

## General Regulations

1. The Liquor Control Board may establish a schedule of penalties for specifically enumerated violations, which may be imposed by the Department, allowing for the licensee to waive a hearing and accept the stated penalty(s). Licensees may decline to accept the stated penalty(s) and ask for a hearing before the Board.
2. All spirituous liquors imported into this state shall be imported by and through the Liquor Control Board. An individual, partnership, association or corporation importing or causing to be imported into this state, any spirituous liquor shall be imprisoned not more than one year or fined not more than one thousand dollars, or both. An individual may import up to eight quarts of spirituous liquor into this state in his or her actual possession at the time of such importation without permit, providing it is not for resale. All malt and/or vinous beverages imported into this state shall be imported by and through a wholesale dealer holding a wholesale dealer's license issued by the Liquor Control Board. An individual, partnership, corporation, or association importing or causing to be imported into this state any malt and/or vinous beverages shall be imprisoned not more than one year or fined not more than one thousand dollars, or both. An individual may import up to six gallons of malt and/or vinous beverages into this state in his or her actual possession at the time of such importation without permit, providing it is not for resale.
3. Under the provisions of the forgoing Regulation it shall be unlawful for any common or contract carrier or any individual, partnership, corporation or association operating transportation facilities in this state, or who otherwise transports for hire, to receive or cause to be imported into this state any spirituous liquor unless such liquors are consigned for delivery to the Vermont Liquor Control Board, or malt or vinous beverages unless consigned for delivery to a wholesale dealer holding a wholesale dealer's license issued by the Liquor Control Board. Provided, however, that it shall be lawful to accept individual consignments of vinous beverages for transportation into and delivery within the state to an individual only when such vinous beverages are sold and shipped pursuant to Title 7 VSA Section 66.
4. The possession or consumption of any alcoholic beverages on a licensed premise of a higher alcoholic content than that permitted by the license granted for said premises is prohibited.
5. A licensee shall not possess or allow the consumption of malt, vinous beverages or spirituous liquors other than those purchased on invoice from a wholesale dealer or on invoice from the Vermont Liquor Control Board, or on invoice from a holder of a Direct to Retail Shippers License.
6. Requests for catering must be made by first & third class licensees also holding a catering license at least five days prior to the date of the catered party. The five-day requirement may be shortened, but not less than one day prior to the occasion, at the

discretion of the local control commissioners.

6 a. Pre-approval of certain locations may be granted annually at the time of renewal by the department. Events with more than 200 people shall notify the department by fax or e-mail at least 24 hours in advance of the event.

7. No person holding a first or second class license, wholesale dealer's or bottler's license, or certificate of approval for vinous beverages, may possess, sell or furnish any wines containing an alcoholic content of 17% or higher, nor may such wines be marked, or represented as having, in any way the characteristics of fortified wines. Fortified wines marked or labeled as cooking wines, which contain an alcohol content of 17% or higher and 1.5% of sodium are not considered beverages and are therefore not governed under these regulations.

8. Licensees, permittees or employees of any licensed establishment and/or permitted locations shall allow at any time, a member of the Liquor Control Board, the Commissioner, Commissioner of Taxes, and/or any of their assistants or Investigators to examine the premises as well as all records, papers, stock or merchandise in reference to his or her license or permit, and shall keep such records for inspection as the Board or the Commissioner of Taxes may require. All licensees shall keep on their licensed premises for a period of two years a complete record covering the operation of their license, including all invoices covering the purchase of alcoholic beverages and/or tobacco, and all financial records including but not limited to daily receipts for the sale of alcohol and/or tobacco. Wholesale dealers must keep records of their sales. If a person has more than one licensed location, they may keep all of their records in one centralized business location in the State of Vermont and the Department shall be notified in writing, in advance, of the name, street address, and telephone number of such designated location. Training certificates and records however, which are on preprinted Department forms, shall be kept on the licensed location where the employee in question serves his or her employment.

- a. No licensee or employee of a licensed establishment shall interfere with, nor permit a patron to interfere with, provide false written or verbal information to, or fail to cooperate with a Liquor Control Investigator or other Vermont Law Enforcement Officer in the performance of their duties.
- b. A licensee, employee of a licensee, or anyone performing work or services for a licensee on a licensed premises, related to the liquor licenses or permits held, shall provide a liquor investigator or a law enforcement officer with such bona-fide identification as is acceptable under Vermont law.

9. No Licensed establishment and/or Department authorized location shall keep within or in connection with the premises any illegal implement, machine or device of any kind or nature by the use or operation of which there is an element of chance for the winning or losing of money or other things of value, nor permit said premises to

be used for illegal gambling purposes.

10. Gambling on licensed premises: With the exception of Service Clubs, any non-profit organization wishing to conduct game(s) of chance on licensed premises must first obtain a permit from the Vermont Department of Liquor Control using the prescribed form or format. Non-profit organizations applying for and/or receiving a permit shall be subject to financial disclosure to the Department for the purpose of verifying the disbursement of proceeds in accordance with applicable Vermont statutes and/or regulations.

11. No first or third class liquor license shall be issued to a person who is not first licensed with the Vermont Department of Taxes to collect the Vermont Rooms and Meals tax. Suspension of first or third class liquor licenses may result by action of the Liquor Control Board, after notice and hearing, upon certification to the Board by the Vermont Department of Taxes that the licensee has failed to collect the Vermont Rooms and Meals tax, has failed to pay over to the Vermont Department of Taxes the Vermont Rooms and Meals tax collected, or is not licensed with the Vermont Department of Taxes to collect the Vermont Rooms and Meals tax.

12. All licenses and permits shall be framed under a clear protective covering and be displayed in a conspicuous place on the premises described therein so that they may be read by the public.

13. No alcoholic beverages shall be sold or furnished by a licensee or his or her employees to a person who is less than twenty-one years of age, nor shall a licensee or his or her employees permit alcoholic beverages to be consumed upon the licensed premises by a person who is less than twenty-one years of age.

- a. A student aged eighteen or older who is enrolled in a post-secondary education culinary arts program, accredited by a commission recognized by the U.S. Department of Education, shall be exempt from the provisions of this regulation while attending classes that require the possession or consumption of alcoholic beverages.

14. For persons of questionable age, all alcohol and tobacco licensees and their employees shall demand that such person exhibit a valid operator's license, valid non-driver identification card, or enhanced drivers license, which has been issued by this state or another state or foreign jurisdiction, a valid United States military identification card or valid passport all of which bear the person's photograph and signature, name, date of birth, and expiration date.

15. No person under eighteen years of age shall be permitted to be involved in the preparation, sale or service of alcoholic beverages or to entertain on a paid or voluntary basis within or in connection with the establishment of any licensee holding a first and/or first and third or fourth class license to sell alcoholic beverages; no person under the age of sixteen shall be allowed to sell tobacco on the premises of

any licensee holding a first, first and third or fourth class license.

- a. Hotels, restaurants, cabarets and clubs holding a first and/or first and third class license to sell alcoholic beverages may, with permission of the Liquor Control Board after written request to the Board, allow a person between sixteen and eighteen years of age to entertain on their licensed premises on a paid or voluntary basis, when accompanied by an adult who is a parent, close relative, or guardian. Such request must be made to the Board ten days prior to the date of the entertainment.

16. No person under sixteen years of age shall be permitted to sell alcoholic beverages or tobacco on a paid or voluntary basis within or in connection with the establishment of any licensee holding a second-class license.

17. No licensee, employee, or anyone involved in the sale or furnishing of alcoholic beverages, and/or the enforcement on the premises of the laws, rules and regulations of this State pertaining to the sale or furnishing of alcoholic beverages, shall consume or display the effects of alcohol or any illegal substance while in the performance of their duties.

18. No alcoholic beverages shall be sold or furnished to a person displaying signs of intoxication from alcoholic beverages or other drugs / substances. No alcoholic beverages may be consumed on the licensed premises by any person displaying such signs of intoxication. No person displaying such signs of intoxication shall be allowed to stay on the licensed premises, except under direct personal supervision by a licensee or his or her employees in a segregated nonpublic area when the patron's immediate departure could be expected to pose a risk of bodily injury to the patron or any other person.

- a. Licensees or his or her employees shall not serve alcoholic beverages to a person whom it would be reasonable to expect would be under the influence as a result of the amount of alcohol served to that person. Under the influence, in this section, shall mean that degree of intoxication that would render it unsafe or illegal for the patron to undertake normal and expected activities upon leaving the licensed premises.

19. Licensees shall store all alcoholic beverages on the licensed premises unless otherwise authorized in writing by the Liquor Control Board.

20. No holder of a first or second class license may accept free malt or vinous beverages, services, monetary payments or other things of value from a manufacturer, holder of a certificate of approval, bottler, wholesale dealer, or holder of a solicitor's permit, nor purchase malt or vinous beverages below the uniform price charged by the bottler or wholesale dealer. The Liquor Control Board is empowered to define the

terms “things of value” as contained herein.

21. If a license is issued to a partnership and the partnership is dissolved, the remaining partner may continue to operate under the same license until its expiration. If a new partnership is formed, a new license must be issued and the former license surrendered.

22. Any person or persons having a direct or vested financial interest in the business of the licensee must be disclosed on the license application. The licensee must notify the Department no less than 15 days before any intended changes in the ownership of and /or financial interest of any person or entity in the licensed entity can occur. Any such changes not approved by the Department, may place the license in jeopardy and/or may result in administrative penalties after a Board hearing.

a. Corporations and associations which hold liquor licenses shall have prior approval from the Liquor Control Board of any change of directors, officers, managers, or affiliates, and of any change in shares which causes the holdings of any new or existing shareholder, including the holdings of that shareholder's immediate family, to equal ten percent or more of the corporation's or association's voting shares. Notices shall be given in writing to the Liquor Control Board not later than twenty days prior to any change. The Board will consider changes in the same way that new licenses are considered. If changes, other than changes caused by the death of a joint tenant, are concluded without obtaining prior Board approval, in writing, the license shall be subject to suspension or revocation.

23. Holders of a first class license shall purchase on invoice, malt and vinous beverages from holders of a Vermont wholesale dealer's license issued by the Liquor Control Board, or from holders of a Direct to Retailers Vinous Shipping License issued by the Liquor Control Board, such purchase to be consumed only on the licensed premises.

24. Holders of a second class license shall purchase on invoice, malt and vinous beverages only from holders of a wholesale dealer's license issued by the Liquor Control Board, or from holders of a Direct to Retailers Vinous Shipping License issued by the Liquor Control Board, for consumption off the licensed premises.

25. Holders of a third class license shall purchase on invoice, spirituous liquors only from the Liquor Control Board. Said liquor must be consumed on the licensed premises.

26. Each applicant for a first or second-class license shall submit such application in duplicate on prescribed forms to the commissioners of the town or city where the licensee is to operate. Upon being satisfied that the conditions precedent to the granting of the first or second class licenses as provided in Vermont Statutes Annotated, Title 7, Section 222, have been fully met by the applicant, the

commissioners will endorse their recommendation on the back of the applications and transmit both copies to the Board for suitable action thereon, before any license may be granted. When an application is forwarded to the Liquor Control Board, it shall indicate it has the approval of the majority of the full membership of the local control commissioners.

27. No first class application for a hotel, cabaret or restaurant may be issued until the applicant has on the premises a food license issued by the Vermont State Board of Health. In case of a suspension or revocation of a food license by the Vermont State Board of Health or the failure to renew such food license, the first and third class licenses will be automatically suspended by the Liquor Control Board.

28. If the Local Control Commissioners suspend a first class or first and third class or second class license, the municipality shall immediately notify the Liquor Control Board, giving the reason as well as the effective date and length of time of the suspension.

29. Holders of second-class licenses shall not sell malt or vinous beverages at a price lower than the price in effect at the time of purchase from the wholesale dealer.

30. All licensees and permittees shall have present on the licensed premises at all times when open for business a responsible employee, agent or principal. Every licensee and employee involved in the sale or service of alcoholic beverages or the sale of tobacco products must be able to read, write, and speak the English language with sufficient facility to be able to understand and comply with Vermont's Liquor and Tobacco Laws and Regulations.

31. All alcoholic beverages sold under first and second-class licenses shall be purchased from persons holding bottler's licenses or from persons holding wholesale dealer's licenses or persons holding a Direct to Retailers Vinous Shipping License issued by the Liquor Control Board.

- a. All wholesale dealers shall make a minimum charge of \$10.00 for each keg sold to first or second-class licensees. Said charge shall be refunded to the licensee upon return of keg to the wholesaler.
- b. All wholesale dealers shall make a minimum charge of \$30.00 for each picnic tap, picnic pump or picnic box with a non-mechanically driven cooling system not in regular or continuous use furnished to each first or second class licensee. Said charge shall be refunded to the licensee upon return to the wholesale dealer.
- c. A second class licensee that sells kegs must keep copies of their keg logs for 90 days.

32. If a licensee closes out or sells his or her business, they shall forthwith surrender

their first, second, and/or third class licenses to the office of the Department of Liquor Control in Montpelier. They may sell the alcoholic beverages they have in stock only to another licensee of the same class, and an invoice covering same shall accompany the sale and a copy shall be sent to the Liquor Control Board. All sales under this regulation shall be made within fifteen days after such surrender or closing.

33. All licensed premises must at all times be kept in a safe and sanitary condition and comply with State Board of Health regulations.

34. Licensees must comply with the Vermont Department of Labor, and the Vermont Department of Public Safety rules and regulations.

35. Doors of restaurants, cabarets, dining rooms and grillrooms in hotels where alcoholic beverages are sold and consumed shall not be locked if any persons other than the licensee and the on duty employees are on the licensed premises.

36. Lighting in any licensed or permitted location shall be of such degree that the Investigator or the licensee and his or her employees shall be able to read the identification cards of the patrons and observe customers wherever alcohol is served.

37. It shall be the duty of all licensees to control the conduct of their patrons at all times. No disturbances, brawls, fighting or illegal activity shall be permitted or suffered upon any licensed premises; nor shall such premises be conducted in such a manner as to render said premises or the streets, sidewalks, parking lots or highways adjacent thereto a public nuisance.

a. The Board may find, that a licensee suffered a disturbance, brawl, fight or illegal activity upon its licensed premises or upon the streets, sidewalks, parking lots or highways adjacent thereto if any individual engaged in such conduct had been allowed to stay on the licensed premises while displaying signs of intoxication from alcohol, drugs or other substances, and/or if it would be reasonable to expect that such person would be intoxicated as a result of the amount of alcohol served to that person. Under such facts, the Board may conclude that any such person's conduct should have been anticipated.

38. No malt beverages may be drawn or served otherwise than in glasses, mugs, pitchers, or other containers, of a maximum capacity of thirty two ounces; nor more than four fluid ounces of spirituous liquor may be available to a customer at one time or used in the making of a single mixed drink, and not more than two of the above containers may be served to a customer at one time.

39. Licensees of the first class dispensing draft beer or ale shall display beer tap signs, clearly visible to the patrons, disclosing the brands of beer or ale, which are being dispensed. Such signs shall be displayed on the tap of the dispensing apparatus.

40. In the event the Board shall suspend or revoke any license, a copy of the notice of such suspension or revocation shall be furnished to the Local Control Commissioners.

- a. Alcohol licensees under suspension shall not sell, serve, allow the consumption of, make orders for, or receive deliveries of alcoholic beverages upon the premises.
- b. Tobacco licensees under suspension shall not sell, serve, allow the consumption of, make orders for, or receive deliveries of tobacco products upon the premises

41. No licensee shall serve to any customer any brand of malt beverages, vinous beverages or spirituous liquor other than that actually ordered.

42. No container may be used under beer taps to catch drippings. A drain shall be provided to care for the waste.

43. There is to be no consumption of alcoholic beverages in any open area, on or in connection with licensed premises, without first obtaining an outside consumption permit from the local control commissioners and approval by the Liquor Control Board. Such area is to be controlled and defined by a physical barrier. For catered areas at an event that is attended by 200 people or more, a double barrier shall be placed no less than six feet inside of the outer boundary of the defined area to prevent attendees from handing alcoholic beverages to persons outside of the licensed area.

44. Licensees shall not reuse, refill or tamper with any bottle of alcoholic beverages nor shall such licensee adulterate, dilute, fortify, or cause any substitution of any nature to be made in or to the contents of any bottle of alcoholic beverages.

45. The holder of a first class license or first and third class license must be able to show that they are at all times operating the food and liquor business connected with the licensed premises; the licensee shall not lease, sub-lease or let out the food or liquor business on a percentage basis or any other agreement, except as provided in Vermont Statutes Annotated, T. 7, section 222 (4). With the prior approval of the Board, a club may let out its food business on a percentage or concession basis, provided the club retains general supervision and control of the conduct of such food business.

46. All employees of a licensed establishment must be hired by the licensee and paid on a fixed salary basis. All employees must have the required withholdings deducted from their wages and the required reporting of such withholdings must be made to the Vermont Department of Labor. A first, second and/or third class licensed establishment shall not contract out any work, labor or services directly or indirectly related to the preparation, sale or service of alcoholic beverages, or enforcement of liquor laws and regulations. All such duties shall be performed by persons who are employees in fact and by law.

47. The holder of a second-class license shall not lease, sub-lease, or let out his or her business on a percentage basis or any other type of agreement.

48. A second-class license for the sale of malt and vinous beverages for off-premise consumption may only be issued to an establishment, which has and continues to hold an inventory of at least \$5,000.00.

49. Licensees of the second class shall not sell or furnish malt or vinous beverages for consumption on or near the licensed premises nor allow any person to consume alcoholic beverages on or near the licensed premises and no malt or vinous beverages shall be sold by a second class licensee in other than the original container.

50. No licensee or his or her agent or employee shall carry a stock of alcoholic beverages in a vehicle for the purpose of soliciting orders to be filled directly from such stock. The intent and purpose of the foregoing is that no licensee shall engage in the business of peddling alcoholic beverages from vehicles. No first, second, third or fourth-class licensee, employee, agent of a licensee or agent for the Vermont Department of Liquor Control shall make deliveries of alcoholic beverages.

51. First class or first and third class licensees shall not offer alcohol beverages at reduced prices for any period of time during daily legal hours. This shall not be construed to regulate prices charged for group events to its attendees only, such as banquets, nor to prohibit cover charges or price adjustments during times when live entertainment is presented on the licensed premises, nor to preclude lower alcohol beverage prices for a full day.

a. Licensees or their employees shall not offer or permit games, contests, or promotions, which encourage the rapid or excessive consumption of alcohol beverages nor shall they furnish alcoholic beverages to anyone for no charge.

52. Each applicant for a license or permit other than a first or second-class license shall file with the board an application signed by the applicant on prescribed forms.

a. Misrepresentation of a material fact on any Department of Liquor Control forms or in other written communication with the Department shall be grounds for non-issuance, suspension or revocation of the liquor license, after notice and hearing.

53. Where a single entity holds both a restaurant or hotel license and a cabaret license covering different areas of a single premise, the entity may keep a single set of books and records for both the restaurant or hotel and cabaret businesses and may purchase and maintain a single stock of alcoholic beverages to service both businesses. In such case the licensee may, or a patron may be allowed to, carry an alcoholic beverage from one licensed area to another licensed area of the premises. The holder of a cabaret license must be prepared and able to demonstrate with suitable records that

the gross receipts from the cabaret's sale of food, is less in amount or volume than the cabaret's sales of alcoholic beverages and the gross receipts from entertainment and dancing. Such receipts shall be based on notations made contemporaneously with such sales and receipts.

54. Each first and third class licensee shall post in a prominent place where alcohol is served, a sign with the words, "Do You Have a Designated Driver?"

\*\*\*In reference to General Regulation 31 a & b, the correct money amounts should be \$30.00 for 31 (a) and \$10.00 for 31 (b).

## Advertising

1. Federal regulations relating to the advertising of distilled spirits, wine and malt beverages promulgated under the Federal Alcohol Administration Act (27 U.S.C. 201-211), as now existing or as amended in the future, are hereby adopted as a part of this regulation to the same extent as if set forth herein, and shall, to the extent so adopted, govern the advertising of alcoholic liquors by manufacturers, certificate of approval holders, wholesalers, and retailers in Vermont.
2. All copy used in the advertising of alcoholic liquors, including malt and vinous beverages, and including inside and outside signs, shall comply with the current Federal Regulations regarding same, and shall additionally comply with those regulations hereinafter set forth. An advertisement shall not contain:
  - a. Any statement that is false or misleading in any material particular.
  - b. Any statement that is disparaging of a competitor's product.
  - c. Any statement, design, device or representation which is obscene or indecent.
  - d. Any statement, design, device or representation which includes violence in any form.
  - e. Any statement, design, device or representation which is so appealing to persons under the legal age as to encourage the purchase, possession or consumption of alcoholic beverages.
  - f. Any statement, design, device representing that the use of any malt or vinous beverage has curative or therapeutic effects, if such statement is untrue in any particular, or tends to create a misleading impression.
  - g. Advertisement of two or more different brands or lots of malt or vinous beverages in one advertisement, or in two or more advertisements in one issue of a periodical or a newspaper or in one piece of other written, printed or graphic matter, if the advertisement tends to create the impression that representations made as to one brand or lot apply to the other or others, and if as to such latter the representations are in any respect untrue.
  - h. Any statement, design, device or pictorial representation of or relating to, or capable of being construed as relating to the armed forces of the United States, or of the American Flag or of any emblem, seal, insignia, or decoration associated with such flag or armed forces; nor shall any

advertisement contain any statement, device, design or pictorial representation of or concerning any flag, seal, coat of arms, crest or other insignia likely to mislead the consumer to believe that the product has been endorsed, made, or used by, or produced for, or under supervision of, or in accordance with the specifications of the government, organization, family, or individual with whom such flag, seal, coat of arms, crest or insignia is associated.

3. No person, partnership, or corporation shall display a sign of a first class, second class, third class, wholesale dealer's or bottler's license unless the person is actually the holder of the type of license he advertises.
4. Certificate of Approval holders and wholesale dealers may distribute bottle openers, can openers, and cork screws to retail dealers. These openers may carry the name of the manufacturer and/or brand name of the product. Retail dealers may distribute the openers to their customers with the sale of malt or vinous beverages. These openers are for the convenience of the public and not for advertising purposes.
5. Consumer advertising specialties, such as ash trays, bottles or can openers, cork screws, shopping bags, matches, printed receipts, pamphlets, cards, leaflets, recipe booklets, blotters, post cards, and pencils, which bear advertising matter may be furnished, given or sold to a retailer for unconditional distribution by the retailer to the general public. The retailer may not be paid or credited in any manner, directly or indirectly, for this distribution service.
6. Any malt or vinous beverage point of sale advertising shall be submitted to the Liquor Control Board for approval prior to its use by manufacturers, holders of certificate of approval, wholesale dealers, or retailers in Vermont.
7. Definitions for advertising, display or distribution service as used in the advertising regulations are:
  - a. Manufacturers, holders of certificate of approval or wholesale dealers are prohibited from influencing or controlling the purchases of a retailer by paying or crediting the retailer for any advertising, display or distribution service, whether or not the advertising, display or distribution service received is commensurate with the amount paid by the retailer.
  - b. An arrangement where manufacturer, holder of a certificate of approval, or wholesale dealer participates with a retailer in paying for an advertisement placed by the retailer constitutes paying the retailer for advertising.
  - c. Manufacturer, certificate of approval holder or wholesale dealer payments to retailers as compensation for setting up product or other displays constitutes paying the retailer for rendering a display service.
  - d. A promotion whereby a manufacturer, holder of a certificate of approval, or wholesale dealer rents display space at a retail establishment constitutes paying the retailer for rendering a display service.

#### Hours Of Sale

1. Holders of a first class license or first and third class licenses shall sell or serve any malt or vinous beverages or spirituous liquors on his / her licensed premises

between the hours of 8:00 a.m. and 2:00 a.m. the following morning. Consumption on the premises of such beverages and liquors sold and served pursuant to this regulation shall be prohibited after 2:30 a.m. Except as otherwise prohibited by law or regulation, the hours provided in this regulation shall be extended one hour for New Year's Day.

2. No licensee holding a second-class license shall sell, furnish, or deliver, or allow to be removed from the licensed premises, any alcoholic beverages except between the hours of six o'clock in the forenoon and twelve o'clock midnight. The time of day mentioned herein shall be construed to mean U.S. Standard Eastern Time, except that during the period of each year from the last Sunday in April to the last Sunday in September, inclusive unless the Governor shortens or lengthens the period specified, by proclamation, as provided in Vermont Statutes Annotated, Title 1, Section 431, and such time of day shall be construed to mean U.S. Daylight Saving Time.

Permitted sale of liquor on Sundays. 1993. No. 210 (Adj. Sess.), § 283, eff. June 17, 1994, provided: "Notwithstanding 7 V.S.A. § 62 or any other provision of law, the liquor control board shall issue regulations permitting the retail sale of spirituous liquor on Sundays by any licensed agency or state liquor store. Malt and vinous beverages may be sold on Sundays by second class licensees during the same hours as allowed during other days of the week."

3. Notwithstanding the provisions in these Regulations, the Control Commissioners shall have the right to prescribe shorter periods of sale within the hours specified above. (See Attorney General's ruling July 19, 1947).

#### Credit

1. No malt or vinous beverage or spirituous liquor shall be purchased on credit by any licensee. Upon termination of a distributorship, or unsalability of a product or for cooperage or other containers, the payment for merchandise returned by a wholesale dealer to a certificate of approval holder must be paid within ten business days after receipt of the merchandise by the certificate of approval holder.

#### Clubs

1. A club holding a license issued by the Liquor Control Board may hold bingo games on its licensed premises exclusively for members, with the bar open. However, upon written request from a club, the Board may grant permission, for a maximum period of one year, to have public bingo games on the licensed premises on specified nights, with the understanding that the bar is closed during bingo unless the bingo area is found by the Department to be separate from the bar area on the night of the bingo game. This permission may be renewed upon written request by the club addressed to the Board.

## Wholesale Dealers and Certificate of Approval Holders and Vermont Manufacturers

1. A liquor representative, employee of a wholesale dealer, holder of a certificate of approval or manufacturer's license shall not be employed directly or indirectly on a paid or voluntary basis by a first class licensee. Holders of a certificate of approval, manufacturer's license, wholesale dealer's license, solicitor permit, or any full-time employee of such licensees may, at a retail establishment, stock, rotate, build and move displays and price products which they sell, provided products purchased from other wholesalers are not altered or disturbed.
  - a. An employee of a wholesale dealer of beer and wine may also work for a second class licensee in a store that sells beer and wine for off premise consumption, provided the employee has no management role and does not exercise any control over the business or any business decisions of the second class licensee, and that neither of these employment relationships has the effect of excluding another wholesale dealer or any brand of beverage handled by another wholesale dealer.
2. Employees of wholesale dealers are not to be employed as representatives of distilleries distributing fortified wines or liquors in Vermont or by a holder of a manufacturer's license.
3. All alcoholic liquor sold under a bottler's license or a wholesale dealer's license shall be purchased only from holders of certificates of approval or manufacturer's licenses issued by the Liquor Control Board.
4. Each licensee holding a bottler's license or a wholesale dealer's license shall, on or before the tenth day of each calendar month, transmit to the Commissioner of Taxes of the State of Vermont the report and pay the tax as provided in Vermont Statutes Annotated, Title 7, Section 421, upon forms furnished by such Commissioner, a statement or return under oath or affirmation showing the quantity of malt and vinous beverages sold by such licensee during the preceding calendar month, and licensees shall file such bonds and/or other security for the fulfillment of the provisions of this section as the Board may require. Bottlers and wholesale dealers shall file a surety bond with their applications for such amount as is deemed adequate by the Liquor Control Board. The purpose of this bond is to assure the State that tax due on the sale of malt and vinous beverages for an average two-month period. (Forms to be furnished by the Board.)
5. Failure to submit the reports required in Regulation No. 4, together with the amount of tax due on same, under the preceding paragraph, within the time required will make the licensee subject to suspension or revocation of his/her license.
6. No malt or vinous beverages shall be returned by a retail dealer to a wholesale dealer unless the beverages are of substandard packaging or quality, are misordered, out of code or if the licensee is going out of business or closing for the season and then only when authorized to do so by the Liquor Control Board. Authorization from the Liquor Control Board is not required when a wholesale dealer wishes to exchange product for another with the same SKU and move

- product going out of code to another licensed premises where it will sell. No such authorization shall be required for the return of draft beer in barrels.
7. Each holder of a certificate of approval or a manufacturer's license shall, on or before the twentieth day of each calendar month, file with the Commissioner of Taxes of the State of Vermont upon forms furnished by such Commissioner, a statement or return under oath or affirmation showing the quantity of malt or vinous beverages sold or shipped by him to each Vermont bottler or wholesale dealer during the preceding calendar month, with the names and addresses of each dealer, together with such further information from time to time as such Commissioner of Taxes or the Board may prescribe or require.
  8. All invoices furnished by the wholesale dealer to the retail dealer must carry serial numbers and can be either manually or electronically generated and transmitted. One invoice is to be left on the premises of the wholesale dealer and a copy is to be left with the retail dealer upon delivery. All invoices must show the name or the initials of the person taking the order. Invoices are to be made out in the name of the licensee as it appears on the trade name of the establishment.
  9. Tapping accessories, such as standards, faucets, rods, vents, taps, hoses, washers, couplings, vent tongues, shanks, pressure gauges, and check valves may be sold to a retailer, if the tapping accessories are sold at a price not less than the cost to the certificate of approval holder, manufacturer, or wholesale dealer who initially purchased those items. Invoices on all such sales must be maintained on the licensed premises for a period of two years. However, in an existing system, servicing and cleaning of all draught equipment from the barrel to the glass, and replacing of rods, taps, hoses and washers is approved.
  10. Holders of a certificate of approval or manufacturer's license shall not ship any malt or vinous beverages to a wholesale dealer in Vermont unless same is covered by an invoice.
  11. No wholesale dealer or bottler may solicit or accept orders for malt and vinous beverages except from the holder of a first or second class license and all such beverages must be delivered by the wholesale dealer or bottler to the licensed premises of the licensee giving the order. Deliveries may be made at the wholesale dealer's licensed premises to a first or second-class licensee or his employee at the posted delivered price.
  12. All wholesale dealers shall post their malt beverage prices to first and second-class licensees with the Liquor Control Board. Prices will be posted as to each brand and size container. In the event of any proposed price change, the wholesale dealer will post same with the Liquor Control Board. Said price change or changes will not become effective until the seventh day after receipt of the proposed price change or changes at the office of the Liquor Control Board in Montpelier. Said price change or changes must remain in effect for a minimum period of fourteen days, and will remain in effect thereafter until notice of price change is posted as above provided. Each first and second-class licensee in the wholesale dealer's territory must receive at least one opportunity to buy at the changed price. When a wholesale dealer runs out of product, they shall be allowed to offer rain checks to all licensees who were not able to purchase the product at the posted price for a period not to exceed fourteen days. No price posting

- involving quantity discounts will be made. Any sale made by a wholesale dealer lower than his posted prices shall be construed as a violation of Regulation No. 15 under this heading, in addition to a violation of this regulation.
13. In case of a change of distributors, holders of certificate of approval or holders of manufacturer's licenses or the new distributor shall make provision for taking over stock on hand, including empties and cooperage, supplied by said holders to distributors; and said holder of a certificate of approval or manufacturer's license or new distributor shall, within fifteen days from effective date of said change, pick up said stock on hand, including empties and cooperage, from the distributor who is surrendering its stock. Distributors who so surrender said stock, including empties and cooperage, shall be reimbursed by said holder of certificates of approval or manufacturer's licenses or new distributor on the date the stock is received by the holder of certificate of approval, holder of manufacturer's license or the new distributor at cost price plus handling expenses not to exceed fifteen per cent of the cost price and an invoice shall accompany the sale. After effective date of said change, said distributors shall not sell the products of said holders of certificates of approval or manufacturer's licenses.
  14. A person, partnership or corporation holding a wholesale dealer's license issued by the Vermont Liquor Control Board, or any agent representing the wholesale dealer is prohibited from taking orders, selling or delivering any malt and/or vinous beverages in an aggregate quantity of less than seven and one half gallons or, if the quantity is less than seven and one half gallons, the cost is less than \$75.00; nor shall a person, partnership, association or corporation holding a first or second class license order, purchase, or accept delivery of any malt and/or vinous beverages in an aggregate quantity of less than seven and one half gallons or if the quantity is less than seven and one half gallons, the cost is less than \$75.00.
  15. No manufacturer, certificate of approval holder, or wholesale dealer shall directly or indirectly or through any affiliate induce any licensee to purchase any alcoholic beverage by giving or offering to such purchaser anything of value except brand-identified items which are primarily valuable to the retailer for advertising purposes only. Such advertising items require prior Liquor Control Board approval.
  16. A person to be eligible to hold a solicitor's permit must have reached his eighteenth birthday and be a full-time employee of the licensee he represents.
  17. Wholesalers and their employees shall adhere to all regulations duly adopted by the Board.

#### Alcohol Regulations

1. Completely denatured alcohol may be lawfully possessed, furnished, purchased, sold, bartered, transported, imported, or delivered into, from and within the State of Vermont in accordance with the rules, laws and regulations of the Federal Government pertaining thereto.
2. Pure ethyl or grain alcohol, including special denatured alcohol, for manufacturing, mechanical, medicinal, and scientific purposes must not be

- transported or delivered into or within the State of Vermont by other than a common carrier and only when consigned to the Vermont Liquor Control Board or to persons designated as permittees, such as manufacturers, industrial users, hospitals, druggists, institutions of learning, etc., and only in wholesale quantities in containers of five gallons or more when accompanied by permit issued by the Vermont Liquor Control Board.
3. Upon application, a permit may be issued to registered manufacturers of alcohol or to manufacturer's agents desiring to sell alcohol to permittees in the State of Vermont.
  4. Upon application made on forms provided for this purpose by the Liquor Control Board, the Commissioner may issue a permit to persons designated in Regulation No. 2, requiring alcohol in quantities of five gallons or more for hospitals, manufacturing, mechanical and scientific purposes to purchase such alcohol direct from duly registered manufacturers of alcohol or manufacturers' agents. This permit must accompany each shipment of alcohol from duly registered vendor to permittee. Upon delivery of the alcohol at destination, such permit is to be properly endorsed by the consignee and returned to the Commissioner of Liquor Control at Montpelier by the consignee. All such shipments must be delivered to the consignee and not to the person placing the order.
  5. Purchases of pure ethyl or grain alcohol may be made from Vermont State Liquor Stores or Vermont State Liquor Agencies upon the completion of an alcohol purchase form provided at the retail location. The purchase of pure ethyl or grain alcohol at the retail outlet must be made for the purposes of manufacturing, mechanical, medicinal or scientific purposes.

#### Education Regulations

1. It shall be the duty of all licensees to know and to ensure that their employees know the laws and regulations of the State of Vermont relative to the sale of intoxicating beverages and tobacco products as well as the rules and regulations of the Board applying to their particular licenses. In case of an infraction of the laws, rules or regulation by any licensee, such infractions shall be deemed prima facie evidence of the licensee's unfitness to hold a license.
2. No new first, second or third class liquor license, Manufacturing license, or tobacco license shall be granted until the applicant has met with the liquor control investigator for the purpose of being informed of the Vermont liquor laws, rules and regulations pertaining to the purchase, storage, and sale of alcoholic beverages and tobacco products.
  - a. A corporation, partnership, or association shall designate a director, partner, or manager who shall comply with the terms of this regulation.
3. Any one holding a first, second or third class license, shall complete the Department of Liquor Control Licensee Enforcement Seminar at least once every two

years.

- a. A corporation, partnership, or association shall designate a director, partner, manager, or member who shall comply with the terms of this regulation.
  - b. Each licensee shall ensure that every employee who is involved in the preparation, sale, service or solicitation of alcoholic beverages or the sale of tobacco products, or enforcing of alcohol and/or tobacco laws and regulations must complete a training program offered or approved by the Department of Liquor Control before the employee begins working in that capacity and at least once every two years thereafter. Each licensee shall maintain written documentation, signed by each employee trained of each training program conducted. A licensee may comply with this requirement by conducting its own training program on its premises, using all information and materials furnished by the Department of Liquor Control, or from a program approved by the department. A licensee who fails to comply with the requirements of this subsection shall be subject to a suspension of no less than one day of the license issued under this title.
  - c. No license or permit will be renewed unless the records of the Department of Liquor Control show that the licensee has complied with the terms of this regulation.
  - d. All records, and certificates, indicating that an employee has been trained must be kept on all licensed establishments at all times. Those training records shall be available at all times and must be presented immediately to a Liquor Control Investigator or a Vermont Law Enforcement Officer if it is requested.
4. Solicitors, manufacturers, and fourth class liquor licensees must be properly trained upon licensure and retrained within the following two years. This training requirement may be satisfied by completion of materials provided for this purpose by the Department of Liquor Control Education Division. Proof of this training will be documented on forms provided by the Department and retained by the license holder.
5. The Liquor Control Board, as a condition of licensure, may require any retail licensee found guilty by the Liquor Control Board of a violation of a liquor law or regulation to attend an additional Department of Liquor Control Licensee Enforcement Seminar.
6. To assist the licensee in carrying out educational responsibilities, the Department of Liquor Control will offer the Department of Liquor Control Licensee Enforcement Seminar and will furnish materials to be used by licensees in their employee training program.
7. Failure to comply with these Education Regulation provisions may result in suspension or revocation of a license after notice and an opportunity for a hearing.

