 7702(1),
13 and as to which 1,000 units weigh not more than three pounds.

14 Sec. 134. 7 V.S.A. 1004 is amended to read:

15 § 1004. PROOF OF AGE FOR THE SALE OF TOBACCO PRODUCTS;

16 TOBACCO SUBSTITUTES; TOBACCO PARAPHERNALIA

17 (a) A person shall exhibit proper proof of his or her age upon demand of a
18 person licensed under this chapter, an employee of a licensee, or a law
19 enforcement officer. If the person fails to provide ~~such~~ proper proof of age,
20 the licensee shall be entitled to refuse to sell tobacco products, tobacco
21 substitutes, or tobacco paraphernalia to the person. The sale or furnishing of

1 tobacco products, tobacco substitutes, or tobacco paraphernalia to a person
2 exhibiting proper proof of age shall be prima facie evidence of a licensee's
3 compliance with section 1007 of this title.

4 (b) As used in this section, "proper proof of age" means ~~a photographic~~
5 ~~motor vehicle operator's license, a valid passport, a U.S. Military identification~~
6 ~~card, or a photographic nondriver motor vehicle identification card obtained~~
7 ~~from the Department of Motor Vehicles~~ a valid authorized form of
8 identification as defined in section 589 of this title.

9 Sec. 135. 7 V.S.A. § 1005 is amended to read:

10 § 1005. PERSONS UNDER 18 YEARS OF AGE; POSSESSION OF
11 TOBACCO PRODUCTS; MISREPRESENTING AGE OR
12 PURCHASING TOBACCO PRODUCTS; PENALTY

13 (a)(1) A person under 18 years of age shall not possess, purchase, or
14 attempt to purchase tobacco products, tobacco substitutes, or tobacco
15 paraphernalia unless the person is an employee of a holder of a tobacco license
16 and is in possession of tobacco products, tobacco substitutes, or tobacco
17 paraphernalia to effect a sale in the course of employment.

18 (2) A person under 18 years of age shall not misrepresent his or her age
19 to purchase or attempt to purchase tobacco products, tobacco substitutes, or
20 tobacco paraphernalia.

1 **(b)** A person who possesses tobacco products, tobacco substitutes, or
2 tobacco paraphernalia in violation of ~~this~~ subsection **(a)** of this section shall be
3 subject to having the tobacco products, tobacco substitutes, or tobacco
4 paraphernalia immediately confiscated and shall be further subject to a civil
5 penalty of \$25.00. An action under this subsection shall be brought in the
6 same manner as a traffic violation pursuant to 23 V.S.A. chapter 24.

7 ~~(b)~~**(c)** A person under 18 years of age who misrepresents his or her age by
8 presenting false identification to purchase tobacco products, tobacco
9 substitutes, or tobacco paraphernalia shall be fined not more than \$50.00 or
10 provide up to 10 hours of community service, or both.

11 Sec. 136. 7 V.S.A. 1006 is amended to read:

12 § 1006. POSTING OF SIGNS

13 **(a)** A person licensed under this chapter shall post in a conspicuous place
14 on the premises identified in the tobacco license a warning sign stating that the
15 sale of tobacco products, tobacco substitutes, and tobacco paraphernalia to
16 ~~minors~~ persons under 18 years of age is prohibited. The Board shall prepare
17 the sign and make it available with the license forms issued under this chapter.
18 The sign may include information about the health effects of tobacco and
19 tobacco cessation services. The Board, in consultation with a representative of
20 the licensees when appropriate, is authorized to change the design of the sign
21 as needed to maintain its effectiveness.

1 (b) A person violating this section shall be guilty of a misdemeanor and
2 fined not more than \$100.00.

3 Sec. 137. 7 V.S.A. § 1007 is amended to read:

4 § 1007. FURNISHING TOBACCO TO PERSONS UNDER 18 YEARS OF
5 AGE; REPORT

6 (a) ~~An individual who~~ A person that sells or furnishes tobacco products,
7 tobacco substitutes, or tobacco paraphernalia to a person under 18 years of age
8 shall be subject to a civil penalty of not more than \$100.00 for the first offense
9 and not more than \$500.00 for any subsequent offense. An action under this
10 section shall be brought in the same manner as for a traffic violation pursuant
11 to 23 V.S.A. chapter 24 and shall be brought within 24 hours of the occurrence
12 of the alleged violation.

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

19 (2) Any violation by a tobacco licensee of subsection 1003(a) of this
20 title and this section after a first sale violation or during a compliance test
21 conducted within six months of a previous violation shall be considered a

1 multiple violation and shall result in the minimum license suspension in
2 addition to any other penalties available under this title. Minimum license
3 suspensions for multiple violations shall be assessed as follows:

4 (A) Two violations one weekday;

5 (B) Three violations two weekdays;

6 (C) Four violations three weekdays;

7 (D) Five violations three weekend days, Friday through Sunday.

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

15 Sec. 138. 7 V.S.A. § 1008 is amended to read:

16 § 1008. RULEMAKING

17 The ~~board~~ Board of Liquor and Lottery shall adopt rules for the
18 administration and enforcement of this chapter.

1 Sec. 139. 7 V.S.A. § 1009 is amended to read:

2 § 1009. CONTRABAND AND SEIZURE

3 Any cigarettes or other tobacco products that have been sold, offered for
4 sale, or possessed for sale in violation of section 1003 of this title, 20 V.S.A.
5 § 2757, 32 V.S.A. § 7786, or 33 V.S.A. § 1919, and any commercial cigarette
6 rolling machines possessed or utilized in violation of section 1011 of this title,
7 shall be deemed contraband, and shall be subject to seizure by the
8 Commissioner, the Commissioner’s agents or employees, the Commissioner of
9 Taxes, or any agent or employee ~~thereof~~ of the Commissioner of Taxes, or by
10 any ~~peace~~ law enforcement officer of this State when directed to do so by the
11 Commissioner. All cigarettes or other tobacco products seized shall be
12 destroyed.

13 Sec. 140. 7 V.S.A. § 1010 is amended to read:

14 § 1010. INTERNET SALES

15 (a) As used in this section:

16 (1) “Cigarette” has the same ~~definition as that found at~~ meaning as in
17 32 V.S.A. § 7702(1).

18 (2) [Repealed.]

19 (3) “Licensed wholesale dealer” has the same ~~definition as that found at~~
20 meaning as in 32 V.S.A § 7702(5).

1 (4) “Little cigars” has the same ~~definition as that found at~~ meaning as in
2 32 V.S.A. § 7702(6).

3 (5) “Retail dealer” has the same ~~definition as that found at~~ meaning as in
4 32 V.S.A. § 7702(10).

5 (6) “Roll-your-own tobacco” has the same ~~definition as that found at~~
6 meaning as in 32 V.S.A § 7702(11).

7 (7) “Snuff” has the same ~~definition as that found at~~ meaning as in
8 32 V.S.A. § 7702(13).

9 (b) No person shall cause cigarettes, roll-your-own tobacco, little cigars, or
10 snuff, ordered or purchased by mail or through a computer network, telephonic
11 network, or other electronic network, to be shipped to anyone other than a
12 licensed wholesale dealer or retail dealer in this State.

13 (c) No person shall, with knowledge or reason to know of the violation,
14 provide substantial assistance to a person in violation of this section.

15 (d) A violation of this section is punishable as follows:

16 (1) A knowing or intentional violation of this section shall be punishable
17 by imprisonment for not more than five years or a fine of not more than
18 \$5,000.00, or both.

19 (2) In addition to or in lieu of any other civil or criminal remedy
20 provided by law, upon a determination that a person has violated this section,
21 the Attorney General may impose a civil penalty in an amount not to exceed

1 \$5,000.00 for each violation. For purposes of this subsection, each shipment
2 or transport of cigarettes, roll-your-own tobacco, little cigars, or snuff shall
3 constitute a separate violation.

4 (3) The Attorney General may seek an injunction to restrain a threatened
5 or actual violation of this section.

6 (4) In any action brought pursuant to this section, the State shall be
7 entitled to recover the costs of investigation, of expert witness fees, of the
8 action, and reasonable attorney's fees.

9 (5) A person who violates this section engages in an unfair and
10 deceptive trade practice in violation of the State's Consumer Protection Act,
11 9 V.S.A. §§ 2451 et seq.

12 (6) If a court determines that a person has violated the provisions of this
13 section, the court shall order any profits, gain, gross receipts, or other benefit
14 from the violation to be disgorged and paid to the State Treasurer for deposit in
15 the General Fund.

16 (7) Unless otherwise expressly provided, the penalties or remedies, or
17 both, under this section are in addition to any other penalties and remedies
18 available under any other law of this State.

1 Sec. 141. 7 V.S.A. § 1011 is amended to read:

2 § 1011. COMMERCIAL CIGARETTE ROLLING MACHINES

3 (a) A person shall not possess or use a cigarette rolling machine for
4 commercial purposes.

5 (b) A person who knowingly violates subsection (a) of this section shall be
6 subject to the following civil penalties:

7 (1) The revocation or termination of any license, permit, appointment, or
8 commission under this chapter.

9 (2) A civil penalty of up to \$50,000.00 in any action brought by the
10 Department of Taxes, the Department of Liquor and Lottery, the Division of
11 Liquor Control, or the Attorney General.

12 (c) Penalties assessed under subsection (b) of this section shall be paid into
13 the General Fund.

14 (d) A person who violates subsection (a) of this section shall be imprisoned
15 for not more than three years or fined not more than \$100,000.00, or both.

16 (e) This section shall not apply to the possession of a cigarette rolling
17 machine intended solely for personal use by individuals who do not intend to
18 offer the resulting product for resale.

19 (f) A cigarette rolling machine capable of rolling 200 cigarettes in fewer
20 than 15 minutes is shall be presumed to be for commercial purposes.

1 Sec. 142. 7 V.S.A. § 1012 is amended to read:

2 § 1012. LIQUID NICOTINE; PACKAGING

3 (a) Unless specifically preempted by federal law, no person shall
4 manufacture, regardless of location, for sale in; offer for sale in; sell in or into
5 the stream of commerce in; or otherwise introduce into the stream of
6 commerce in Vermont:

7 (1) any liquid or gel substance containing nicotine unless that product is
8 contained in child-resistant packaging; or

9 (2) any nicotine liquid container unless that container constitutes child-
10 resistant packaging.

11 (b) As used in this section:

12 (1) “Child-resistant packaging” means packaging that is designed or
13 constructed to be significantly difficult for children under five years of age to
14 open or obtain a toxic or harmful amount of the substance ~~contained therein in~~ in
15 the container within a reasonable time and not difficult for normal adults to use
16 properly, but does not mean packaging which all ~~such~~ children under five years
17 of age cannot open or obtain a toxic or harmful amount of the substance in the
18 container within a reasonable time.

19 (2) “Nicotine liquid container” means a bottle or other container of a
20 nicotine liquid or other substance containing nicotine ~~which that~~ that is sold,
21 marketed, or intended for use in a tobacco substitute. The term does not

1 include a container containing nicotine in a cartridge that is sold, marketed, or
2 intended for use in a tobacco substitute if the cartridge is prefilled and sealed
3 by the manufacturer and not intended to be opened by the consumer.

4 Sec. 143. 10 V.S.A. § 1522 is amended to read:

5 § 1522. BEVERAGE CONTAINERS; DEPOSIT

6 (a) Except with respect to beverage containers which contain liquor, a
7 deposit of not less than five cents shall be paid by the consumer on each
8 beverage container sold at the retail level and refunded to the consumer upon
9 return of the empty beverage container. With respect to beverage containers of
10 volume greater than 50 ml. which contain liquor, a deposit of 15 cents shall be
11 paid by the consumer on each beverage container sold at the retail level and
12 refunded to the consumer upon return of the empty beverage container. The
13 difference between liquor bottle deposits collected and refunds made is hereby
14 retained by the ~~liquor control fund~~ Liquor Control Enterprise Fund for
15 administration of this subsection.

16 * * *

17 Sec. 144. 10 V.S.A. § 6605f is amended to read:

18 § 6605f. WASTE MANAGEMENT PERSONNEL BACKGROUND

19 REVIEW

20 (a) Disqualifying criteria. Any nongovernmental entity or person applying
21 for a certification under section 6605, 6605a, or 6606 of this title, for interim

1 certification under section 6605b of this title, or for a waste transportation
2 permit under section 6607a of this title, shall be denied certification or other
3 authorization if the Secretary finds:

4 (1) that the applicant or any person required to be listed on the
5 disclosure statement pursuant to subdivision (b)(1) of this section has been
6 convicted of any of the following disqualifying offenses in this or any other
7 jurisdiction within the 10 years preceding the date of the application:

8 * * *

9 (L) ~~trafficking in alcoholic beverages as defined in~~ unlawfully
10 selling, bartering, possessing, furnishing, or transporting alcohol pursuant to
11 7 V.S.A. § 561;

12 * * *

13 Sec. 145. 12 V.S.A. § 7156 is amended to read:

14 § 7156. EFFECT OF EMANCIPATION

15 * * *

16 (b) The order of emancipation shall not affect the status of the minor in the
17 applicability of any provision of law which requires specific age requirements
18 under the ~~state~~ State or federal constitution or any ~~state~~ State or federal law
19 including laws that prohibit the sale, purchase, or consumption of ~~intoxicating~~
20 ~~liquor~~ alcoholic beverages to or by a person under 21 years of age.

1 Sec. 146. 13 V.S.A. § 6505 is amended to read:

2 § 6505. PAYMENT

3 The ~~commissioner of finance and management~~ Commissioner of Finance
4 and Management shall allow counsel so employed a reasonable compensation
5 for his or her services and expenses and shall issue his or her warrant for the
6 amount allowed. Compensation shall not be allowed where it appears to the
7 ~~commissioner~~ Commissioner that the prosecution was superfluous and
8 instituted to enhance costs, nor in the trial of a person upon a complaint for
9 intoxication or for any other offense against the ~~chapter title~~ relating to
10 ~~intoxicating liquors~~ alcoholic beverages, except where the respondent pleads
11 not guilty.

12 Sec. 147. 18 V.S.A. § 4249 is amended to read:

13 § 4249. TRANSPORTATION OF ALCOHOL, TOBACCO, OR

14 REGULATED DRUGS INTO PLACES OF DETENTION

15 (a) No person shall knowingly carry or introduce or cause to be carried or
16 introduced into a lockup, jail, prison, or correctional facility:

17 (1) ~~alcohol, malt or vinous beverages, or spirituous liquor~~ or alcoholic
18 beverages;

19 * * *

1 Sec. 148. 18 V.S.A. § 4254 is amended to read:

2 § 4254. IMMUNITY FROM LIABILITY

3 * * *

4 (b) A person who, in good faith and in a timely manner, seeks medical
5 assistance for someone who is experiencing a drug overdose shall not be cited,
6 arrested, or prosecuted for a violation of this chapter or cited, arrested, or
7 prosecuted for procuring, possessing, or consuming alcohol by someone under
8 age 21 years of age pursuant to 7 V.S.A. §§ § 656 ~~and 657~~ or for providing to
9 or enabling consumption of alcohol by someone under age 21 years of age
10 pursuant to 7 V.S.A. § 658(a)-(c).

11 (c) A person who is experiencing a drug overdose and, in good faith, seeks
12 medical assistance for himself or herself or is the subject of a good faith
13 request for medical assistance shall not be cited, arrested, or prosecuted for a
14 violation of this chapter or cited, arrested, or prosecuted for procuring,
15 possessing, or consuming alcohol by someone under age 21 years of age
16 pursuant to 7 V.S.A. §§ § 656 ~~and 657~~ or for providing to or enabling
17 consumption of alcohol by someone under age 21 years of age pursuant to
18 7 V.S.A. § 658(a)-(c).

19 (d) A person who seeks medical assistance for a drug overdose or is the
20 subject of a good faith request for medical assistance pursuant to subsection (b)
21 or (c) of this section shall not be subject to any of the penalties for violation of

1 13 V.S.A. § 1030 (violation of a protection order), for a violation of this
2 chapter or 7 V.S.A. §§ § 656 and ~~657~~, for being at the scene of the drug
3 overdose; or for being within close proximity to any person at the scene of the
4 drug overdose.

5 (e) A person who seeks medical assistance for a drug overdose or is the
6 subject of a good faith request for medical assistance pursuant to subsection (b)
7 or (c) of this section shall not be subject to any sanction for a violation of a
8 condition of pretrial release, probation, furlough, or parole for a violation of
9 this chapter or 7 V.S.A. §§ § 656 and ~~657~~ for being at the scene of the drug
10 overdose or for being within close proximity to any person at the scene of the
11 drug overdose.

12 * * *

13 Sec. 149. 20 V.S.A. § 1817 is amended to read:

14 § 1817. REPORTS OF LAW ENFORCEMENT OFFICER; ACCIDENTS
15 INVOLVING LIQUOR ALCOHOL

16 Any law enforcement officer who, upon investigation of a motor vehicle
17 accident or other incident involving the use of ~~intoxicating liquor~~ alcohol, shall
18 inquire whether the person involved in the accident or incident was served or
19 furnished ~~intoxicating liquor~~ alcoholic beverages at a licensed establishment
20 and, if the officer determines that a person was served or furnished ~~intoxicating~~
21 ~~liquor~~ alcoholic beverages at a licensed establishment, the officer shall so

1 inform ~~in writing~~ the appropriate licensee or licensees in writing. A law
2 enforcement officer shall not be subject to civil liability for an omission or
3 failure to comply with a provision of this section.

4 Sec. 150. 20 V.S.A. § 2358 is amended to read:

5 § 2358. MINIMUM TRAINING STANDARDS; DEFINITIONS

6 * * *

7 (b) The Council shall offer or approve basic training and annual in-service
8 training for each of the following three levels of law enforcement officer
9 certification in accordance with the scope of practice for each level, and shall
10 determine by rule the scope of practice for each level in accordance with the
11 provisions of this section:

12 * * *

13 (2) Level II certification.

14 (A) An applicant for certification as a Level II law enforcement
15 officer shall first complete Level II basic training and may then become
16 certified in a specialized practice area as set forth in subdivision (B)(ii) of this
17 subdivision (2). Level II basic training shall include training to respond to
18 calls regarding alleged crimes in progress and to react to the circumstances
19 described in subdivision (B)(iii) of this subdivision (2).

1 (B)(i) Except as provided in subdivisions (ii) and (iii) of this
2 subdivision (B), the scope of practice of a Level II law enforcement officer
3 shall be limited to investigating the following matters:

4 (I) ~~7 V.S.A. § 657 (person under 21 years of age~~
5 ~~misrepresenting age procuring, possessing, or consuming alcoholic beverages;~~
6 ~~third or subsequent offense); [Repealed.]~~

7 (II) 7 V.S.A. § 658 (sale or furnishing to minors; enabling
8 consumption by minors);

9 * * *

10 Sec. 151. 23 V.S.A. § 1134 is amended to read:

11 § 1134. MOTOR VEHICLE OPERATOR; CONSUMPTION OR
12 POSSESSION OF ALCOHOL

13 (a) A person shall not consume alcoholic beverages while operating a
14 motor vehicle on a public highway. As used in this section, “alcoholic
15 beverages” shall have the same meaning as ~~“intoxicating liquor”~~ “alcohol” as
16 defined in section 1200 of this title.

17 * * *

1 Sec. 152. 23 V.S.A. § 1134a is amended to read:

2 § 1134a. MOTOR VEHICLE PASSENGER; CONSUMPTION OR
3 POSSESSION OF ALCOHOL

4 (a) Except as provided in subsection (c) of this section, a passenger in a
5 motor vehicle shall not consume alcoholic beverages or possess any open
6 container which contains alcoholic beverages in the passenger area of any
7 motor vehicle on a public highway. As used in this section, “alcoholic
8 beverages” shall have the same meaning as ~~“intoxicating liquor”~~ “alcohol” as
9 defined in section 1200 of this title.

10 * * *

11 Sec. 153. 23 V.S.A. § 1200 is amended to read:

12 § 1200. DEFINITIONS

13 As used in this subchapter:

14 * * *

15 (4) ~~“Intoxicating liquor”~~ “Alcohol” includes alcohol, malt beverages,
16 ~~spirituous liquors~~ spirits, fortified wines, and vinous beverages, as defined in
17 7 V.S.A. § 2, and any beverage or liquid containing any of them.

18 * * *

19 (7) ~~“Highway” shall be defined~~ has the same meaning as in subdivision
20 4(13) of this title, except that for purposes of this subchapter, “highway” does
21 not include the driveway which serves only a single-family or two-family

1 residence of the operator. This exception shall not apply if a person causes the
2 death of a person, causes bodily injury to a person, or causes damage to the
3 personal property of another person, while operating a motor vehicle on a
4 driveway in violation of section 1201 of this subchapter.

5 * * *

6 (9)(A) “Ignition interlock restricted driver’s license” or “ignition
7 interlock RDL” or “RDL” means a restricted license or privilege to operate a
8 motor vehicle issued by the Commissioner allowing a resident whose license
9 or privilege to operate has been suspended or revoked for operating under the
10 influence of ~~intoxicating liquor~~ alcohol or in excess of legal limits of alcohol
11 concentration, or for refusing an enforcement officer’s reasonable request for
12 an evidentiary test, to operate a motor vehicle, other than a commercial motor
13 vehicle as defined in section 4103 of this title, installed with an approved
14 ignition interlock device.

15 (B) “Ignition interlock certificate” means a restricted privilege to
16 operate a motor vehicle issued by the Commissioner allowing a nonresident
17 whose privilege to operate a motor vehicle in Vermont has been suspended or
18 revoked for operating under the influence of ~~intoxicating liquor~~ alcohol or in
19 excess of legal limits of alcohol concentration, or for refusing an enforcement
20 officer’s reasonable request for an evidentiary test, to operate a motor vehicle,

1 other than a commercial motor vehicle as defined in section 4103 of this title,
2 installed with an approved ignition interlock device.

3 * * *

4 Sec. 154. 23 V.S.A. § 3207a is amended to read:

5 § 3207a. OPERATING UNDER THE INFLUENCE OF ~~INTOXICATING~~
6 ~~LIQUOR~~ ALCOHOL OR DRUGS; SWI

7 (a) A person shall not operate, attempt to operate, or be in actual physical
8 control of a snowmobile on any lands, waters, or public highways of this State:

9 (1) when the person's alcohol concentration is 0.08 or more; or

10 (2) when the person is under the influence of ~~intoxicating liquor~~
11 alcohol; or

12 (3) when the person is under the influence of any other drug or under the
13 combined influence of alcohol and any other drug to a degree which renders
14 the person incapable of safely operating a snowmobile.

15 (b) A person who is a habitual user of or under the influence of any
16 narcotic drug or who is under the influence of any other drug, substance, or
17 inhalant other than ~~intoxicating liquor~~ alcohol to a degree which renders the
18 person incapable of safely operating a snowmobile may not operate, attempt to
19 operate, or be in actual physical control of a snowmobile.

20 * * *

1 (e) As used in this section, ~~“intoxicating liquor”~~ includes “alcohol;”
2 includes “alcohol,” “malt beverages,” “spirituous liquors spirits,” “fortified
3 wines,” and “vinous beverages” as defined in 7 V.S.A. § 2, and any beverage
4 or liquid containing any of them.

5 * * *

6 Sec. 155. 23 V.S.A. § 3323 is amended to read:

7 § 3323. OPERATING UNDER THE INFLUENCE OF ~~INTOXICATING~~
8 ~~LIQUOR~~ ALCOHOL OR DRUGS; B.W.I.

9 (a) A person shall not operate, attempt to operate, or be in actual physical
10 control of a vessel on the waters of this State while:

11 (1) there is 0.08 percent or more by weight of alcohol in his or her
12 blood, as shown by analysis of his or her breath or blood; or

13 (2) under the influence of ~~intoxicating liquor~~ alcohol; or

14 (3) under the influence of any other drug or under the combined
15 influence of alcohol and any other drug to a degree which renders the person
16 incapable of operating safely.

17 (b) ~~For purposes of~~ As used in this section, ~~“intoxicating liquor”~~ includes
18 “alcohol;” includes “alcohol,” “malt beverages,” “spirituous liquors spirits,”
19 “fortified wines,” and “vinous beverages” as defined in 7 V.S.A. § 2, and any
20 beverage or liquid containing any of ~~the foregoing~~ them.

1 (c) A person who is a habitual user of or under the influence of any
2 narcotic drug or who is under the influence of any other drug, substance, or
3 inhalant other than ~~intoxicating liquor~~ alcohol to a degree which renders the
4 person incapable of safely operating a vessel may not operate, attempt to
5 operate, or be in actual physical control of a vessel. The fact that a person
6 charged with a violation of this section is or has been entitled to use such drug
7 under the laws of this State shall not constitute a defense against any charge of
8 violating this section.

9 * * *

10 Sec. 156. 23 V.S.A. § 3506 is amended to read:

11 § 3506. OPERATION

12 * * *

13 (b) An all-terrain vehicle may not be operated:

14 * * *

15 (8) While the operator is under the influence of drugs or ~~intoxicating~~
16 ~~beverages~~ alcohol as defined by this title.

17 * * *

18 Sec. 157. 24 V.S.A. § 301 is amended to read:

19 § 301. PENALTY FOR REFUSAL TO ASSIST

20 A person being required in the name of the State by a sheriff, deputy sheriff,
21 high bailiff, deputy bailiff, or constable, who neglects or refuses to assist ~~such~~

1 ~~an~~ the officer in the execution of his or her office, in a criminal cause, ~~or~~ in the
2 preservation of the peace, ~~or~~ in the apprehension and securing of a person for a
3 breach of the peace, ~~or~~ in a search and seizure of ~~intoxicating liquors~~ alcohol as
4 defined in 7 V.S.A. § 2 or in transporting ~~such liquors~~ the alcohol when seized,
5 or in a case of escape or rescue of persons arrested on civil process, shall be
6 fined not more than \$500.00, unless the circumstances under which his or her
7 assistance is called for amount to a riot, in which case he or she shall be
8 imprisoned not more than six months or fined not more than \$100.00, or both.

9 Sec. 158. 29 V.S.A. § 902 is amended to read:

10 § 902. DUTIES OF COMMISSIONER OF BUILDINGS AND GENERAL
11 SERVICES

12 * * *

13 (f) The Commissioner of Buildings and General Services may also:

14 * * *

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

18 * * *

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

1 Sec. 159. 32 V.S.A. § 10203 is amended to read:

2 § 10203. DISTRIBUTION; RETAIL PURCHASE AND SALE

3 * * *

4 (f) Break-open tickets shall not be sold at premises licensed to sell

5 alcoholic beverages except ~~at clubs~~ for clubs as defined in 7 V.S.A. § ~~2(7)~~ 2.

6 However, a nonprofit organization may sell break-open tickets at premises

7 licensed to sell alcoholic beverages if, notwithstanding 13 V.S.A. § 2143(e), all

8 proceeds from the sale of the break-open tickets are used by the nonprofit

9 organization exclusively for charitable, religious, educational, and civic

10 undertakings, with only the following costs deducted from the proceeds:

11 (1) the actual cost of the break-open tickets;

12 (2) the prizes awarded;

13 (3) the reasonable legal fees necessary to organize the nonprofit

14 organization and to ~~assure~~ ensure compliance with all legal requirements; and

15 (4) the reasonable accounting fees necessary to account for the proceeds

16 from the sale of the break-open tickets.

17 * * *

18 Sec. 160. 33 V.S.A. § 5102 is amended to read:

19 § 5102. DEFINITIONS AND PROVISIONS OF GENERAL APPLICATION

20 As used in the juvenile judicial proceedings chapters, ~~unless the context~~

21 ~~otherwise requires:~~

1 * * *

2 (9) “Delinquent act” means an act designated a crime under the laws of
3 this State, or of another state if the act occurred in another state, or under
4 federal law. A delinquent act shall include a violation of 7 V.S.A. §§ § 656
5 ~~and 657~~; however, it shall not include:

6 (A) snowmobile offenses in 23 V.S.A. chapter 29, subchapter 1 and
7 motorboat offenses in 23 V.S.A. chapter 29, subchapter 2, except for violations
8 of sections 3207a, 3207b, 3207c, 3207d, and 3323;

9 (B) motor vehicle offenses committed by an individual who is at least
10 16 years of age, except for violations of 23 V.S.A. chapter 13, subchapter 13
11 and of 23 V.S.A. § 1091.

12 * * *

13 Sec. 161. REPLACEMENTS

14 In the following sections, the phrase “intoxicating liquor” or “intoxicating
15 liquors,” wherever it appears, shall be replaced with “alcohol”:

16 (1) 5 V.S.A. §§ 427, 3728, and 3729;

17 (2) 9 V.S.A. § 3807;

18 (3) 13 V.S.A. §§ 4017, 5041, 5042, 5301, and 7601;

19 (4) 23 V.S.A. §§ 308, 1130, 1201, 1204, 1211, 1213, 1218, 3206,

20 3207d, 3311, 3325, 3326, 3905, and 4116; and

21 (5) 32 V.S.A. § 805.

1 Sec. 162. REVIEW OF FINES AND PENALTIES; REPORT

2 The Commissioner of Liquor and Lottery shall review the adequacy and
3 effectiveness of all fines and penalties in Title 7 to determine which fines and
4 penalties, if any, require an amendment to improve their efficacy and operation
5 in concert with the regulatory and enforcement provisions of Title 7. On or
6 before January 15, 2018, the Commissioner shall submit a written report to the
7 House Committees on General, Housing and Military Affairs and on Judiciary,
8 and the Senate Committees on Economic Development, Housing and General
9 Affairs and on Judiciary regarding his or her findings and any
10 recommendations for legislative action.

11 * * * Merger of State Lottery into Department of Liquor and Lottery * * *

12 Sec. 163. FINDINGS AND PURPOSE

13 (a) The General Assembly finds that:

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

17 (2) The similarities between the roles and functions of the Department
18 of Liquor Control and the State Lottery create the potential for the two entities
19 to merge and collaborate in carrying out their respective functions and
20 missions.

1 (3) Merging the Department of Liquor Control and State Lottery into a
2 single Department of Liquor and Lottery will enable the State to deliver
3 services more effectively and efficiently to the public.

4 (4) Merging the Department of Liquor Control and the State Lottery into
5 a single Department of Liquor and Lottery will also enable the State to realize
6 significant cost savings by eliminating redundancy, improving accountability,
7 providing for more efficient use of specialized expertise and facilities, and
8 promoting the effective sharing of best practices and state-of-the-art
9 technology.

10 (b) Accordingly, it is the intent of the General Assembly to:

11 (1) create a combined Department of Liquor and Lottery that will be a
12 successor to and continuation of the Department of Liquor Control and the
13 State Lottery; and

14 (2) create a Board of Liquor and Lottery that shall be the successor to
15 and a continuation of the Liquor Control Board and the Lottery Commission.

16 Sec. 164. REPEALS

17 31 V.S.A. §§ 651 (State Lottery Commission), 652 (organization), and 653
18 (compensation) are repealed.

1 Sec. 165. 31 V.S.A. § 654 is redesignated and amended to read:

2 § ~~654~~ 651. POWERS AND DUTIES OF BOARD OF LIQUOR AND
3 LOTTERY

4 The ~~Commission~~ Board of Liquor and Lottery shall adopt rules pursuant to
5 3 V.S.A. chapter 25, governing the establishment and operation of the State
6 Lottery. The rules may include the following:

7 * * *

8 (7) Lottery product sales locations, which may include State agency
9 liquor stores ~~and liquor agencies~~; private business establishments, except
10 establishments holding first- or first- and third-class licenses pursuant to Title
11 7; fraternal, religious, and volunteer organizations; town clerks' offices; and
12 State fairs, race tracks, and other sporting arenas.

13 * * *

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

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

17 (B) the payment of all costs incurred in the creation, operation, and
18 administration of the ~~lottery~~ State Lottery, including compensation of the
19 ~~Commission Board, Director~~ Commissioner of Liquor and Lottery, employees
20 of the Department of Liquor and Lottery, consultants, contractors, and other
21 necessary expenses;

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

3 * * *

4 Sec. 166. 31 V.S.A. § 654a is redesignated and amended to read:

5 § ~~654a~~ 652. MULTIJURISDICTIONAL LOTTERY GAME

6 (a) In addition to the Tri-State Lotto Compact provided for in subchapter 2
7 of this chapter, and the other authority to operate lotteries contained in this
8 chapter, the ~~Commission~~ Board of Liquor and Lottery is authorized to
9 negotiate and contract with up to four multijurisdictional lotteries to offer and
10 provide multijurisdictional lottery games. The ~~Commission~~ Board may join
11 any multijurisdictional lottery that provides indemnification for its standing
12 committee members, officers, directors, employees, and agents. The
13 ~~Commission~~ Board shall adopt rules under 3 V.S.A. chapter 25 to govern the
14 establishment and operation of any multijurisdictional lottery game authorized
15 by this section.

16 * * *

17 (c) The provisions of subdivisions 674L.1.1A through 674L.1.1I of this
18 title shall apply to the payment of prizes to a person other than a winner for
19 prizes awarded under any multijurisdictional lottery authorized by this section,
20 except that the ~~Vermont Lottery Commission~~ Board of Liquor and Lottery

1 shall be responsible for implementing such provisions under this section, rather
2 than the Tri-State Lotto Commission.

3 Sec. 167. 31 V.S.A. § 655 is redesignated and amended to read:

4 § ~~655~~ 653. LICENSE FEES

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

9 Sec. 168. 31 V.S.A. § 656 is redesignated and amended to read:

10 § ~~656~~ 654. INTERSTATE LOTTERY; CONSULTANT; MANAGEMENT

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

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

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

1 Sec. 169. 31 V.S.A. § 657 is redesignated and amended to read:

2 § ~~657~~ 655. ~~DIRECTOR AND~~ DUTIES OF THE COMMISSIONER

3 (a) The State Lottery shall be under the immediate supervision and
4 direction of a ~~Lottery Director~~ the Commissioner of Liquor and Lottery. ~~The~~
5 ~~Director shall devote his or her entire time and attention to the duties of his or~~
6 ~~her office and shall not be engaged in any other profession or occupation. The~~
7 ~~Office of Director of the State Lottery is an executive position and shall not be~~
8 ~~included in the plan of classification of State employees, notwithstanding~~
9 ~~3 V.S.A. § 310(a).~~

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

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

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

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

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

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

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

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

5 Sec. 170. 31 V.S.A. § 658 is redesignated and amended to read:

6 § ~~658~~ 656. STATE LOTTERY FUND

7 (a) There is hereby created in the State Treasury a separate fund to be
8 known as the State Lottery Fund. ~~This fund~~ The Fund shall consist of all
9 revenues received from the Treasurer for initial funding, from sale of lottery
10 tickets, from license fees, and from all other money credited or transferred
11 from any other fund or source pursuant to law. The monies in the State Lottery
12 Fund shall be disbursed pursuant to subdivision ~~654(11)~~ 651(11) of this title,
13 and shall be disbursed by the Treasurer on warrants issued by the
14 Commissioner of Finance and Management, when authorized by the
15 Commissioner of Liquor and Lottery Director and approved by the
16 Commissioner of Finance and Management.

17 (b) Expenditures for administrative and overhead expenses of the operation
18 of the ~~lottery~~ Lottery, except agent and bank commissions, shall be paid from
19 lottery receipts from an appropriation authorized for that purpose. Agent
20 commissions shall be set by the ~~Lottery Commission~~ Board of Liquor and
21 Lottery and may not exceed 6.25 percent of gross receipts and bank

1 commissions may not exceed 1 percent of gross receipts. Once the draw game
2 results become official, the payment of any commission on any draw game
3 ticket that wins at least \$10,000.00 shall be made through the normal course of
4 processing payments to lottery agents, regardless of whether the winning ticket
5 is claimed.

6 * * *

7 Sec. 171. 31 V.S.A. § 659 is redesignated and amended to read:

8 § ~~659~~ 657. REPORT OF THE COMMISSION BOARD

9 The ~~Commission~~ Board of Liquor and Lottery shall make an annual report
10 to the Governor and to the General Assembly on or before the 10th day of
11 January in each year, ~~including therein~~. The report shall include an account of
12 ~~its~~ the Board's actions, and the receipts derived under the provisions of this
13 chapter, the practical effects of the application ~~thereof~~ of the proceeds of the
14 Lottery, and any recommendation for legislation which the ~~Commission~~ Board
15 deems advisable.

16 Sec. 172. 31 V.S.A. § 660 is redesignated and amended to read:

17 § ~~660~~ 658. POST-AUDITS POSTAUDITS

18 All lottery accounts and transactions of the ~~Lottery Commission~~ Board of
19 Liquor and Lottery and Division of the Lottery pursuant to this chapter shall be
20 subject to annual ~~post-audits~~ postaudits conducted by independent auditors

1 retained by the ~~Commission~~ Board for this purpose. The ~~Commission~~ Board
2 may order ~~such~~ other audits as it deems necessary and desirable.

3 Sec. 173. 31 V.S.A. § 661 is redesignated and amended to read:

4 § ~~661~~ 659. SALES AND PURCHASE OF LOTTERY TICKETS

5 The following acts relating to the purchase and sale of lottery tickets are
6 prohibited:

7 * * *

8 (4) No member of the ~~Commission~~ Board of Liquor and Lottery or
9 employee of the ~~Commission~~ Board of Department of Liquor and Lottery, or
10 members of their immediate household, may claim or receive prize money
11 ~~hereunder~~ under this chapter.

12 Sec. 174. 31 V.S.A. § 662 is redesignated to read:

13 § ~~662~~ 660. UNCLAIMED PRIZE MONEY

14 Sec. 175. 31 V.S.A. § 663 is redesignated to read:

15 § ~~663~~ 661. STATE GAMING LAWS INAPPLICABLE AS TO LOTTERY

16 Sec. 176. 31 V.S.A. § 665 is redesignated to read:

17 § ~~665~~ 662. PENALTIES

18 Sec. 177. 31 V.S.A. § 666 is redesignated to read:

19 § ~~666~~ 663. PUBLICATION OF ODDS

1 Sec. 178. 31 V.S.A. § 667 is redesignated to read:

2 § ~~667~~ 664. FISCAL COMMITTEE REVIEW

3 * * *

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

7 Sec. 179. 3 V.S.A. § 212 is amended to read:

8 § 212. DEPARTMENTS CREATED

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

12 * * *

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

14 * * *

15 Sec. 180. 32 V.S.A. § 1010 is amended to read:

16 § 1010. MEMBERS OF CERTAIN BOARDS

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

20 * * *

21 (7) Liquor Control Board Board of Liquor and Lottery

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

4 (B) All positions and appropriations of the Department of Liquor
5 Control and the State Lottery shall be transferred to the Department of Liquor
6 and Lottery.

7 (3)(A) The Commissioner of Liquor Control shall become the
8 Commissioner of Liquor and Lottery.

9 (B) The Commissioner of Liquor and Lottery shall assume all the
10 powers, duties, rights, and responsibilities of the Commissioner of Liquor
11 Control and the Director of the State Lottery.

12 Sec. **183**. LEGISLATIVE COUNCIL; PREPARATION OF A DRAFT BILL

13 On or before January 15, 2018, the Legislative Council shall prepare and
14 submit a draft bill to the House Committees on General, Housing and Military
15 Affairs and on Government Operations and the Senate Committees on
16 Economic Development, Housing and General Affairs and on Government
17 Operations that makes statutory amendments of a technical nature and
18 identifies all statutory sections that the General Assembly may need to amend
19 substantively to effect the intent of this act.

20 Sec. **184**. DEPARTMENT OF LIQUOR AND LOTTERY; FUNCTIONS

21 AND DUTIES; EFFECTIVENESS; REPORT

1 The Commissioner Liquor and Lottery, in consultation with the Board of
2 Liquor and Lottery, shall examine the effectiveness of the Department of
3 Liquor and Lottery in fulfilling its functions and duties and shall identify
4 specific measures to enhance the Department’s ability to carry out its functions
5 and duties effectively and efficiently. On or before November 15, 2017, the
6 Chair of the Board shall submit a written report to the Governor and the
7 General Assembly of his or her findings and recommendations for legislative
8 action.

9 Sec. 185. EFFECTIVE DATE

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

11 and that after passage the title of the bill be amended to read: “An act relating
12 to modernizing and reorganizing Title 7 and creating the Department of Liquor
13 and Lottery”

14
15
16 (Committee vote: _____)

17 _____

18 Senator _____

19 FOR THE COMMITTEE