

State of Vermont Liquor Control Board



Sixty-Seventh Annual Report

Year Ending June 30, 2001

HIGHLIGHTS OF OPERATIONS

FISCAL YEAR ENDING JUNE 30, 2001

REVENUE CREDITED TO GENERAL FUND:

State Liquor Tax	\$ 10,230,656.76
License Fees Remitted	426,761.24
Tobacco Violations Remitted	50,550.00
Liquor Violations Remitted	71,150.00
Legislative Transfer to General Fund	\$ 327,000.00
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TOTAL TO GENERAL FUND: \$ 11,106,118.00

FUNDS GENERATED FROM OPERATIONS:

Interest Earned	\$ 2,489.53
Adult ID Cards	\$ 15.00
License Fees	\$ 164,603.76

LETTER OF TRANSMITTAL

January 1, 2002

Honorable Howard Dean, M.D.
Governor of Vermont
Montpelier, Vermont

Dear Governor Dean:

In compliance with the provisions of section 109, Title 7, Vermont Statutes Annotated Revision of 1959, we have the honor to submit herewith the Sixty-Seventh Annual Report of the Liquor Control Board for the fiscal year July 1, 2000 through June 30, 2001.

Respectfully,

Daniel J. O'Brien, Chairman
Lloyd A. Kelley, Jr., Member
David B. Shaffe, Member

ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
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ANNUAL COMPARISONS

ANNUAL COMPARISONS

	Year Ended June 30, 2001	Year Ended June 30, 2000
Total State Tax Collected	\$10,230,656.76	\$9,638,865.19
Receipts from Licenses:		
Credited to State Treasurer	426,761.24	434,938.41
Receipts from Licenses Retained	164,603.76	171,116.54
Adult ID Cards	15.00	85.00
Interest	2,489.53	4,512.37
A66 Transfer to General Fund	<u>327,000.00</u>	<u>327,000.00</u>
 Total Receipts to State Treasurer Collected by Dept. of Liquor Control	 \$11,151,526.29	 \$10,576,517.51
 Malt & Vinous Beverage Tax Collected by Commissioner of Taxes	 \$4,843,009.00	 \$4,818,535.00
 Total Receipts to State Treasurer	 \$15,994,535.29	 \$15,395,052.51
 Receipts to Cities & Towns from Beer and Wine Licenses Issued	 \$207,650.00	 \$208,500.00
 Total Revenue to State and Local Governmental Units	 <u>\$16,202,185.29</u>	 <u>\$15,603,552.51</u>

SALES COMPARISONS

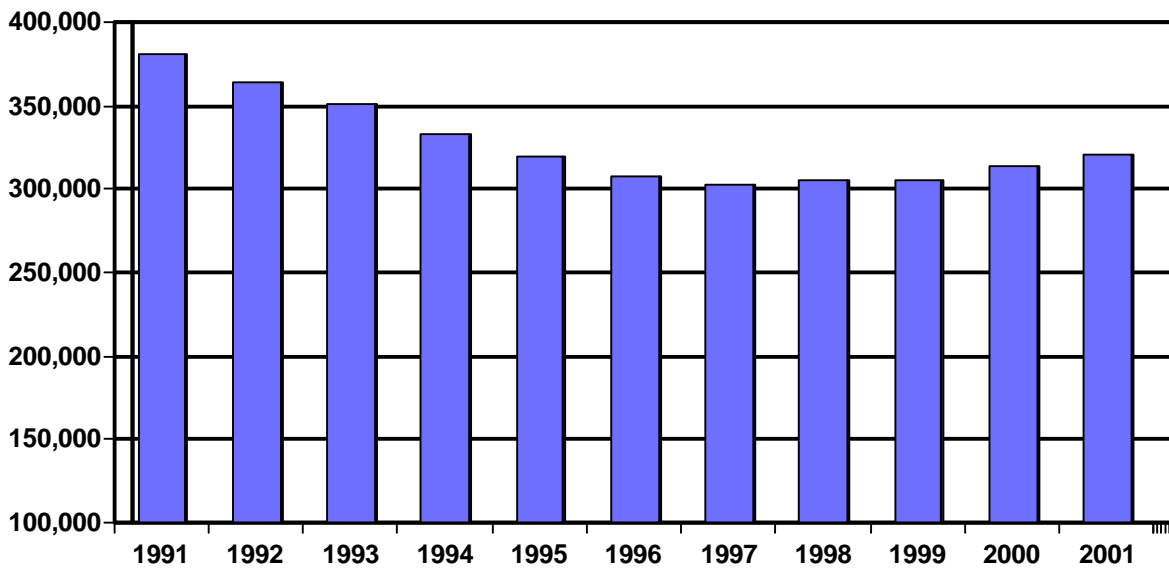
Gross Liquor Sales (Includes Tax)	\$40,958,999.75	\$38,621,181.50
 Total Cases Spirituous Liquor Sold	 302,711	 294,859
Total Cases Fortified Wines Sold	17,607	18,345
Total Cases Alcohol Sold	<u>56</u>	<u>64</u>
Total Cases Sold	320,374	313,268

**COMPARISON OF CASES SOLD AND SALES DOLLARS
IN FISCAL YEARS 1991-2001**

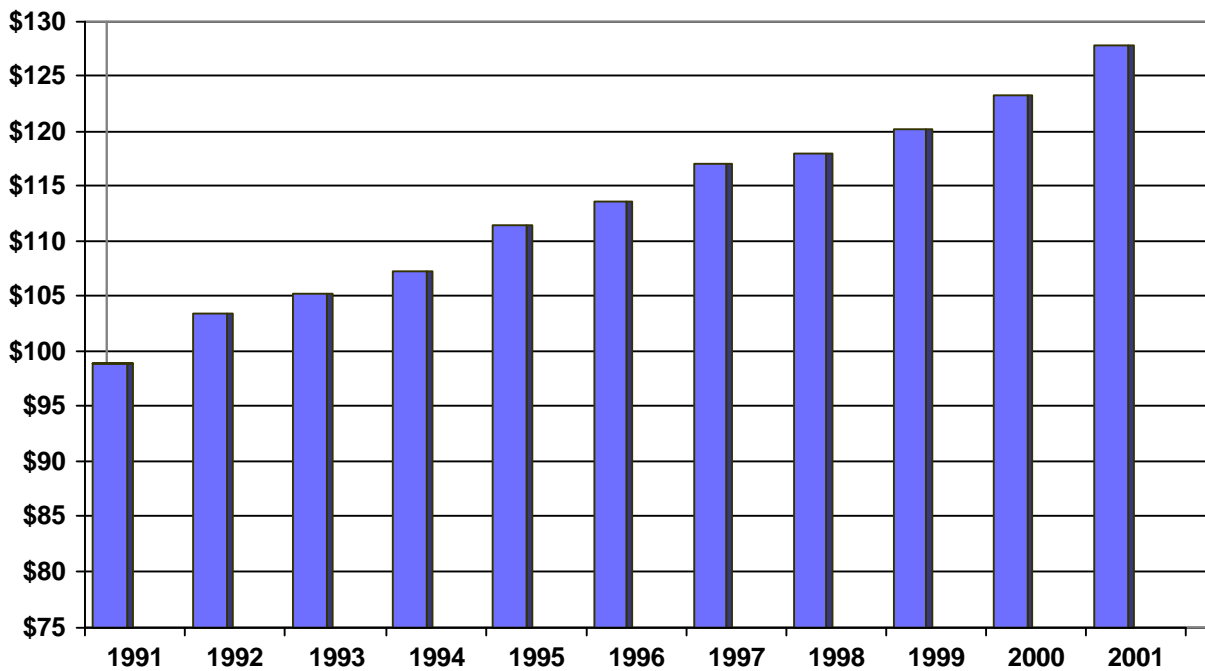
YEAR	CASES SOLD	AVG. CASE PRICE	SALES DOLLARS
1991	380,823	\$98.81 *	\$37,628,726
1992	364,643	\$103.47	\$37,730,454
1993	351,344	\$105.26	\$36,983,222
1994	333,087	\$107.26	\$35,727,441
1995	320,084	\$111.41	\$35,659,130
1996	307,523	\$113.59	\$34,931,651
1997	302,593	\$116.96	\$35,390,069
1998	305,031	\$117.95	\$35,979,833
1999	305,125	\$120.05	\$36,630,780
2000	313,274	\$123.11	\$38,567,203
2001	320,374	\$127.65	\$40,896,816

* Federal Excise Tax increase of \$1 per 100 proof gallon.

**TOTAL CASES SOLD
FISCAL YEARS 1991-2001**



**AVERAGE RETAIL PRICE PER CASE
FISCAL YEARS 1991-2001**



VERMONT STATE TAX ON LIQUOR MALT AND VINOUS BEVERAGES

On all sales of MALT BEVERAGES, the alcoholic content of which is not more than six percent by volume at sixty degrees Fahrenheit, a tax of twenty-six and one half cents per gallon or its equivalent is paid to the Commissioner of Taxes by Wholesale Dealers and Bottlers.

On all sales of VINOUS BEVERAGES the alcoholic content of which is not more than sixteen percent by volume at sixty degrees Fahrenheit, a tax of fifty-five cents per gallon or its equivalent is paid to the Commissioner of Taxes by Wholesale Dealers and Bottlers.

Effective May 1, 1933, the original tax was \$1.00 per 31 gallon barrel which approximates \$0.0323 per gallon. Since that time, the rate of tax has changed as follows:

June	1, 1934	\$.0325 per gallon
January	1, 1936	.05 per gallon
May	1, 1937	.10 per gallon
May	12, 1949	.15 per gallon
August	1, 1957	.20 per gallon
June	1, 1968	.25 per gallon
May	1, 1976	.50 per gallon
July	1, 1981	.55 per gallon

The history of changes in the tax rate on SPIRITUOUS LIQUORS, and FORTIFIED WINES, as of May 1, 1935, is as follows:

		Spirituuous Liquors	Fortified Wines
(Original tax)		\$.10 per pt.	\$.10 per pt.
May	1, 1937	.23 per pt.	.12 1/2 pt.
May	1, 1939	.25 per pt.	No Change
May	1, 1945	.35 per pt.	No Change
May	1, 1947	.45 per pt.	No Change
August	1, 1957	5.10 per gal.	1.20 per gal.
June	1, 1969	5.60 per gal.	1.40 per gal.
February	12, 1974	24% on Retail Sales	
July	1, 1981	25% on Retail Sales	

FINANCIAL STATEMENTS

VERMONT DEPARTMENT OF LIQUOR CONTROL
COMPARATIVE BALANCE SHEET
EXHIBIT A

ASSETS

	<u>June 30, 2001</u>	<u>June 30, 2000</u>
CURRENT ASSETS		
Cash On Hand	634,427.18	\$2,210,121.65
Petty Cash, Imprest Funds	5,700.00	4,700.00
Inventory Clearing	4,248.09	9,527.41
Accounts Receivable	112,356.49	311,536.55
Inventories		
Outlets	3,609,985.59	3,545,711.58
Warehouse	130,228.99	107,605.25
	<u>\$4,496,946.34</u>	<u>\$6,189,202.44</u>
 FIXED ASSETS: (Less Depreciation)		
Equipment: Furniture & Fixtures	352,058.10	\$843,330.53
Operating Equipment	0.00	30,252.17
Warehouse & Office Building Improvements	30,464.84	69,040.88
	<u>\$382,522.94</u>	<u>\$942,623.58</u>
 PREPAID EXPENSES		
Operating Supplies	\$0.00	\$18,160.19
Maintenance On Equipment	0.00	2,236.90
Unexpired Insurance	0.00	3,119.59
Federal License	0.00	750.00
Prepaid Membership Dues	0.00	1,000.02
	<u>\$0.00</u>	<u>\$25,266.70</u>
 TOTAL ASSETS	 <u><u>\$4,879,469.28</u></u>	 <u><u>\$7,157,092.72</u></u>

LIABILITIES AND RETAINED EARNINGS

CURRENT LIABILITIES		
Accounts Payable:		
Liquor	\$3,779,079.85	\$5,281,426.81
Sundry	178,659.62	158,537.44
General Fund Tax Payable	173,330.84	492,796.34
Vouchers Payable	103,809.10	83,480.83
Accrued Salaries & Benefits	183,299.08	183,946.25
State Treasurer-Cash Funds Advance	5,700.00	4,700.00
	<u>\$4,423,878.49</u>	<u>\$6,204,887.67</u>
 RETAINED EARNINGS	 \$952,205.05	 \$619,980.17
NET INCOME AFTER LEGIS. TRANSFER	<u>(496,614.26)</u>	<u>332,224.88</u>
 TOTAL LIABILITIES & RETAINED EARNINGS	 <u><u>\$4,879,469.28</u></u>	 <u><u>\$7,157,092.72</u></u>

VERMONT DEPARTMENT OF LIQUOR CONTROL
COMPARATIVE STATEMENT OF OPERATIONS
EXHIBIT B

	F/Y 2001	%	F/Y 2000	%
Gross Sales:	\$40,958,999.75	100.00	\$38,621,181.50	100.00
Tax	10,230,656.76	24.98	9,638,865.19	24.96
Net Sales	<u>\$30,728,342.99</u>	<u>75.02</u>	<u>\$28,982,316.31</u>	<u>75.04</u>
Cost of Goods Sold	\$24,777,016.29	60.49	\$23,388,571.87	60.56
Gross Income on Sales	\$5,951,326.70	14.53	\$5,593,744.44	14.48
Operating Expenses:				
Outlet Operations	\$3,280,446.10	8.01	\$2,877,595.42	7.45
Act 261 Recycling	0.00	0.00	190,282.59	0.49
Warehouse & Distribution	825,902.00	2.02	593,164.61	1.54
General Administration	1,136,423.12	2.77	1,116,938.84	2.89
Total Operating Expenses	<u>\$5,242,771.22</u>	<u>12.80</u>	<u>\$4,777,981.46</u>	<u>12.37</u>
Gross Operating Income	\$708,555.48	1.73	\$815,762.98	2.11
Other Income:				
Miscellaneous	\$781.16	0.00	\$685.26	0.00
Gain/Loss Disposal Equip.	(500,720.32)	(1.22)	14,785.69	0.04
License Fees Collected	591,365.00	1.44	606,055.00	1.57
Tobacco Violations Collected	50,550.00	0.12	47,800.00	0.12
Liquor Violations Collected	71,150.00	0.17	89,265.20	0.23
Adult ID Cards	15.00	0.00	85.00	0.00
Interest	2,489.53	0.01	4,512.37	0.01
Non Refunded Bottle Fund	129,538.20	0.32	113,705.85	0.29
Special Purchase Allowance	682,350.21	1.67	703,561.79	1.82
Penalties/Refund Labels	7,483.00	0.02	7,950.00	0.02
Total Other Income	<u>\$1,035,001.78</u>	<u>2.53</u>	<u>\$1,588,406.16</u>	<u>4.11</u>
Other Expenses:				
Casualty Loss	\$847.86	0.00	\$714.38	0.00
Uncollected Checks	3,105.25	0.01	3,529.15	0.01
Total Other Expenses	<u>\$3,953.11</u>	<u>0.01</u>	<u>\$4,243.53</u>	<u>0.01</u>
Net Operating Income	\$1,739,604.15	4.25	\$2,399,925.61	6.21
Non-Operating Deductions:				
Education, Licensing & Enf.	\$1,360,757.17	3.32	\$1,168,697.07	3.03
Lic Fees Remitted St. Treas.	426,761.24	1.04	434,938.46	1.13
Tobacco Violations Remitted	50,550.00	0.12	47,800.00	0.12
Liquor Violations Remitted	71,150.00	0.17	89,265.20	0.23
Net Non-Operating Ded.	<u>\$1,909,218.41</u>	<u>4.66</u>	<u>\$1,740,700.73</u>	<u>4.51</u>
Net Department Income	(\$169,614.26)	(0.41)	\$659,224.88	1.71
Less: A66 Transfer to Gen Fund	\$327,000.00	0.80	\$327,000.00	0.85
Profit/Loss for Period	<u>(\$496,614.26)</u>	<u>(1.21)</u>	<u>\$332,224.88</u>	<u>0.86</u>

COMPARISON OF SALES, REVENUE AND CASES SOLD
YEARLY COMPARISON
YEAR TO DATE
JUNE 30, 2000 & JUNE 30, 2001

	<u>2001</u>	<u>2000</u>	<u>INC/DEC</u>	<u>%INC/DEC</u>
Total Sales	\$40,958,999.75	\$ 38,621,181.50	\$2,337,818.25	6.05
State Tax	\$10,230,656.76	\$ 9,638,865.19	\$591,791.57	6.14
Malt & Vinous Tax	\$4,843,009.00	\$ 4,818,535.00	\$24,474.00	.51
Cases Sold:				
Liquor	302,711	294,859	7,852	2.66
Wines/Vermouth	17,607	18,345	-738	-4.02
Total Cases	<u>320,318</u>	<u>313,204</u>	<u>7,114</u>	<u>2.27</u>
Alcohol	56	64	-8	-12.50

SCHEDULE SHOWING TOTAL MONTHLY SALES
FISCAL YEAR 2001

<u>2000</u>	<u>VALUE</u>	<u>CASES</u>
JULY	\$3,468,321.00	28,281
AUGUST	3,483,115.55	27,869
SEPTEMBER	3,315,054.80	26,386
OCTOBER	3,227,627.00	25,361
NOVEMBER	3,242,028.75	25,604
DECEMBER	5,139,680.75	38,876
<u>2001</u>		
JANUARY	\$3,083,561.85	23,860
FEBRUARY	3,202,469.40	24,270
MARCH	3,374,788.05	25,835
APRIL	2,717,639.00	21,675
MAY	3,211,290.50	25,472
JUNE	3,431,239.70	26,885

**DETAIL OF OUTLET OPERATIONS
FOR FISCAL YEAR ENDING JUNE 30, 2001**

	Sales Total	Tax	Net Sales	Cost of Goods Sold	Gross Income	Outlet Expense	Other Expense
A 1 Poultney	220,897	55,246	165,651	135,982	33,354	20,508	12,394
A 2 Barton	147,692	36,830	110,862	90,353	22,965	14,875	8,263
A 3 Island Pond	113,833	28,646	85,188	68,387	18,711	11,440	6,426
A 4 Winooski	2,046,896	511,533	1,535,363	1,220,270	349,212	150,072	114,758
A 5 Londonderry	424,347	106,399	317,948	258,072	66,972	35,997	23,870
A 6 Randolph	374,137	93,099	281,038	224,683	62,564	30,104	20,886
A 7 Hardwick	327,162	81,845	245,317	197,264	53,511	27,388	18,361
A 8 Alburg	230,497	57,292	173,205	149,899	27,127	23,473	12,853
A 9 Arlington	297,845	74,684	223,161	184,380	43,762	26,835	16,755
A10 Jeffersonville	334,923	83,891	251,032	203,210	53,417	28,190	18,820
A11 Canaan	64,459	16,369	48,090	39,819	9,363	7,236	3,672
A12 Richford	168,251	41,946	126,306	102,351	26,753	16,406	9,410
A13 Norwich	404,114	101,284	302,831	248,343	61,243	33,689	22,722
A14 Morrisville	655,908	163,691	492,217	398,246	104,889	52,194	36,723
A15 Wilmington	550,182	137,091	413,092	332,671	89,563	43,405	30,755
A16 Bethel	211,117	53,199	157,918	125,971	35,495	18,940	11,935
A17 Waitsfield	711,057	178,013	533,044	434,656	110,260	57,068	39,936
A18 Colchester	567,764	142,206	425,558	345,176	89,867	46,012	31,903
A19 Orleans	203,460	51,153	152,307	124,088	31,631	18,788	11,476
A20 Northfield	332,918	82,868	250,050	199,660	55,917	27,791	18,591
A21 Waterbury	562,881	140,160	422,721	342,402	89,667	45,636	31,444
A22 Swanton	353,549	87,984	265,565	214,555	56,878	30,361	19,738
A23 Enosburg Falls	262,829	65,476	197,353	160,343	41,377	23,508	14,689
A24 Lyndonville	689,013	171,875	517,138	413,074	115,527	52,045	38,559
A25 So. Hero	380,609	95,145	285,464	233,793	58,016	32,977	21,345
A26 Killington	1,176,492	293,620	882,872	710,828	191,627	87,048	65,871
A27 Richmond	244,332	61,384	182,948	147,386	39,656	22,259	13,771
A28 Springfield	698,422	174,944	523,478	418,979	116,167	54,747	39,247
A29 Rochester	102,443	25,577	76,867	62,199	16,373	10,589	5,738
A30 Montgomery	115,539	28,646	86,893	70,678	18,126	11,961	6,426
A31 Milton	391,602	98,214	293,388	234,546	65,392	33,088	22,034
A32 Brandon	340,794	84,914	255,880	205,604	55,939	29,143	19,050
A33 Bradford	360,680	90,030	270,650	214,089	62,566	29,636	20,197
A34 Stamford	206,929	52,176	154,752	125,895	32,338	19,423	11,705
A35 Vergennes	556,077	139,137	416,940	342,934	83,285	45,837	31,214
A36 White River	0	0	0	0	0	0	0
A37 Windsor	288,392	71,615	216,778	171,937	49,617	24,207	16,066
A38 Bristol	329,313	81,845	247,468	198,817	54,110	28,122	18,361
A39 Shelburne	830,032	207,682	622,349	501,319	134,883	65,193	46,592

**DETAIL OF OUTLET OPERATIONS
FOR FISCAL YEAR ENDING JUNE 30, 2001**

	Sales Total	Tax	Net Sales	Cost of Goods Sold	Gross Income	Outlet Expense	Other Expense
A40 Rockingham	238,955	59,338	179,617	143,247	40,328	21,036	13,312
A41 West Dover	639,605	159,598	480,007	381,432	109,220	49,731	35,804
A42 Derby Ctr.	451,075	112,537	338,538	274,451	71,592	37,416	25,247
A43 North Troy	111,741	27,623	84,118	68,163	17,797	12,088	6,197
A44 Fairfax	188,932	47,061	141,871	113,801	31,209	18,104	10,558
A45 Sharon	139,551	34,784	104,766	83,891	23,196	13,461	7,804
A46 Shelburne Rd	1,448,362	362,165	1,086,197	863,952	246,399	107,925	81,249
A47 Fair Haven	619,985	154,483	465,502	373,832	101,972	49,157	34,657
A48 Pownal	556,919	139,137	417,783	346,015	81,047	47,411	31,214
A49 St Johnsbury	602,147	150,391	451,756	366,223	95,565	48,116	33,739
A50 Woodstock	657,485	164,714	492,771	398,449	105,308	51,010	36,952
A51 North Ave	452,755	113,560	339,194	276,030	70,738	37,361	25,476
A52 Townshend	162,811	40,923	121,888	96,277	28,340	15,499	9,181
A53 Essex Ctr	731,659	183,129	548,530	444,557	116,187	55,652	41,083
A54 Chelsea	84,229	21,484	62,745	50,580	13,598	8,774	4,820
A55 W. Brattleboro	816,326	203,590	612,736	490,013	136,302	61,738	45,674
A56 Wallingford	386,722	96,168	290,554	232,851	64,118	31,269	21,574
A57 Ludlow	485,609	121,745	363,864	293,648	78,336	37,493	27,312
A58 W. Rutland	369,936	92,076	277,860	220,371	63,631	30,723	20,656
A59 Middlebury	908,721	227,121	681,600	552,456	144,292	71,697	50,952
A60 Tafts Corner	695,979	173,921	522,057	423,553	110,104	58,565	39,018
A61 Pearl Street	1,526,989	381,604	1,145,385	907,892	262,945	115,745	85,609
A62 Essex Jct	540,046	135,045	405,002	324,577	89,432	41,735	30,296
A63 Stowe	1,164,008	290,551	873,457	707,863	184,973	88,601	65,182
A64 Jay	65,236	16,369	48,867	40,185	9,774	7,519	3,672
A65 Bennington	1,597,576	398,996	1,198,580	973,817	251,375	124,012	89,511
A66 Brattleboro	207,107	52,176	154,931	123,598	34,812	19,430	11,705
A67 Montpelier	776,040	193,359	582,681	470,360	125,217	61,918	43,378
A68 St Albans Cty	655,281	163,691	491,590	397,125	105,383	52,109	36,723
A69 St Albans Twn	518,022	128,906	389,115	312,765	84,948	42,472	28,919
A70 Newport	240,461	60,361	180,101	145,663	38,464	20,565	13,541
A71 Manchester	1,544,753	385,696	1,159,058	942,698	242,084	119,737	86,527
A72 Rutland	1,513,981	378,534	1,135,447	917,414	243,280	116,688	84,921
A73 S. Burlington	1,245,030	311,012	934,018	753,506	201,256	97,230	69,773
A74 Rutland Town	590,120	147,321	442,799	355,067	97,558	47,124	33,050
A75 Barre	1,468,607	367,281	1,101,326	889,736	236,086	110,746	82,396
A76 Stratton Mtn.	158,801	39,900	118,901	96,089	25,473	14,395	8,951

EDUCATION

LICENSING

ENFORCEMENT

EDUCATION, LICENSING & ENFORCEMENT DIVISION
ACTION BY THE LIQUOR CONTROL BOARD

Applications for first and second class licenses are obtained from the town or city clerk's office. Once the applications are approved by the local control commissioners, they are forwarded to the Liquor Control Board for consideration. New applicants are investigated by the Department of Liquor Control before the licenses are approved and issued. The cooperation of local authorities has been sought in all instances. Fees collected for first and second class licenses go to the town or city in which the license is issued. Applications for third class licenses are obtained from the Department of Liquor Control and they retain the fees collected for the benefit of the State

During the fiscal year ending June 30, 2001 a total of 9,216 inspections were made at 4,859 licensed premises. Of the premises licensed during this fiscal year, 446 were new applications which necessitated special investigations by the Liquor Control Investigators.

During fiscal year ending June 30, 2001, 983 investigations of illegal sales and alleged violations of the liquor laws and regulations were made by fourteen Liquor Control Investigators. Those which resulted in suspensions or letters of warning to licensees are included in the statistics shown under those categories.

Under the provisions of the Administrative Procedures Act, during the fiscal year ending June 30, 2001, the Liquor Control Board sent 92 warning letters relative to violations of the alcohol beverage laws and regulations observed by Investigators in their visits to licensed premises.

The Liquor Control Board imposed suspensions or fines on 267 different licenses. A procedure instituted in 1979 is the acceptance by the Liquor Control Board of waivers of formal hearing from licensees after they have been cited to appear before the Board for violation of the Liquor Control laws or regulations. During fiscal year 2001, of the 267 licensees who received suspensions or fines, 232 requested waivers and accepted fines or suspensions of their license(s) without formal hearing.

During fiscal year ending June 30, 2001, there were no suspensions of liquor licenses reported by local control commissioners.

The Liquor Control Board is especially concerned with purchase and acquisition of alcohol beverages by persons under the legal age of 21 years. As a result of this concern, the Board imposed fines totaling \$68,500.00 on 209 licenses and suspended 58 licenses for sale of alcoholic beverages to minors and the suspensions averaged 4 days. Of the 267 licenses, 215 suspensions/fines were a result of alcohol compliance testing, which was instituted by the Liquor Control Board during Fiscal Year 1996.

Additionally, during fiscal year ending June 30, 2001, investigations of alleged violations of the Tobacco Law were conducted, resulting in the statistics that are included on page 24. During the year, tobacco compliance testing was conducted on 1,503 retailers. Of the 1,503 retailers tested three hundred twenty-two (322) sold tobacco products to persons under the age of eighteen.

LICENSE FEES

For convenient reference the following information is submitted regarding license fees collected by the Department for each type of license or permit issued. All licenses expire April 30th of each year.

	<u>License Term</u>	<u>Fee (\$)</u>
Manufacturers and/or Rectifier's License	Year	\$ 150.00
Fourth Class License for Vinous Beverages Authorizes a Vermont manufacturer or rectifier to sell their vinous beverages to the public at their licensed premise.	Year	50.00
Bottler's License Any person other than a brewer who shall bottle malt or vinous beverages for sale or for distribution in this state.	Year	750.00
Certificate of Approval, Malt Beverages Authorizes the sale of malt beverages not exceeding 8% alcohol content by volume; by manufacturers or dealers to Vermont Wholesale Dealers.	Year	1,500.00
Certificate of Approval, Vinous Beverages Authorizes sale of vinous beverages not exceeding 16% alcoholic content by volume; except all vermouths of any alcoholic content by manufacturers or dealers to Vermont Wholesale Dealers.	Year	200.00
Wholesale Dealers License Authorizes sale of malt beverages not exceeding 8% alcoholic content by volume; and vinous beverages not exceeding 16% alcoholic content by volume; except all vermouths of any alcoholic content to Retail Licensees.	Year	600.00
Third Class License Authorizes sale of spirituous liquors for on-premise consumption in a hotel, restaurant, club, cabaret, boat or dining car.	Year 1/2 Year	400.00 250.00
Druggist Permit Permits sale of spirituous liquor upon prescription of doctors.	Year	20.00

LICENSE FEES (con't)

	<u>License Term</u>	<u>Fee (\$)</u>
Solicitor's Permit Permits representative of a holder of a Certificate of Approval or Wholesale Dealer to solicit orders for malt and vinous beverages from Retail Licensees.	Year	10.00
Caterer's Permit Authorizes holders of 1st & 3rd Class Restaurant, Hotel and Cabaret licenses to serve alcohol beverages at off-premise unlicensed locations.	Year	100.00
Special Events Permit Authorizes holders of a Manufacturers or Rectifier's License to sell alcohol beverages to the public at an event apart from their licensed premises.	Event	25.00
Festival Permit Authorizes an individual to conduct an event at which malt or vinous beverages or both are sold by the glass to the public.	Event	50.00
Manufacturer Vinous Direct Sales Authorizes the sale of vinous beverages directly to second class licensees.	Year	200.00
Fees for First and Second Class Licenses and Tobacco Licenses, listed below are paid to the respective towns and cities in which the licenses are granted.		
First Class License (Retail Licensees) Authorizes sale of malt and vinous beverages for on-premise consumption.	Year	100.00
Second Class License (Retail Licensees) Authorizes sale of malt and vinous beverages for off-premise consumption.	Year	50.00
Tobacco License Authorizes a retailer to sell tobacco at their licensed premise. (Fee is not assessed if the retailer has a license to sell alcohol beverages.)	Year	10.00

ENFORCEMENT & LICENSING
ACTION ON LICENSEES BY THE LIQUOR CONTROL BOARD

The following tabulation sets forth action taken by the Liquor Control Board on applications for licenses and permits. Statistics are not available to indicate the number of applications disapproved by the Control Board.

Type of License	APPROVED Years Ended June 30				DISAPPROVED Years Ended June 30			
	1998	1999	2000	2001	1998	1999	2000	2001
First Class	1,454	1,377	1,379	1,369	1	3	2	4
First Class (Club)	114	114	115	115			1	
First Class (Boat)	6	6	6	6				
First Class (Dining Car)	1	1	1	1				
Second Class	1,230	1,178	1,182	1,185	1	1	4	2
Third Class:					0	0	0	1
Hotel (Yearly)	145	154	157	151				
Hotel (6 Months)	26	22	22	25				
Restaurant (Yearly)	468	463	453	452				
Restaurant (6 Months)	82	68	69	68				
Club (Yearly)	108	107	108	106				
Club (6 Months)	7	7	7	7				
Cabaret (Yearly)	366	357	355	339				
Cabaret (6 Months)	71	55	53	49				
Dining Car	1	1	1	1				
Boat Yearly	1	1	1	1				
Boat (6 Months)	4	4	4	4				
Druggist Permit	0	0	0	0				
Wholesale Dealer	19	16	14	15				
Malt Beverages	45	36	41	36				
Vinous Beverages	176	169	182	191				
Solicitor Permit	489	458	499	464				
Wholesale Alcohol Permit	6	6	6	6				
Mfg's or Rect's License	34	31	27	30				
Caterer's Permit	199	206	193	194				
Special Events Permit	14	15	15	23				
4th Class Vinous	9	9	13	11				
Festival Permit	1	3	4	3				
MVDS		6	5	5				
WSP				2				
TOTALS	<u>5,076</u>	<u>4,870</u>	<u>4,912</u>	<u>4,859</u>	<u>2</u>	<u>4</u>	<u>7</u>	<u>7</u>

LICENSES SUSPENDED

Type of License:	Years Ended June 30			
	1998	1999	2000	2001
First Class	25	9	5	12
Second Class	34	55	51	24
Third Class: Hotel	0	1	0	7
Restaurant	6	10	10	10
Club	1	0	0	0
Cabaret	16	32	7	2
Wholesale Dealer	0	0	0	0
Solicitor Permit	0	0	0	0
	<u>82</u>	<u>107</u>	<u>73</u>	<u>55</u>

LIQUOR CONTROL ADULT IDENTIFICATION CARDS

Vermont Liquor Control Adult Identification cards are obtained by making application at any of the State Liquor Agencies located throughout the state. The cards are processed at the central office in Montpelier, Vermont. The processing takes about fifteen days. Complete information is obtainable for those persons between twenty-one and thirty years of age by contacting any State Liquor Agency.

State Liquor Agency personnel are required to demand this card in the case of persons who, because of their appearance, are of questionable age.

For all persons of questionable age attempting to purchase alcohol beverages, all licensees should demand presentation of a Liquor Control Adult Identification Card, a valid photographic driver's license or valid photographic nondriver identification card issued by Vermont or another state or foreign jurisdiction, a United States military identification card, or a valid passport.

During fiscal year 2001, the Department issued 3 Liquor Control Adult Identification cards.

INVESTIGATIONS AND PROSECUTION OF MINORS FOR PROCURING, POSSESSION, CONSUMING ALCOHOL BEVERAGES, OR MISREPRESENTING AGE TO PROCURE

Cases Investigated		Action Taken	
Possession/Procuring	336	Fines Assessed (\$48,663)	464
Misrepresent age to procure	106	Court Action/Diversion	6
Miscellaneous	60	Court Action Pending	25
	—	Dismissed by S.A.	<u>7</u>
Totals	502		502

INVESTIGATIONS/PROSECUTION OF MINORS FOR POSSESSION OF TOBACCO & SALE OF TOBACCO PRODUCTS TO MINORS

Selling/furnishing tobacco	97		
Purchase/Possession of tobacco	<u>102</u>		
	199	VTT'S Issued (\$13,827.50)	199

EDUCATIONAL PROGRAMS

In 1980-81 the Enforcement Division of the Department initiated three programs: Teenage Liquor Law Awareness Program, Alcohol Servers Awareness Program, and Law Enforcement Officer's Seminar. These programs emphasize the liquor laws and Liquor Control Board regulations pertaining to each group, with a general presentation of all rules relating to the sale, serving and consumption of alcohol beverages.

Additionally, the Education, Licensing and Enforcement Division, during fiscal year 2001, actively participated in the national youth program D.A.R.E. (Drug Abuse Resistance Education). Two Liquor Control Investigators conducted weekly classes in Vermont schools. The department currently has investigators who are D.A.R.E. certified to teach the course to schoolchildren.

In 1995, the Enforcement Division undertook a statewide project designed to address the problem of underage alcohol purchase and consumption. The programs are H.O.O.L.A., Cops in Shops, T.A.P., and P.O.P. as outlined below. Additionally, all 15 investigators actively work with S.T.A.R.T. (Stop Teen Alcohol Risk Team) programs throughout the state, working with local and state law enforcement agencies.

In 1999, the Education Section became a more defined part of the Division. In the Education Section there is now an Education Programs Coordinator, two Education Investigators and an administrative person solely working together to improve the department's educational programs. The Section has been developing updated programs for licensees, as well as working on improved educational programs for students and their communities.

Teenage Liquor Law Awareness: Liquor Control Investigators, in a classroom setting, discuss alcohol beverage and tobacco laws as they pertain to underage persons. The Education, Licensing and Enforcement Division, by taking an informative and preventive approach to the illegal purchase and use of alcohol and tobacco, hopes to reduce the problem of use and abuse by Vermont's youth.

ASAP: Alcohol Servers Awareness Programs conducted by Liquor Control Investigators to provide licensees with an understanding of Vermont alcohol and tobacco laws and regulations in order to increase compliance and reduce violations.

H.O.O.L.A. is an alcohol and drug resistance program designed for second through sixth grade students. The program uses a multimedia approach including a cartoon-like character, and provides decision-making skills that encourage the younger age students to think before making decisions, particularly concerning the use of alcohol and drugs.

COPS IN SHOPS™ is designed to reduce underage purchase, possession and consumption of alcoholic beverages. Liquor Control Investigators, acting in an undercover capacity, work with cooperating license holders on their premises in an attempt to deter minors from purchasing alcohol and to educate store employees.

T.A.P. (Teenage Alcohol Patrol) is a saturation-type use of Liquor Control Investigators in areas where it is known that large numbers of minors will be congregating and consuming or

purchasing alcoholic beverages and likely operating a motor vehicle afterwards. This enforcement activity is designed to reduce the number of underage drinkers as well as lessen the incidence of motor vehicle accidents involving underage drinkers.

P.O.P. (Public Outreach Program) is structured to provide the general public with information regarding laws and regulations relating to alcohol and tobacco. The Education, Licensing and Enforcement Division provides outreach education at locations such as fairs, malls, health fairs, home shows, business and educational group conventions. The program is designed to educate and encourage public participation in an effort to reduce violations through increased awareness and by empowering adults and minors by informing them of the civil and criminal liabilities, thus reducing the number of incidents involving alcohol and minors.

S.T.A.R.T. (Stop Teen Alcohol Risk Team): The S.T.A.R.T. team recognizes the need in Law Enforcement to coordinate a cooperative and planned response to the demonstrated problem of alcohol abuse by our youth in the State of Vermont. The S.T.A.R.T. team is both proactive and reactive to meet the needs of the communities, with a goal and attitude of 0% tolerance toward underage drinking and procurement of alcohol. All those who furnish alcohol to minors and host underage parties will be vigorously targeted in the investigations. Each investigator works together with the 14 different S.T.A.R.T. groups in each of the 14 counties throughout the state. The Education, Licensing and Enforcement Division also conducts its own S.T.A.R.T. activities in conjunction with its T.A.P. program.

D.A.R.E. (Drug Abuse Resistance Education): D.A.R.E. is a 17-week program taught by specially trained, uniformed law enforcement officers. Through D.A.R.E., fifth and sixth graders, their teachers and parents all learn to identify and resist the social pressures to use dangerous drugs. The curriculum is well designed and expertly taught. D.A.R.E. is a step toward a generation of non-users. D.A.R.E. was created in Los Angeles in 1983. Convinced that prevention is the only long-term answer to our alcohol and drug problem, the Los Angeles Police Department and Unified School District collaborated to develop this innovative program. D.A.R.E. uses the specially trained, uniformed law enforcement officers to teach preteens the skills necessary to resist drug experimentation. D.A.R.E. is currently taught in schools in all 50 states. The D.A.R.E. program is positive and substantive. It avoids scare tactics and relies on accurate information and a straightforward approach. The D.A.R.E. lessons focus on:

- providing accurate information about drugs, alcohol, violence and gangs
- teaching students decision-making skills
- showing them how to resist peer pressure
- suggesting health alternatives to drug use
- building self-esteem

In addition to classroom hours, officers visit other classes in the school, conduct faculty workshops, and present programs to PTAs and other parent groups. Officers spend time on the playground with students and share lunch in the cafeteria. To students, D.A.R.E. officers are more than law enforcement representatives and instructors—they are friends.

LAW ENFORCEMENT SEMINARS: Education course provided to law enforcement officers throughout the state to education them on the laws, rules and regulations as they pertain to Vermont Statutes Annotated Title 7.

EDUCATIONAL PROGRAM STATISTICS

TEENAGE LIQUOR LAW AWARENESS: Liquor Control Investigators presented the program 125 times at 70 schools or sites throughout the state, reaching a total of over 4,633 students, teachers and community members.

ASAP: Investigators conducted 573 seminars, providing training to 9,246 attendees (licensees and their employees).

H.O.O.L.A.: The program was presented during the year at 6 different elementary, middle and high schools, reaching 2,083 students in K through 6th grade. Five (5) high school students were trained to present the program in Vermont schools.

COPS IN SHOPS™: During the year, Liquor Control Investigators conducted Cops in Shops programs in 58 different stores and restaurants, making 476 contacts. They issued 7 court citations and 13 Vermont traffic complaints. The citations/traffic complaints were issued for misrepresenting age to procure alcohol or tobacco, possession of altered/fake identification, and possession of tobacco products by a minor.

P.O.P. (Public Outreach Program): During fiscal year 2001 the Education, Licensing and Enforcement Division provided information and education on 38 days at 21 locations. This program reached over 144,272 parents, students, teachers and the general public at such locations as Home Shows, Public Safety Awareness Days, State/County Fairs, Wellness Days, Health Fairs, State Conventions, Law Enforcement Days, Driver's Education Teachers Convention, County Field Days and S.T.A.R.T. meetings.

S.T.A.R.T. (Stop Teenage Alcohol Risk Team): The Education, Licensing and Enforcement Division worked together with both state and local law enforcement, substance abuse counselors, communities and students throughout all 14 counties, both pro-active and reactive in reducing teenage parties. All investigators worked during the busier times, such as graduations, proms, school dance functions, and sporting events to patrol the communities to reduce the underage drinking parties, thereby reducing the potential for motor vehicle accidents, injuries and property damage. The investigators worked 26 different functions throughout the state. A total of 2,155 contacts were made, with 168 traffic complaints issued for possession of alcohol by a minor. Sixty-five (65) of those issued traffic complaints for possession of alcohol by a minor were under 18 years of age; one hundred three (103) were between the ages of 18 and 20. For other offenses, forty-seven (47) were arrested and issued court citations. Of the 2,155 contacts, 148 were considered underage drinkers. Fifty-one (51) parents were notified of all the offenses. Twenty (20) Vermont traffic complaints were issued for persons under the age of 18 in possession of tobacco products.

D.A.R.E. (Drug Abuse Resistance Education): During Fiscal Year 2001 the Education, Licensing and Enforcement Division had 1 D.A.R.E. certified officer teaching in 3 different schools. Approximately 98 students were taught the D.A.R.E. program in grades K-6.

LAW ENFORCEMENT SEMINARS: During Fiscal Year 2001, 10 classes were taught by investigators from the Education, Licensing and Enforcement Division to state, county and local law enforcement officers. A total of 214 officers received training on Title 7, covering the laws, rules and regulations pertaining to alcohol beverages in the State of Vermont.

INVESTIGATION OF LICENSEES & NON-LICENSEES FOR VIOLATIONS

Alcohol Law & Regulation Violations

Sell/furnish/serve minors	302
Serve intoxicated patrons/allow to consume & loiter on premises	22
Fail to control conduct of patrons & unlawful conduct	26
Other State Agencies: Tax laws/Health Dept./Fire Marshall	2
Hours of Sale violations	7
Employees Drinking on Duty	7
Purchase/Possess alcohol unlawfully	4
Not more than one drink served at a time	10
Education regulations	69
Invalid/illegal corporations	1
Failure to keep records	2
Sell/furnish without a license	2
Gambling	2
Wholesale Dealer regulations	4
Misrepresent on license application	9
Club regulations	1
Happy hour violations	3
Agency Article U, Paragraph 1	5
Doors locked while customer inside	1
Sublease food/liquor business	2
Other law/regulation violations	46
FY 2001 cases	193
Total	720

Action Taken

[illegible]

Tobacco Law Violations*

Sale to underage persons	322
Sale without a license	0
Vending Machine	0
Other Violations	0
Pending FY 2001	125
Total	<u>447</u>

Action Taken*

Administrative Fines (\$49,250)	293
Warning Letters	4
Court Action Pending	128
VTT's Issued (\$2,468)	21
No Action/Unfounded	1
	<hr/> 447

*In addition to the above there were fifteen 1-weekday suspensions, two 2-weekday suspensions, and no 10-day suspensions.

LICENSE FEES COLLECTED FOR FISCAL YEAR 2001

	<u>Licenses Issued</u>	<u>Fee</u>	<u>Total Collected</u>
1st Class License: (Paid to Town/City)	1,369	\$100	\$136,900.00
1st Class Club License: (Paid to Town/City)	115	\$100	\$11,500.00
2nd Class License: (Paid to Town/City)	1,182	\$50	\$59,100.00
3rd Class Restaurant:	452	\$400	\$180,800.00
3rd Class Restaurant - half year:	68	\$250	\$17,000.00
3rd Class Hotel:	151	\$400	\$60,400.00
3rd Class Hotel - half year:	25	\$250	\$6,250.00
3rd Class Club:	106	\$400	\$42,400.00
3rd Class Club - half year:	7	\$250	\$1,750.00
3rd Class Cabaret:	339	\$400	\$135,600.00
3rd Class Cabaret - half year:	49	\$250	\$12,250.00
Wholesale Dealer License:	15	\$600	\$9,000.00
Malt License:	36	\$1,500	\$54,000.00
Vinous License:	191	\$200	\$38,200.00
Solicitor Permit:	464	\$10	\$4,640.00
1st Class Boat License:	6	\$100	\$600.00
3rd Class Boat License:	1	\$400	\$400.00
3rd Class Boat License - half year:	4	\$250	\$1,000.00
Manufacturer:	30	\$150	\$4,500.00
Special Events Permit:	23	\$25	\$575.00
Caterer's Permit:	194	\$100	\$19,400.00
1st Class Dining Car:	1	\$100	\$100.00
3rd Class Dining Car:	1	\$400	\$400.00
Fourth Class Vinous:	11	\$50	\$550.00
Festival Permit:	3	\$50	\$150.00
Wine Shipping Permit	2	\$200	\$400.00
Manufacturer - Vinous Direct Sales:	5	\$200	\$1,000.00
Total Paid to Town/City:			\$207,650.00
Total Paid to State:			\$591,365.00
Grand Totals:			\$799,015.00
Wholesale Alcohol - no fee:	6		
Total Licenses Issued:	4,856		

All licenses and fees reported are for the fiscal year (July 1 to June 30) and not licensing year (May 1 to April 30).

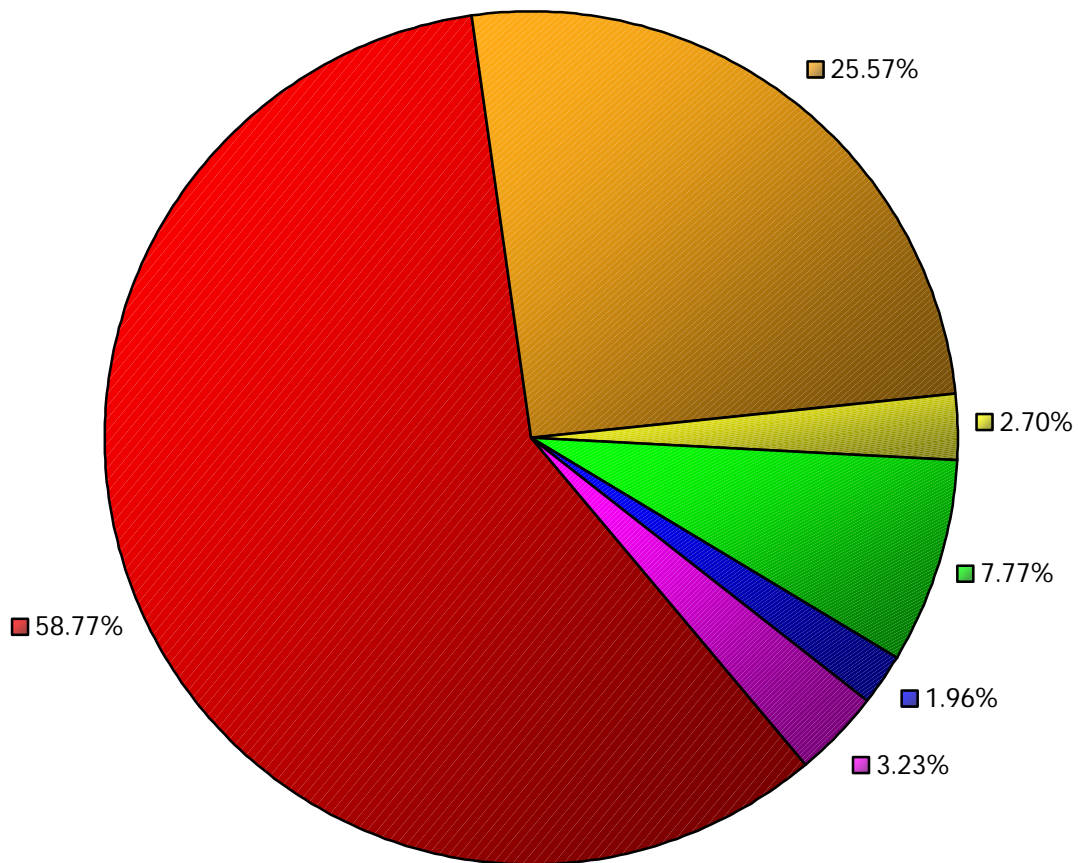
NUMBER OF POSITIONS

	<u>06-30-2001</u>	<u>06-30-2000</u>
EDUCATION, LICENSING & ENFORCEMENT		
Director of Enforcement	1	1
Administrative Secretary	1	1
Administrative Assistant B	1	1
Licensing Technician	1	1
Secretary B	0	1
Investigator Supervisor	1	1
Liquor Investigators	16	16
Clerk C	1	1
Program Services Clerk	1	0
WAREHOUSE:		
Liquor Warehouse Operations Supervisor	1	1
Liquor Warehouse Supervisor	1	1
Warehouse Maintenance Worker	1	1
Data Clerk	1	1
Warehouse Worker I & II	10	8
Redemption Service Aide	0	2
ADMINISTRATIVE & GENERAL:		
Commissioner	1	1
Director of Retail Operations	1	1
Business Manager B	1	1
Information Technology Specialist III	1	1
Executive Assistant	1	1
Purchasing & Warehouse Chief	1	1
Systems Developer II	1	1
District Coordinators	3	3
Administrative Assistant B	1	1
Accountant B	1	1
Systems Developer I	2	2
Accountant A	1	1
Administrative Assistant A	1	1
Help Desk Analyst	1	1
Program Services Clerk	1	1
Account Clerk B	1	1
TOTALS:	56	56

Location of Vermont Liquor Outlets

1	Poultney	Preseau's Place, 216 Main Street
2	Barton	Barton Village Corner Store, 16 Church Street, Suite C
3	Island Pond	John's Market, Main Street
4	Winooski	Beverage Warehouse, 1 East Street
5	Londonderry	Londonderry Liquor Agency #5, Rts. 11 & 100
6	Randolph	M&M Beverage, 6 Salisbury Street
7	Hardwick	D & L Beverage, Woodbury Road
8	Alburg	Alburg Beverage Market, 136 Main Street
9	Arlington	Paulin Inc. of Arlington, Route 7A
10	Jeffersonville	Hanley's Market, 30 Main Street
11	Canaan	Pure Country Motel & Cabins, 4555 VT Route 114
12	Richford	Blouin's IGA, 1 Noyes Street
13	Norwich	Norwich Wine & Spirits, Elm Street
14	Morrisville	Tomlinson's Store, Inc., 81 Bridge Street
15	Wilmington	Smitty's Sugar House, Routes 9 & 100
16	Bethel	McCullough's Quik Stop, Route 107
17	Waitsfield	Mehuron's Market, Village Square
18	Colchester	Dick Mazza's General Store, 777 W. Lake Shore Dr.
19	Orleans	Orleans General Store, 72 Main Street
20	Northfield	Convenience Plus Redemption & Deli, 438 North Main Street
21	Waterbury	Waterbury Beverage, 46 South Main Street
22	Swanton	Wood's Beverage Outlet, 75 First Street
23	Enosburg Falls	Beverage Gallery, Main Street
24	Lyndonville	Lyndonville Redemption, 406 Broad Street
25	South Hero	Keeler's Bay Variety, 500 Route 2
26	Killington	Cordially Yours, Rt. 4 & 100 North
27	Richmond	Richmond Beverage, Bridge Street
28	Springfield	Joe's Discount Beverage, 335 River Street
29	Rochester	The Store, Main Street
30	Montgomery Ctr.	Sylvester's Market, Main Street
31	Milton	Middle Road Market, 69 Middle Road
32	Brandon	Dr. Lightning's Wine & Spirits, 9 1/2 Conant Square
33	Bradford	Bradford Bottle Shoppe, 82 Main Street, Route 5 West Side
34	Stamford	Billmont's Country Store, 544 Main Road
35	Vergennes	Vergennes Wine & Beverage, 209 Main Street
37	Windsor	Village Emporium, 2757 US Route 5 North
38	Bristol	Champlain Farms, 3 West Street
39	Shelburne	Shelburne Discount Beverage, 2659 Shelburne Road
40	Rockingham	Dayton Sunoco & Mini Mart, 809 Rockingham Road
41	West Dover	Christy's Market, Route 100
42	Derby Center	Derby Village Store, Main Street
43	North Troy	B&D Super Market, Main Street
44	Fairfax	Minor's Country Store, 874 Main Street
45	Sharon	Sharon Trading Post, Route 14, Main Street
46	So. Burlington	T J's Wine & Spirits, 1341 Shelburne Road
47	Fair Haven	Liberty Market, 7 Liberty Street
48	Pownal	Next Door Beer & Wine, Route 7
49	St. Johnsbury	Price Chopper, Jct. Rt. 5 & I91
50	Woodstock	Woodstock Discount Beverage, Route 4 East
51	Burlington	Merola's Market, 1563 North Avenue
52	Townshend	River Bend Farm Market, Route 30, North of Townshend
53	Essex Center	Essex Discount Beverage, 76 Center Rd
54	Chelsea	Upham's Store, Main Street
55	West Brattleboro	Discount Beverage, 157 Marlboro Road
56	Wallingford	Wallingford Country Store & Deli, 19 Main Street
57	Proctorsville	Singleton's Store, 356 Main Street
58	West Rutland	Rite Aid Pharmacy, 124 Main Street
59	Middlebury	Middlebury Wine Company, 198 Court St., Route 7S
60	Williston	Hannaford Superstore, Taft Corners
61	Burlington	Pearl Street Beverage, 240 Pearl Street
62	Essex Junction	Five Corners Discount Bev., 39 Park Street
63	Stowe	Stowe Beverage, 1880 Mountain Road
64	Jay	Jay Country Store, Route 242
65	Bennington	Bottles & Cases, 125 Northside Drive
66	Brattleboro	Rite Aid, Putney Road, Route 5
67	Montpelier	Yankee Spirits, 126 Main Street
68	St. Albans City	Beverage Mart, 211 Lake Street
69	St. Albans Town	Colonial Mart, 191 Swanton Road
70	Newport	Azur's, Inc., 33 Railroad Square
71	Manchester	Manchester Discount Beverage & Deli, Rts. 11 & 30
72	Rutland City	Grand Union, 12 North Main Street
73	South Burlington	Gracey's, 26 Hinesburg Road, Unit # 1
74	Rutland Town	P & C, Route 7S, Green Mountain Plaza
75	Barre	Beverage Baron, 411 North Main St.
76	Stratton	Stratton Mountain Provisions, Stratton Mountain Rd.

Distribution of Sales, Revenue, and Fees Fiscal Year Ending June 30, 2001



<div></div> Cost of Goods Sold	58.77%
<div></div> General Fund Revenue	25.57%
<div></div> Administrative Expenses	2.70%
<div></div> Retail Outlet Expenses	7.77%
<div></div> Warehouse & Recycling Expenses	1.96%
<div></div> Education, Licensing & Enforcement	3.23%