

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on General, Housing, and Military Affairs to which was  
3 referred House Bill No. 13 entitled “An act relating to alcoholic beverages”  
4 respectfully reports that it has considered the same and recommends that the  
5 bill be amended by striking out all after the enacting clause and inserting in  
6 lieu thereof the following:

7 \* \* \* Permitting Holders of an E-2 Visa to Acquire a Liquor License \* \* \*

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

9 § 2. DEFINITIONS

10 As used in this title:

11 \* \* \*

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

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\* \* \*

\* \* \* Modernization of Penalties for Violations of Alcoholic Beverage and  
Tobacco Laws \* \* \*

Sec. 2. 7 V.S.A. § 63 is amended to read:

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

(a)(1) All spirits and fortified wines imported or transported into this State shall be imported or transported by and through the Board of Liquor and Lottery. A person importing or transporting or causing to be imported or transported into this State any spirits or fortified wines, or both, in violation of this section shall be imprisoned not more than one year or fined not more than ~~\$1,000.00~~ \$5,000.00, or both.

\* \* \*

Sec. 3. 7 V.S.A. § 64 is amended to read:

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

\* \* \*

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

1 Sec. 4. 7 V.S.A. § 65 is amended to read:

2 § 65. PURCHASE OF KEGS

3 Any individual who, within 60 days of purchase, fails to return a keg sold  
4 pursuant to section 64 of this chapter to the second-class or fourth-class  
5 licensee from which the keg was purchased shall be fined ~~not more than~~  
6 \$200.00.

7 Sec. 5. 7 V.S.A. § 210 is amended to read:

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

9 ADMINISTRATIVE PENALTY

10 \* \* \*

11 (b)(1) ~~As an alternative to and in lieu of~~ In addition to the authority to  
12 suspend or revoke any permit or license, the Board of Liquor and Lottery ~~shall~~  
13 ~~also have the power to~~ may impose an administrative penalty of up to  
14 ~~\$2,500.00~~ \$7,500.00 per violation against a holder of a wholesale dealer's  
15 license or a holder of a first-, second-, or third-class license for a violation of  
16 the conditions of the license or of this title or of any rule adopted by the Board.

17 \* \* \*

18 (3) The Board may also impose an administrative penalty under this  
19 subsection against a holder of a tobacco license ~~for~~ of up to ~~\$100.00~~ \$250.00  
20 for a first violation and up to ~~\$1,000.00~~ \$2,500.00 for subsequent violations.

21 \* \* \*

1 Sec. 6. 7 V.S.A. § 213 is amended to read:

2 § 213. LICENSEE EDUCATION

3 \* \* \*

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

11 (2) A licensee may comply with this requirement by conducting its own  
12 training program on its premises, using information and materials furnished or  
13 approved by the Division of Liquor Control. A licensee who fails to comply  
14 with the requirements of this subsection shall be subject to a suspension of the  
15 license issued under this title for not less than one day or a fine of not more  
16 than \$100.00, or both.

17 \* \* \*

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

19 § 274. CERTIFICATE OF APPROVAL FOR DISTRIBUTION OF MALT  
20 OR VINOUS BEVERAGES

21 \* \* \*

1 (e) A person who violates a provision of this section shall be fined not  
2 more than ~~\$300.00~~ \$750.00 or imprisoned not more than one year, or both, for  
3 each offense and shall forfeit any license issued under the provisions of this  
4 title.

5 Sec. 8. 7 V.S.A. § 281 is amended to read:

6 § 281. PROHIBITIONS

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

11 (2) Any person who knowingly makes, participates in, imports, or  
12 receives a direct shipment of malt or vinous beverages from a person who does  
13 not hold a license, permit, or certificate pursuant to sections 226 or 277-280 of  
14 this title may be fined not more than ~~\$1,000.00~~ \$2,500.00 or imprisoned not  
15 more than one year, or both.

16 \* \* \*

17 Sec. 9. 7 V.S.A. § 651 is amended to read:

18 § 651. SOLICITING ORDERS

19 A person who, for himself or herself or as agent, takes or solicits orders for  
20 the sale of malt or vinous beverages, except for licensees or from agencies of  
21 the U.S. Armed Forces as specified in section 421 of this title, or of spirits or

1 fortified wines shall be imprisoned not more than six months ~~nor less than~~  
2 ~~three months~~ or fined not more than \$500.00 nor less than \$100.00, or both.

3 Sec. 10. 7 V.S.A. § 652 is amended to read:

4 § 652. TRANSPORTATION

5 A person who, by himself or herself, or through a clerk or agent, brings into  
6 the State, or conveys or transports over or along a railroad or public highway,  
7 or by land, air, or water, alcoholic beverages or alcohol ~~which~~ that the person  
8 knows or has reason to believe is to be unlawfully kept, sold, or furnished shall  
9 be imprisoned not more than six months nor less than three months or fined not  
10 more than ~~\$500.00~~ \$2,500.00 nor less than \$100.00, or both.

11 Sec. 11. 7 V.S.A. § 655 is amended to read:

12 § 655. BARTER

13 (a) A licensee or permittee shall be imprisoned not more than ~~12~~ six  
14 months nor less than ~~six months~~ 30 days or fined not more than ~~\$1,000.00~~  
15 \$1,500.00 nor less than ~~\$300.00~~ \$500.00, or both, if the licensee or permittee:

16 (1) purchases or receives 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 for which is, in whole or in part,  
19 alcoholic beverages or alcohol or the price of the alcoholic beverages or  
20 alcohol; or

1 (2) receives apparel, tools, implements of trade or husbandry, household  
2 goods, furniture, or provisions in pawn for alcoholic beverages or alcohol or  
3 the price of the alcoholic beverages or alcohol.

4 \* \* \*

5 Sec. 12. 7 V.S.A. § 658 is amended to read:

6 § 658. SALE OR FURNISHING TO MINORS; ENABLING

7 CONSUMPTION BY MINORS; MINORS CAUSING DEATH OR

8 SERIOUS BODILY INJURY

9 (a) A person shall not:

10 (1) sell or furnish alcoholic beverages to a person under 21 years of age;

11 or

12 (2) knowingly enable the consumption of alcoholic beverages by a  
13 person under 21 years of age.

14 \* \* \*

15 (c) A person who violates subsection (a) of this section shall be fined not  
16 less than \$500.00 nor more than \$2,000.00 or imprisoned not more than two  
17 years, or both. However, an employee of a licensee or an employee of a State  
18 liquor agency, who in the course of employment violates subdivision (a)(1) of  
19 this section:

20 (1) during a compliance check conducted by a law enforcement officer  
21 as defined in 20 V.S.A. § 2358:

1 (A) shall be assessed a civil penalty of not more than \$100.00 for the  
2 first violation, and a civil penalty of not less than \$100.00 nor more than  
3 ~~\$500.00~~ \$1,000.00 for a second violation that occurs more than one year after  
4 the first violation; and

5 (B) shall be subject to the criminal penalties provided in this  
6 subsection (c) for a second violation within a year of the first violation, and for  
7 a third or subsequent violation within three years of the first violation.

8 \* \* \*

9 Sec. 13. 7 V.S.A. § 661 is amended to read:

10 § 661. VIOLATIONS OF TITLE

11 (a)(1) A person that furnishes, sells, or keeps with intent to sell, or bottles  
12 or prepares for sale any alcoholic beverages, except as authorized by this title,  
13 or sells, barter, transports, imports, exports, delivers, prescribes, furnishes, or  
14 possesses alcohol, except as authorized by the Board of Liquor and Lottery, or  
15 that unlawfully manufactures alcohol or possesses a still or other apparatus for  
16 the manufacture of alcohol shall be imprisoned not more than 12 months nor  
17 less than three months or fined not more than ~~\$1,000.00~~ \$2,500.00 nor less  
18 than \$100.00, or both.

19 (2) For a subsequent conviction under subdivision (1) of this subsection  
20 within one year, a person shall be imprisoned not more than three years nor



1 less than six months or fined not more than ~~\$2,000.00~~ \$5,000.00 nor less than  
2 \$500.00, or both.

3 (b) A person that willfully violates a provision of this title for which no  
4 other penalty is prescribed or that willfully violates a rule of the Board of  
5 Liquor and Lottery shall be imprisoned not more than three months nor less  
6 than one month or fined not more than ~~\$200.00~~ \$500.00 nor less than ~~\$50.00~~  
7 \$100.00, or both.

8 \* \* \*

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

10 § 1002a. LICENSEE EDUCATION

11 \* \* \*

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 Division’s in-person or online enforcement seminar at  
15 least once every two years. A corporation, partnership, or association shall  
16 designate a director, partner, or manager to comply with this subdivision.

17 (2) Ensure that every employee involved in the sale of tobacco products  
18 completes a Division of Liquor Control in-person or online training program or  
19 other training programs approved by the Division before the employee begins  
20 selling or providing tobacco products, and at least once every 24 months  
21 thereafter. A licensee may comply with this subdivision by conducting its own

1 training program on its premises using information and materials furnished by  
2 the Division of Liquor Control. A licensee that fails to comply with the  
3 requirements of this subsection shall be subject to suspension of its tobacco  
4 license for not less than one day or a fine of not more than \$100.00, or both.

5 \* \* \*

6 Sec. 15. 7 V.S.A. § 1005 is amended to read:

7 § 1005. PERSONS UNDER 18 YEARS OF AGE; POSSESSION OF  
8 TOBACCO PRODUCTS; MISREPRESENTING AGE OR  
9 PURCHASING TOBACCO PRODUCTS; PENALTY

10 (a)(1) A person under 18 years of age shall not possess, purchase, or  
11 attempt to purchase tobacco products, tobacco substitutes, or tobacco  
12 paraphernalia unless the person is an employee of a holder of a tobacco license  
13 and is in possession of tobacco products, tobacco substitutes, or tobacco  
14 paraphernalia to effect a sale in the course of employment.

15 (2) A person under 18 years of age shall not misrepresent his or her age  
16 to purchase or attempt to purchase tobacco products, tobacco substitutes, or  
17 tobacco paraphernalia.

18 (b)(1) A person who possesses tobacco products, tobacco substitutes, or  
19 tobacco paraphernalia in violation of subsection (a) of this section shall be  
20 subject to having the tobacco products, tobacco substitutes, or tobacco

1 paraphernalia immediately confiscated and shall be further subject to a civil  
2 ~~penalty of \$25.00.;~~

3 (A) for a first violation, a civil penalty of \$75.00 or be required to  
4 provide up to 10 hours of community service, or both;

5 (B) for a second violation, a civil penalty of \$100.00 or be required to  
6 provide up to 10 hours of community service, or both; and

7 (C) for subsequent violations, a civil penalty of \$200.00 or be  
8 required to provide up to 10 hours of community service, or both.

9 (2) An action under this subsection shall be brought in the same manner  
10 as a traffic violation pursuant to 23 V.S.A. chapter 24.

11 (c)(1) A person under 18 years of age who knowingly misrepresents his or  
12 her age by presenting false identification to purchase tobacco products, tobacco  
13 substitutes, or tobacco paraphernalia shall be fined not more than \$50.00 or  
14 provide up to 10 hours of community service, or both commits a civil  
15 violation.

16 (A) For a first violation of this subsection, a person shall be subject to  
17 a civil penalty of \$75.00 or required to provide up to 10 hours of community  
18 service, or both.

19 (B) For a second or subsequent violation of this subsection, a person  
20 shall be subject to a civil penalty of \$100.00 or required to provide up to 10  
21 hours of community service, or both.

1           (2) An action under this subsection shall be brought in the same manner  
2           as a traffic violation pursuant to 23 V.S.A. chapter 24.

3           Sec. 16. 7 V.S.A. § 1007 is amended to read:

4           § 1007. FURNISHING TOBACCO TO PERSONS UNDER 18 YEARS OF  
5                                    AGE; REPORT

6   \* \* \*

7           (b)(1) The Division of Liquor Control shall conduct or contract for  
8           compliance tests of tobacco licensees as frequently and as comprehensively as  
9           necessary to ensure consistent statewide compliance with the prohibition on  
10          sales to persons under 18 years of age of at least 90 percent for buyers who are  
11          16 or 17 years of age. An individual under 18 years of age participating in a  
12          compliance test shall not be in violation of section 1005 of this title.

13          (2) Any violation by a tobacco licensee of subsection 1003(a) of this  
14          title and this section after a ~~first~~ sale violation or during a compliance test  
15          conducted within six months of a previous violation shall be considered a  
16          multiple violation and shall result in the minimum license suspension in  
17          addition to any other penalties available under this title. Minimum license  
18          suspensions for multiple violations shall be assessed as follows:

- 19                   (A) Two violations      ~~one weekday~~ two weekdays;  
20                   (B) Three violations     ~~two weekdays~~ 15-day suspension;  
21                   (C) Four violations      ~~three weekdays~~ 90-day suspension;

1           (D) Five violations     ~~three weekend days, Friday through Sunday~~  
2   one-year suspension.

3   \* \* \*

4       Sec. 17. 7 V.S.A. § 1009 is amended to read:

5       § 1009. CONTRABAND AND SEIZURE

6       (a) Any cigarettes or other tobacco products that have been sold, offered for  
7       sale, or possessed for sale in violation of section 1003 of this title, 20 V.S.A.  
8       § 2757, 32 V.S.A. § 7786, or 33 V.S.A. § 1919, and any commercial cigarette  
9       rolling machines possessed or utilized in violation of section 1011 of this title,  
10       shall be deemed contraband and shall be subject to seizure by the  
11       Commissioner, the Commissioner’s agents or employees, the Commissioner of  
12       Taxes or any agent or employee of the Commissioner of Taxes, or by any law  
13       enforcement officer of this State when directed to do so by the Commissioner.  
14       All cigarettes or other tobacco products seized shall be destroyed.

15       (b)(1) Any person in possession of property considered contraband under  
16       this section shall be fined not more than \$1,000.00 nor less than \$500.00.  
17       (2) Any vehicle, aircraft or watercraft, or other conveyance in which property  
18       considered contraband under this section is found may be seized and subject to  
19       forfeiture and condemnation pursuant to sections 570 and 572–574 of this title.

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\* \* \* Solicitor's License \* \* \*

Sec. 18. 7 V.S.A. § 275 is amended to read:

§ 275. SOLICITOR'S LICENSE

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

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

(2) Submits to the Board a recommendation by the vendor, manufacturer, or employer to be represented by the applicant that indicates the applicant is qualified to hold a solicitor's license.

\* \* \*

(b) A solicitor's license holder may, by canvassing or interviewing holders of licenses issued under the provisions of this title:

(1) solicit orders for and promote the sale of malt or vinous beverages by canvassing or interviewing holders of licenses issued under the provisions of this title; and

(2) promote the sale of spirits and fortified wines.

\* \* \*

1 (d) A person who solicits, or attempts to solicit, orders for malt or vinous  
 2 beverages, or promotes, or attempts to promote, the sale of malt or vinous  
 3 beverages, ~~or attempts to solicit or promote the sale of malt or vinous~~  
 4 ~~beverages~~ spirits, or fortified wines by canvassing or interviewing a holder of a  
 5 license issued under the provisions of this title, without having first obtained a  
 6 solicitor’s license as provided in this section, or who makes a false or  
 7 fraudulent statement or representation in an application for the license or in  
 8 connection with an application shall be imprisoned not more than six months  
 9 or fined not more than \$500.00, or both.

10 \* \* \* Technical Corrections Related to Department of Liquor and Lottery \* \* \*

11 Sec. 19. 3 V.S.A. § 455 is amended to read:

12 § 455. DEFINITIONS

13 (a) As used in this subchapter:

14 \* \* \*

15 (9) “Employee” shall mean:

16 \* \* \*

17 (B) Any regular officer or employee of the Department of Public  
 18 Safety assigned to police and law enforcement duties, including the  
 19 Commissioner of Public Safety appointed before July 1, 2001; but, irrespective  
 20 of the member’s classification, shall not include any member of the General  
 21 Assembly as such, any person who is covered by the Vermont Teachers’

1 Retirement System, any person engaged under retainer or special agreement or  
2 C beneficiary employed by the Department of Public Safety for not more than  
3 208 hours per year, or any person whose principal source of income is other  
4 than State employment. In all cases of doubt, the Retirement Board shall  
5 determine whether any person is an employee as defined in this subchapter.  
6 Also included under this subdivision are employees of the Department of  
7 ~~Liquor Control~~ and Lottery who exercise law enforcement powers, employees  
8 of the Department of Fish and Wildlife assigned to law enforcement duties,  
9 motor vehicle inspectors, full-time deputy sheriffs compensated by the State of  
10 Vermont whose primary function is transports, full-time members of the  
11 Capitol Police force, investigators employed by the Criminal Division of the  
12 Office of the Attorney General, Department of State's Attorneys, Department  
13 of Health, or Office of the Secretary of State, who have attained Level III law  
14 enforcement officer certification from the Vermont Criminal Justice Training  
15 Council, who are required to perform law enforcement duties as the primary  
16 function of their employment, and who may be subject to mandatory  
17 retirement permissible under 29 U.S.C. § 623(j), who are first included in  
18 membership of the system on or after July 1, 2000. Also included under this  
19 subdivision are full-time firefighters employed by the State of Vermont and the  
20 Defender General.

21 \* \* \*



1 Sec. 20. 7 V.S.A. § 752 is amended to read:

2 § 752. DEFINITIONS

3 As used in this subchapter:

4 \* \* \*

5 (2) “Certificate of approval holder” means a holder of a certificate of  
6 approval issued by the ~~Liquor Control Board~~ Board of Liquor and Lottery pursuant to  
7 section 274 of this title that produces or distributes a total annual volume of not  
8 more than 50,000 barrels of malt beverages and whose products comprise three  
9 percent or less of a wholesale dealer’s total annual sales of malt beverages by  
10 volume.

11 \* \* \*

12 Sec. 21. 10 V.S.A. § 1524 is amended to read:

13 § 1524. LABELING

14 \* \* \*

15 (b) The Commissioner of Liquor ~~Control~~ and Lottery may allow, in the  
16 case of liquor bottles, a conspicuous, adhesive sticker to be attached to indicate  
17 the deposit information required in subsection (a) of this section, provided that  
18 the size, placement, and adhesive qualities of the sticker are as approved by the  
19 Commissioner. The stickers shall be affixed to the bottles by the  
20 manufacturer, except that liquor that is sold in the State in quantities less than

1 100 cases per year may have stickers affixed by personnel employed by the  
2 ~~Department~~ Division of Liquor Control.

3 \* \* \*

4 Sec. 22. 10 V.S.A. § 1528 is amended to read:

5 § 1528. BEVERAGE REGISTRATION

6 No distributor or manufacturer shall sell a beverage container in the State of  
7 Vermont without the manufacturer registering the beverage container with the  
8 Agency of Natural Resources prior to sale, unless distributed by the  
9 Department of Liquor ~~Control~~ and Lottery. This registration shall take place  
10 on a form provided by the Secretary and include the following:

11 \* \* \*

12 Sec. 23. 13 V.S.A. § 7043 is amended to read:

13 § 7043. RESTITUTION

14 \* \* \*

15 (n)(1) Any monies owed by the State to an offender who is under a  
16 restitution order, including ~~lottery~~ Vermont Lottery winnings, unclaimed  
17 property, and tax refunds, shall be used to discharge the restitution order to the  
18 full extent of the unpaid total financial losses, regardless of the payment  
19 schedule established by the courts.

20 \* \* \*

1 (4)(A) For all Vermont ~~lottery~~ Lottery games, the ~~Lottery Commission~~  
 2 Commissioner of Liquor and Lottery shall, before issuing prize money of  
 3 \$500.00 or more to a winner, determine whether the winner has an outstanding  
 4 restitution order. If the winner owes restitution, the ~~Lottery Commission~~  
 5 Commissioner of Liquor and Lottery shall withhold the entire amount of  
 6 restitution owed and pay it to the Restitution Unit. The remainder of the  
 7 winnings, if any, shall be sent to the winner. The winner shall be notified by  
 8 the Restitution Unit of the offset prior to payment to the victim and given a  
 9 period not to exceed 20 days to contest the accuracy of the information.

10 (B) The Restitution Unit shall inform the ~~Lottery Commission~~  
 11 Commissioner of Liquor and Lottery of persons with outstanding restitution  
 12 orders upon request. Each person subject to such an order shall be identified  
 13 by name, address, and Social Security number.

14 (C) If a ~~lottery~~ Vermont Lottery winner has an outstanding restitution  
 15 order and an outstanding child support order, the ~~lottery~~ Lottery winnings shall  
 16 be offset first pursuant to 15 V.S.A. § 792 by the amount of child support  
 17 owed, and second pursuant to this subsection by the amount of restitution  
 18 owed. The remainder of the winnings, if any, shall be sent to the winner.

19 \* \* \*

1 Sec. 24. 15 V.S.A. § 792 is amended to read:

2 § 792. LOTTERY OFFSET

3 (a) For all Vermont ~~lottery~~ Lottery games, the ~~lottery commission~~  
4 Commissioner of Liquor and Lottery shall, before issuing prize money of  
5 \$500.00 or more to a winner, determine whether the winner has an outstanding  
6 child support arrearage payable to the ~~office of child support~~ Office of Child  
7 Support. If the winner has a child support arrearage, the ~~lottery commission~~  
8 Commissioner of Liquor and Lottery shall withhold the entire amount of  
9 winnings and pay the same to the ~~office of child support~~ Office of Child  
10 Support. The ~~office of child support~~ Office of Child Support shall offset the  
11 winnings by the amount of support arrearages and the remainder of the  
12 winnings, if any, shall be sent to the winner. The obligor shall be notified by  
13 the ~~office of child support~~ Office of Child Support of the offset prior to  
14 payment to the obligee and given a period not to exceed 20 days to contest the  
15 accuracy of the information.

16 (b) The ~~office of child support~~ Office of Child Support shall inform the  
17 ~~lottery commission~~ Commissioner of Liquor and Lottery of persons with child  
18 support arrearages upon request. Each liable person shall be identified by  
19 name, address, and Social Security number.

20 (c) This section shall apply to ~~tri-state lottery~~ Tri-State Lottery games at  
21 such time as the same or similar provisions become law in Maine and New

1 Hampshire in accordance with the ~~tri-state lotto compact~~ Tri-State Lotto  
2 Compact.

3 Sec. 25. 15 V.S.A. § 1151 is amended to read:

4 § 1151. DEFINITIONS

5 Unless the context clearly requires otherwise, the definitions in this section  
6 apply throughout the subchapter.

7 \* \* \*

8 (5) “Law enforcement agency” means the Department of Public Safety,  
9 a municipal police department, a sheriff’s department, the Attorney General’s  
10 Office, a State’s Attorney’s Office, or certified law enforcement officers of the  
11 Department of Motor Vehicles, Agency of Natural Resources, or Department  
12 of Liquor ~~Control~~ and Lottery. “Law enforcement agency” shall also mean the  
13 Department for Children and Families when engaged in:

14 \* \* \*

15 Sec. 26. 18 V.S.A. § 9503 is amended to read:

16 § 9503. VERMONT TOBACCO PREVENTION AND TREATMENT

17 \* \* \*

18 (c) The Department of Liquor ~~Control~~ and Lottery shall administer the  
19 component of the program that relates to enforcement activities.

20 \* \* \*

1 Sec. 27. 18 V.S.A. § 9505 is amended to read:

2 § 9505. GENERAL POWERS AND DUTIES

3 The Board shall have all the powers necessary and convenient to carry out  
4 and effectuate the purposes and provisions of this section, and shall:

5 \* \* \*

6 (6) Review and make recommendations regarding enforcement activities  
7 administered by the Department of Liquor ~~Control~~ and Lottery in accordance  
8 with the provisions of this chapter.

9 \* \* \*

10 Sec. 28. 18 V.S.A. § 9504 is amended to read:

11 § 9504. CREATION OF THE VERMONT TOBACCO EVALUATION AND  
12 REVIEW BOARD

13 \* \* \*

14 (b) The Board shall consist of 14 members, including ex officio the  
15 Commissioner of Health and the Secretary of Education or their designees; the  
16 Commissioner of Liquor ~~Control~~ and Lottery or designee; the Attorney  
17 General or designee; a member of the House of Representatives appointed by  
18 the Speaker of the House; a member of the Senate appointed by the Committee  
19 on Committees; a member representing a nonprofit organization qualifying  
20 under Section 501(c)(3) of the Internal Revenue Code and dedicated to anti-  
21 tobacco activities appointed by the Speaker of the House; a member

1 representing the low-income community appointed by the Senate Committee  
2 on Committees; two persons under ~~the age of 30~~ years of age, one appointed  
3 by the Speaker of the House and one appointed by the Committee on  
4 Committees; and four members appointed by the Governor with the advice and  
5 consent of the Senate, including: one K-12 educator involved in prevention  
6 education; one tobacco use researcher; one member representing the health  
7 care community; and one tobacco industry countermarketing expert. The  
8 public members shall serve for three-year terms, beginning on July 1 of the  
9 year in which the appointment is made, except that the first members appointed  
10 by the Governor to the Board shall be appointed, two for a term of two years,  
11 one for a term of three years, and one for a term of four years. Vacancies shall  
12 be filled in the same manner as the original appointment for the unexpired  
13 portion of the term vacated.

14 \* \* \*

15 Sec. 29. 18 V.S.A. § 9507 is amended to read:

16 § 9507. ANNUAL REPORT

17 (a) On or before January 15 of each year, the Board shall submit a report  
18 concerning its activities under this chapter to the Governor and the General  
19 Assembly. The report shall include, to the extent possible, the following:

20 \* \* \*





1 shall maintain control until in his or her judgment the event no longer requires  
2 coordinated action to ensure the public safety.

3 \* \* \*

4 Sec. 31. 20 V.S.A. § 2351a is amended to read:

5 § 2351a. DEFINITIONS

6 As used in this chapter:

7 \* \* \*

8 (3) “Law enforcement officer” means a member of the Department of  
9 Public Safety who exercises law enforcement powers; a member of the State  
10 Police; a Capitol Police officer; a municipal police officer; a constable who  
11 exercises law enforcement powers; a motor vehicle inspector; an employee of  
12 the Department of Liquor ~~Control~~ Control and Lottery who exercises law enforcement  
13 powers; an investigator employed by the Secretary of State; a Board of  
14 Medical Practice investigator employed by the Department of Health; an  
15 investigator employed by the Attorney General or a State’s Attorney; a fish  
16 and game warden; a sheriff; a deputy sheriff who exercises law enforcement  
17 powers; a railroad police officer commissioned pursuant to 5 V.S.A. chapter  
18 68, subchapter 8; or a police officer appointed to the University of Vermont’s  
19 Department of Police Services.

20 \* \* \*

1 Sec. 32. 20 V.S.A. § 2367 is amended to read:

2 § 2367. STATEWIDE POLICY; ELECTRONIC CONTROL DEVICES;

3 REPORTING

4 (a) As used in this section:

5 \* \* \*

6 (2) “Law enforcement officer” means a sheriff, deputy sheriff, police  
7 officer, Capitol Police officer, State game warden, State Police officer,  
8 constable who exercises law enforcement authority pursuant to 24 V.S.A.  
9 § 1936a and who is trained in compliance with section 2358 of this title, and a  
10 certified law enforcement officer employed by a State branch, agency, or  
11 department, including the Department of Motor Vehicles, the Agency of  
12 Natural Resources, the Office of the Attorney General, the Department of  
13 State’s Attorney, the Secretary of State, and the Department of Liquor Control  
14 and Lottery.

15 \* \* \*

16 Sec. 33. 20 V.S.A. § 2757 is amended to read:

17 § 2757. CIGARETTES; REDUCED IGNITION PROPENSITY

18 (a) As used in this section:

19 \* \* \*

20 (8) “Wholesale dealer” means any person that sells cigarettes or tobacco  
21 products to retail dealers or other persons for resale, and includes ~~any person~~

1 ~~that owns, operates, or maintains one or more cigarette or tobacco product~~  
2 ~~vending machines wherever located. “Wholesale dealer” also includes the~~  
3 dealer’s agent.

4 \* \* \*

5 (c) Each manufacturer shall submit to the Commissioner written  
6 certification attesting that each cigarette has been tested in accordance with and  
7 has met the performance standard required under subsection (b) of this section.  
8 The description of each cigarette listed in the certification shall include the  
9 brand; style; length in millimeters; circumference in millimeters; flavor, if  
10 applicable; filter or nonfilter; package description, such as a soft pack or box;  
11 and the mark approved pursuant to subsection (d) of this section. Upon  
12 request, this certification shall be made available to the Attorney General and  
13 Department of Liquor ~~Control~~ and Lottery. Each cigarette certified under this  
14 subsection shall be recertified every three years. For the certification or  
15 recertification of each brand style, the fee shall be \$1,000.00. The fees shall be  
16 paid into the Fire Prevention and Building Inspection Special Fund established  
17 in 20 V.S.A. § 2738.

18 \* \* \*

19 (e) A manufacturer shall provide a copy of certifications to all wholesale  
20 dealers and stamping agents to which the manufacturer sells cigarettes and  
21 shall provide sufficient copies of an illustration of the packaging marking

1 approved and used by the manufacturer pursuant to subsection (d) of this  
2 section for each of the retail dealers that purchases cigarettes from any of those  
3 wholesale dealers and stamping agents. Wholesale dealers and stamping  
4 agents shall provide a copy of the illustration to all retail dealers to which they  
5 sell cigarettes. Wholesale dealers, stamping agents, and retail dealers shall  
6 permit the Commissioner of Public Safety or the Commissioner of Liquor  
7 ~~Control~~ and Lottery or their designees to inspect markings on cigarette  
8 packaging at any time.

9 (f) The Commissioner:

10 (1) may adopt rules necessary to implement and administer this section;

11 (2) in consultation with the Commissioner of Liquor ~~Control~~ and  
12 Lottery, may adopt rules regarding the conduct of random inspections of  
13 wholesale dealers, importers, retail dealers, and stamping agents to ensure  
14 compliance with this section; and

15 (3) shall ~~assure~~ ensure that the implementation and substance of this  
16 section is in accordance with the implementation and substance of the New  
17 York Fire Safety Standards for Cigarettes.

18 \* \* \*

19 Sec. 34. 20 V.S.A. § 4621 is amended to read:

20 § 4621. DEFINITIONS

21 As used in this chapter:

1 \* \* \*

2 (3) “Law enforcement agency” means:

3 \* \* \*

4 (G) the Department of Liquor ~~Control~~ and Lottery;

5 \* \* \*

6 Sec. 35. 21 V.S.A. § 494b is amended to read:

7 § 494b. EMPLOYERS PERMITTED TO REQUIRE POLYGRAPH  
8 EXAMINATIONS

9 The following employers may require that an applicant for employment  
10 take or submit to a polygraph examination, or administer or cause to be  
11 administered a polygraph examination to an applicant for employment:

12 (1) the Department of Public Safety; the Department of Motor Vehicles,  
13 for applicants for law enforcement positions; the Department of Fish and  
14 Wildlife, for applicants for law enforcement positions; the Department of  
15 Liquor ~~Control~~ and Lottery and the ~~Liquor Control~~ Board of Liquor and  
16 Lottery, for applicants for investigator positions; municipal police departments  
17 and county sheriffs, as to sworn police officers and deputy sheriffs;

18 \* \* \*

19 Sec. 36. 26 V.S.A. § 5305 is amended to read:

20 § 5305. EXEMPTIONS

21 (a) Generally.

1  
2  
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\* \* \*

(2)(A) Persons employed by the Judiciary, including judges, Superior Court clerks, court operations managers, Probate registers, case managers, docket clerks, assistant judges, county clerks, and after-hours relief from abuse contract employees.

(B) Persons employed as law enforcement officers certified under 20 V.S.A. chapter 151; who are noncertified constables; or who are employed by a Vermont law enforcement agency, the Department of Public Safety, of Fish and Wildlife, of Motor Vehicles, of ~~Liquor Control~~ Liquor Control and Lottery, or for Children and Families, the Office of the Defender General, the Office of the Attorney General, or a State’s Attorney or Sheriff.

\* \* \*

Sec. 37. 31 V.S.A. § 1201 is amended to read:

§ 1201. DEFINITIONS

As used in this chapter:

\* \* \*

(2) “Commissioner” means the Commissioner of ~~Liquor Control~~ Liquor Control and Lottery.

\* \* \*

1 Sec. 38. 31 V.S.A. § 1203 is amended to read:

2 § 1203. DISTRIBUTION; RETAIL PURCHASE AND SALE

3 \* \* \*

4 (f) A nonprofit organization that sells break-open tickets, other than a club  
5 as defined in 7 V.S.A. § 2, shall report to the Department of Liquor ~~Control~~  
6 and Lottery on a quarterly basis the number of tickets purchased and  
7 distributed, and the corresponding serial numbers of those tickets, the amount  
8 of revenue realized by the nonprofit organization, and the amounts accounted  
9 for under subdivisions (e)(2)(A)–(D) of this section. The nonprofit  
10 organization shall also identify an individual from the organization responsible  
11 for the reporting requirements under this subsection. If the Department of  
12 Liquor ~~Control~~ and Lottery determines that a nonprofit organization has failed  
13 to comply with the requirements of this subsection, the Department of Liquor  
14 ~~Control~~ and Lottery shall notify the nonprofit organization and any licensed  
15 distributors of this failure, and any licensed distributor that continues to sell  
16 break-open tickets to that nonprofit organization after notice shall be  
17 considered in violation of the requirements of this chapter until the Department  
18 of Liquor ~~Control~~ and Lottery has determined the nonprofit organization is  
19 back in compliance with this subsection.

20 \* \* \*

1 Sec. 39. 31 V.S.A. § 1205 is amended to read:

2 § 1205. RECORDS; REPORT

3 \* \* \*

4 (d) Notwithstanding subsection (c) of this section, the Commissioner of  
5 Liquor ~~Control~~ and Lottery shall provide the records and reports filed under  
6 this section to the Attorney General, upon request.

7 Sec. 40. 31 V.S.A. § 1208 is amended to read:

8 § 1208. RULEMAKING

9 The Department of Liquor ~~Control~~ and Lottery may regulate the licensing  
10 and reporting requirements of manufacturers and distributors of break-open  
11 tickets under this chapter. The Commissioner of Liquor ~~Control~~ and Lottery  
12 may adopt rules for licensure and indicia for boxes of break-open tickets, for  
13 record keeping relating to the distribution and sale of break-open tickets, and  
14 for the remittance of net proceeds from sales of break-open tickets to the  
15 intended eligible charitable recipients. The rules shall permit no proceeds to be  
16 retained by the operators of for-profit bars, except for:

17 \* \* \*

18 Sec. 41. 32 V.S.A. § 602 is amended to read:

19 § 602. DEFINITIONS

20 As used in this subchapter:

21 \* \* \*



1 (2) “Fee”:

2 \* \* \*

3 (B) The following charges are exempt from the provisions of this  
4 subchapter:

5 \* \* \*

6 (ii) A charge established by the ~~Liquor Control Board of Liquor~~  
7 and Lottery as provided by Title 7.

8 \* \* \*

9 Sec. 42. 32 V.S.A. § 1003 is amended to read:

10 § 1003. STATE OFFICERS

11 \* \* \*

12 (b) The Governor may appoint each officer of the Executive Branch listed  
13 in this subsection at a starting salary ranging from the base salary stated for  
14 that position to a salary that does not exceed the maximum salary unless  
15 otherwise authorized by this subsection. The maximum salary for each  
16 appointive officer shall be 50 percent above the base salary. Annually, the  
17 Governor may grant to each of those officers an annual salary adjustment  
18 subject to the maximum salary. The annual salary adjustment granted to  
19 officers under this subsection shall not exceed the average of the total rate of  
20 adjustment available to classified employees under the collective bargaining  
21 agreement then in effect. In addition to the annual salary adjustment specified

1 in this subsection, the Governor may grant a special salary increase subject to  
2 the maximum salary, or a bonus, to any officer listed in this subsection whose  
3 job duties have significantly increased, or whose contributions to the State in  
4 the preceding year are deemed especially significant. Special salary increases  
5 or bonuses granted to any individual shall not exceed the average of the total  
6 rate of adjustment available to classified employees under the collective  
7 bargaining agreement then in effect.

8 (1) Heads of the following Departments and Agencies:

		Base Salary	Base Salary
		as of	as of
		July 7, 2019	January 5, 2020
		* * *	
13	(W) <del>Liquor Control</del> <u>and Lottery</u>	93,155	94,413
14	(X) <del>Lottery</del>	93,155	94,413 <u>[Repealed.]</u>
15		* * *	

16 Sec. 43. 32 V.S.A. § 3102 is amended to read:

17 § 3102. CONFIDENTIALITY OF TAX RECORDS

18 \* \* \*

19 (e) The Commissioner may, in his or her discretion and subject to such  
20 conditions and requirements as he or she may provide, including any

1 confidentiality requirements of the Internal Revenue Service, disclose a return  
2 or return information:

3 \* \* \*

4 (15) To the ~~Department~~ Division of Liquor Control, provided that the  
5 information is limited to information concerning the sales and use tax and  
6 meals and rooms tax filing history with respect to the most recent five years of  
7 a person seeking a liquor license or a renewal of a liquor license.

8 \* \* \*

9 Sec. 44. 32 V.S.A. § 3113b is amended to read:

10 § 3113b. LOTTERY WINNINGS; SATISFACTION OF TAX LIABILITIES

11 For all Vermont ~~lottery~~ Lottery games, the ~~Lottery~~ Commissioner of Liquor  
12 and Lottery may, before issuing prize money to a winner, determine whether  
13 the winner has an outstanding tax liability payable to the Department of Taxes.  
14 If any such winner owes taxes to the State, the Commissioner of Taxes, after  
15 notice to the owner, may request and the ~~Lottery Commission~~ Department of  
16 Liquor and Lottery shall transfer the amount of ~~such~~ the tax liability to the  
17 Department for setoff of the taxes owed. The notice shall advise the winner of  
18 the action being taken and the right to appeal the setoff if the tax debt is not the  
19 winner's debt; or if the debt has been paid; or if the tax debt was appealed  
20 within 60 days from the date of the assessment and the appeal has not been  
21 finally determined; or if the debt was discharged in bankruptcy. Any offset of

1 ~~lottery~~ Lottery winnings for taxes shall be third in priority to the offset of  
2 ~~lottery~~ Lottery winnings to the Office of Child Support pursuant to 15 V.S.A. §  
3 792 and the offset of ~~lottery~~ Lottery winnings for restitution pursuant to 13  
4 V.S.A. § 7043.

5 \* \* \* Effective Date \* \* \*

6 Sec. 45. EFFECTIVE DATE

7 This act shall take effect on July 1, 2019.

8 and that after passage the title of the bill be amended to read: “An act  
9 relating to miscellaneous amendments to alcoholic beverage and tobacco laws”

10

11

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14

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16 (Committee vote: \_\_\_\_\_)

17

\_\_\_\_\_

18

Representative \_\_\_\_\_

19

FOR THE COMMITTEE