

WHOLESALE DEALERS AND CERTIFICATE OF APPROVAL HOLDERS AND VERMONT MANUFACTURERS REGULATIONS

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 or 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 or 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 or 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 order 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 address 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, washer, 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, pickup 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 percent 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.

