

SUMMARY OF H.571 AS PASSED THE HOUSE:
AN ACT RELATING TO CREATING THE DEPARTMENT OF LIQUOR AND LOTTERY

Sec. 1 - 7 V.S.A. § 2 – Definitions

- New definitions related to creation of Department of Liquor and Lottery and Board of Liquor and Lottery.
- Name changes.

Sec. 2-Sec. 8

- Name changes.

Sec. 9 - 7 V.S.A. § 101 – Composition of Department; Commissioner; Board

- Enabling language for the Department of Liquor and Lottery and Board of Liquor and Lottery
- Creates authority for Commissioner to appoint Deputy Commissioners
- Changes Board terms from 5 years to 3 years (current Lottery Commission term length).
- Adds language prohibiting a financial interest in licenses and contracts issues by the Board or Department.
- Name changes.

Sec. 10 – 7 V.S.A. § 102 – Removal

- Name changes.

Sec. 11 – 7 V.S.A. § 104 – Duties, authority to resolve violations

- Adds authority for Board to review and approve Department’s budget before submission to Governor.
- Name changes.

Sec. 12-Sec. 13

- Name changes.

Sec. 14 – 7 V.S.A. § 107 – Duties of Commissioner of Liquor and Lottery

- Provides Commissioner with authority regarding Laws under Title 7 and 31 V.S.A. ch. 14 (Lottery).
- Requires Commissioner to prepare annual budget for Board approval.
- Name changes.

Sec. 15-Sec. 19

- Name changes.

Sec. 20 – 7 V.S.A. § 113 – Administration of Department; Apportionment of Costs

- Requires costs that are not specific to Liquor Control or Lottery to be allocated to and paid from the Liquor Control Enterprise Fund and the State Lottery Fund based on generally accepted accounting principles.

Sec. 21 – Use of Departmental administrative resources; apportionment of costs; report

- Requires a report to House and Senate Appropriations Committees regarding how costs are being allocated.

Sec. 22-Sec. 87

- Name changes.

Sec. 88 – Repeals

- Repeals 31 V.S.A. §§ 651, 652, and 653, which relate to the State Lottery Commission.

Sec. 89

- Name changes.

Sec. 90 – 31 V.S.A. § 654a – Multijurisdictional lottery games

- Permits the Board to adopt procedures to govern the operation of multijurisdictional lottery games.
 - Creates a process for public notice and comment on proposed procedures.
 - The Board will no longer be required to adopt administrative rules in relation to multijurisdictional lottery games.

Sec. 90a – Adoption of procedures; repeal of rules

- Requires Board to adopt procedures governing multijurisdictional lottery games by September 15, 2018, and provides that the existing rules for a game shall be deemed to be repealed upon adoption of procedures related to that game.

Sec. 91-Sec. 92

- Name changes.

Sec. 93 – 31 V.S.A. § 655 – Duties of the Commissioner

- Provides that Lottery will be under the immediate supervision of the Commissioner of Liquor and Lottery.
- Strikes old language prohibiting Director from engaging in another profession and making Director's position exempt from classified system.
- Redesignates section and makes name and stylistic changes.

Sec. 94-Sec. 97

- Redesignates sections and makes name changes.

Sec. 98-Sec. 101

- Redesignates sections.

Sec. 102-Sec. 105a

- Name changes.

Sec. 106 – Board of Liquor and Lottery; Department of Liquor and Lottery; Powers and Duties

- Transfers duties and authority from the existing Department of Liquor Control, Liquor Control Board, State Lottery, and Lottery Commission to the new Department of Liquor and Lottery and Board of Liquor and Lottery.
- Makes the Commissioner of Liquor Control the Commissioner of Liquor and Lottery and transfers duties and authority over Liquor Control and Lottery to the Commissioner.

Sec. 107 – Legislative Council; Preparation of Draft Bill

- Requires Legislative Council to submit a bill making technical corrections and identifying potential substantive amendments that may need to be made to carry out the merger.

Sec. 108 – Commissioner of Liquor and Lottery; Current Term; Appointment of Successor

- Ensures that existing 4-year term and removal for cause provisions that apply to the Commissioner of Liquor Control will continue to apply after he becomes the Commissioner of Liquor and Lottery.

Sec. 109 – Repeal

- Repeals old 4-year term and removal for cause provisions that apply to the Commissioner of Liquor Control.

Sec. 110 – Department of Liquor and Lottery; annual reports

- Requires Commissioner to submit annual reports by January 15 of 2019, 2020 and 2021 regarding new Department's ability to carry out functions of former Department of Liquor Control and State Lottery.
- Report must identify improvements in efficiency and customer service, and any savings realized as a result of the merger.
- Shall also include update on effort to secure a new facility and recommendations for legislative action necessary to further the merger of the two entities.

Sec. 111 – Transition

- Requires Commissioner to work with others in the administration to enable the merger to be carried out on July 1, 2018.
- Requires the Governor to appoint the 5 members who will form the new Board of Liquor and Lottery. Limits Governor to appointing no more than 3 members from either the Liquor Control Board or the Lottery Commission.
- Provides for staggered terms of the Board members.

Sec. 112 – Effective Dates

- Sections necessary for transition are effective on passage; remainder of bill is effective July 1, 2018.