
VERMONT
DEPARTMENT OF LIQUOR AND LOTTERY

2023
ANNUAL
REPORT



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MESSAGE FROM THE BOARD

It is our honor to submit the 5th Annual Report for the Vermont Board of Liquor and Lottery for fiscal year 2023, from July 1, 2022 through June 30, 2023, according to Title 7, Section 109 and Title 31, Section 657 of the Vermont Statutes Annotated.

This has been a busy and exciting year for the Department, with staff settled into new offices allowing employees to work collaboratively in a comfortable and efficient atmosphere. The Vermont Lottery staff provided a smooth transition to a new vendor while providing daily support to the Lottery agents. The new vendor relationship is proving fruitful. Lottery tickets sales for fiscal year 2023 were \$159,021,096, a 5% increase from 2022.

Commissioner Knight and her team were busy getting online sports wagering off the ground before the end of 2023.

The State continues to be fortunate to have a dedicated and loyal team operating the Department of Liquor and Lottery.

Respectfully submitted,

Martin Manahan, Chair



MARTIN MANAHAN, CHAIR

MEGAN CICIO, MEMBER

ED FLANAGAN, MEMBER

SAM GUY, MEMBER

THOMAS LAUZON, MEMBER

MESSAGE FROM THE COMMISSIONER

In 2023, we focused on the fundamentals of running multi-million-dollar enterprises: supporting employees, growing sales, minimizing costs, operating efficiently, and delivering excellent customer service.

The Department launched its first-ever customer satisfaction survey, soliciting feedback from the range of our business customers, including agents, licensees, and consumers. The survey indicated an average satisfaction rate of 68.6% across all customers. This benchmark data gives us valuable insight into how we can continue to improve our customer service and meet the expectations of the businesses and Vermonters we serve.

Our focus on creating a positive work culture and boosting employee morale was evidenced in both the high participation rate (84.6%) and the high engagement rate (4.03) of the 2023 Employee Engagement Survey.

We are excited about the January 2024 launch of Mobile Sports Wagering in Vermont.



RESPECTFULLY SUBMITTED,
WENDY KNIGHT,
COMMISSIONER

RETIREMENTS

Congratulations to Sylvia Buzzell. Sylvia started at the front desk of the Vermont Department of Lottery where she was able learn and work in nearly every area of the Department. After 30 years of service, Sylvia retired as the Lottery Games and Systems Manager.

MADE IN VERMONT

Flag Hill Farm

135 Ewing Road, Vershire, VT 05079
(802) 685-7724, www.flaghillfarm.com

Items sold through special order through the DLL: Pomme De Vie Vermont Apple, Stairs Pear Brandy

Hooker Mountain Farm Distiller

1193 Lovely Road, Cabot, VT 05647
(802) 426-2052, www.hookermountainfarm.com

Items sold through the DLL: Hooker Mountain Farm Spruce Gin, Hooker Mountain Farm Spirited Cider, Hooker Mountain Farm Woke Milk & Coffee, Poor Farm Rum

Wild Hart Distillery

26 Sage Court, Shelburne, VT 05482
(802) 489-5067, www.wildharddistillery.com

Items sold through the DLL: Wild Hart Gin, Wild Hart Vermont Classic Gin

Appalachian Gap Distillery

88 Mainelli Road, Suite #1, Middlebury, VT 05753
(802) 989-7362, www.appalachiangap.com

Items sold through the DLL: Mythic Gin, Papilio Agave & Maple Spirits, Ridgeline Whiskey, Kaffevan Coffee Liqueur, Snowfall White Whiskey, Aqua Vodka, Peregrine and Fractal Vodka. Special order: Appalachian Gap Morning Sunshine and Appalachian Gap Drumlin Rye

Killington Distillery

47 Old Mill Road, Killington VT 05751 (802) 422-8200,
killingtondistillery.com

Items sold through the DLL: 4241 Blended Whiskey, Killington Distillery Maple Cask Bourbon, Killington Distillery Woodland Gin, VTQuila, Killington Distillery Vodka

Smugglers' Notch Distillery

276 Main Street, Jeffersonville, VT 05464
(802) 309-3077, www.smugglersnotchdistillery.com

Items sold through the DLL: Smugglers' Notch Bourbon, Smugglers' Notch Gin, Smugglers' Notch Vodka, Smugglers' Notch Rum, Smugglers' Notch Hopped Gin, Litigation by Smugglers', Smugglers' Notch Organic Gluten-Free Vodka, Smugglers' Notch Maple Bourbon

Black Flannel Distilling

21 Essex Way #201, Essex Junction, VT 05452 (802) 857-5629, www.blackflannel.com

Special order only: Black Flannel Distilling Heavy Base Malt Whiskey, Black Flannel Distilling Crow's Nest Rum, Black Flannel Agave Dream, Black Flannel Dutch Soul Gin, Black Flannel Distilling Crow's Nest Barreled Rum

Putney Mountain Winery

8 Bellows Falls Road, Putney, VT 05346
(802) 387-592, www.putneywine.com

Items sold through the DLL: Simply Ginger, Vermont Cassis, Simply Maple, Simply Chocolate

Vermont Distillers

7627 Vermont Route 9, West Marlboro, VT 05363 (802) 464-2003, www.vermontdistillers.com

Items sold through the DLL: Metcalfe's Maple Cream Liqueur, Metcalfe's Vermont Maple Liqueur, Metcalfe's Raspberry Liqueur, Metcalfe's Blueberry Liqueur, Catamount Vodka

Boyden Valley Spirit

s 64 Vermont Route 104, Cambridge, VT 05444 (802) 644-8151, www.boydenvalley.com

Items sold through the DLL: Vermont Ice Maple Crème

Saxton's River Distillery

485 West River Road, Brattleboro, VT 05301
(802) 246-1128, www.saplingliqueur.com

Items sold through the DLL: Sapling Vermont Maple Bourbon, Sapling Liqueur, Perc Coffee Liqueur, Sapling Vermont Maple Rye Whiskey, Snowdrop Gin

Vermont Spirits Distilling Company

5573 Woodstock Road, Quechee, VT 05001
(802) 281-6398, www.vermontspirits.com

Items sold through the DLL: Coppers Gin, Vermont Spirits White Vodka, Vermont Spirits, Gold Vodka, No. 14 Maple Spirit, No. 14 Bourbon. Special order: Coopers Barrel Gin, Coppers Sugarwood Gin, Vermont Crimson Vodka

Caledonia Spirits

116 Gin Lane, Montpelier, VT 05602 (802) 472-8000,
www.caledoniaspirits.com

Items sold through the DLL: Barr Hill Vodka, Barr Hill Gin, Barr Hill Reserve Tom Cat. Special order: Barr Hill Tom Cat 100 Barrel Select

Shelburne Orchards

216 Orchard Road, Shelburne, VT 05482
(802) 985-2753, www.shelburneorchards.com

Special order only: Dead Bird Brandy

Vermont Vermouth

22 Browne Court, Brattleboro, VT 05301
(802) 275-0227, www.vermontvermouth.com

Items sold through the DLL: Vermont Vermouth Zephyr Dry Vermouth, Vermont Vermouth Boreas Sweet Vermouth, Vermont Vermouth Harvest Apple Wine Specialty

Mad River Distillers

137 St. Paul Street, Burlington, VT 05401
(802) 489-5501, www.madriverdistillers.com

Items sold through the DLL: Mad River Vanilla Rum, Mad River First Run Rum, Mad River Maple Cask Rum, Mad River Bourbon, Mad River Rye Whiskey, Mad Apple. Special order: Mad River Corn Whiskey, Mad River Burnt Rock Bourbon, Mad River PX Rum

Silo Distillery

3 Artisans Way, Windsor, VT 05089
(802) 674-4220, www.silodistillery.com

Items sold through the DLL: Silo Reserve Gin, Silo Lavender Vodka, Silo Cucumber Vodka, Silo Moonshine, Silo Gin, Silo Vodka, Silo Whiskey, Silo Maple Whiskey, Silo Bourbon. Special order: Silo White Whiskey, Silo Lemon Vodka

Village Garage Distillery

107 Depot Street, Bennington, VT 05201
(802) 447-7663, www.villagegarage.com

Items sold through the DLL: Village Garage Bourbon, Village Garage Vodka

Green Mountain Distillers

171 Whiskey Run, Morristown, VT 05661
(802) 253-0064, www.greenmountaindistillers.com

Items sold through the DLL: Green Mountain Organic Vodka — Lemon and Orange, Cranberry, Blueberry; Green Mountain Organic Gin; Vermont Organic Maple Liqueur. Special order: Green Mountain Organic Vanilla

St. Johnsbury Distillery

1350 Main Street, St. Johnsbury, VT 05819
(802) 751-8813, www.stjdistillery.com

Items sold through the DLL: St. Johnsbury Dunc's Elderflower Rum, St. Johnsbury Dunc's Maple Rum, Dunc's Backwoods Reserve Rum, Pirate Dan's Vermont Rum

WhistlePig Farm

1030 Palmer Road, Shoreham, VT 05770
(802) 897-7708, www.whistlepigwhiskey.com

Items sold through the DLL: WhistlePig Whiskey, WhistlePig Old World, WhistlePig Boss Hog

802SPIRITS AGENCIES

<u>Alburgh</u> Jolley Alburgh Bridge	<u>Arlington</u> Arlington Deli	<u>Ascutney</u> Fireside Beverage	<u>Barre</u> Beverage Baron	<u>Bellows Falls</u> Stanch's Place
<u>Bennington</u> Bennington Beverage Outlet	<u>Berlin</u> Maplewood Vermont Travelers Service Center	<u>Bethel</u> McCullough's Quik Stop	<u>Bomoseen</u> Beverage King Market & Deli	<u>Bradford</u> Hannaford Supermarket
<u>Brandon</u> Brandon Discount Beverage & Tobacco	<u>Brattleboro</u> Hannaford Supermarket	<u>Bristol</u> Bristol Discount Beverage	<u>Burlington</u> 802BWS	<u>Burlington</u> Burlington Bay Market & Café
<u>Burlington</u> Pearl Street Beverage	<u>Charlotte</u> The Old Brick Store	<u>Chester</u> Chester Sunoco	<u>Colchester</u> Dick Mazza's General Store	<u>Derby Center</u> Derby Village Store
<u>Enosburg Falls</u> Beverage Gallery	<u>Essex</u> Essex Discount Beverage	<u>Essex Junction</u> Five Corners Variety	<u>Fair Haven</u> Liberty Market	<u>Fairfax</u> Minor's Country Store
<u>Hardwick</u> Tops Market	<u>Harmonyville</u> Harmonyville Store	<u>Hinesburg</u> 116 Wine & Spirits	<u>Island Pond</u> Kingdom Market	<u>Jay</u> Jay Country Store
<u>Jeffersonville</u> Jeffersonville Country Store	<u>Killington</u> Cordially Yours	<u>Londonderry</u> Jelley's Deli	<u>Ludlow</u> Brewfest Beverage Co.	<u>Lyndonville</u> Lyndonville Redemption

<u>Manchester</u> Manchester Discount Beverage	<u>Middlebury</u> Hare and the Dog	<u>Milton</u> Raj Liquor & Beverage	<u>Montgomery Center</u> Sylvester's Market	<u>Montpelier</u> Yankee Wine & Spirits
<u>Morrisville</u> Tomlinson's Store, Inc.	<u>Newport</u> Vista Newport	<u>Northfield</u> Convenience Plus Redemption & Deli	<u>Orleans</u> Olney's General Store	<u>Orwell</u> Buxton's Store
<u>Poultney</u> Full Belly Deli & Beverage	<u>Pownal</u> Dwyer's State Line Beer & Wine	<u>Proctorsville</u> Singleton's Store	<u>Randolph</u> M & M Beverage	<u>Richford</u> Jolley Richford
<u>Richmond</u> Richmond Market & Beverage	<u>Rochester</u> Village Grocery	<u>Rutland</u> Grand Union	<u>Rutland</u> Hannaford Supermarket	<u>Sharon</u> Sharon Trading Post
<u>Shelburne</u> Rt. 7 Liquor and Deli	<u>South Burlington</u> Gracey's	<u>South Burlington</u> Simon's Store	<u>South Hero</u> Keeler's Bay Variety	<u>Springfield</u> Joe's Discount Beverage
<u>St. Albans</u> Beverage Mart	<u>St. Albans</u> Colonial Mart	<u>St. Johnsbury</u> Price Chopper	<u>Stowe</u> Stowe Beverage	<u>Swanton</u> Spirits of Swanton
<u>Vergennes</u> Wine & Beverage	<u>Waitsfield</u> Mehuron's Market	<u>Waterbury</u> Crossroads Beverage & Deli	<u>West Brattleboro</u> Brattleboro Discount Beverages	<u>West Danville</u> Hastings Store
<u>West Dover</u> - 7- Eleven	<u>Westmore</u> Willoughby Lake Store	<u>White River Junction</u> The Station	<u>Williston</u> Hannaford Supermarket	<u>Wilmington</u> Ratu's Liquor & Market
<u>Woodstock</u> Woodstock Discount Beverage	<u>Winooski</u> Winooski Beverage Warehouse			

DEPARTMENT HIGHLIGHTS

LICENSING AND CUSTOMER SERVICE

During FY23, the Licensing and Customer Service team successfully used the online licensing portal to complete the renewal process for 6,778 licenses/permits. This involved assisting 2,724 existing business entities claim access to their licensing information. In addition, 749 new business entities were successfully created enabling them to apply for licensure. In total, we issued 4,552 new licenses/permits to both newly created and existing businesses. Revenue from both renewed and new license/permit application fees totaled over \$2.3 million.

The online licensing portal has not only streamlined the application process by removing the inefficiencies of traditional mailing and processing checks, but also improved transparency and public access to information. The Department has made the application process more transparent by providing passive status updates to applicants, which was not possible previously. It has additionally improved communication between licensees and the Department by collecting and managing emails in a way that enables the Department to send out targeted information.

Since moving to the new system, processing times have taken an average of one week. This is a major improvement when processing times took six to eight weeks prior to launching the new system.

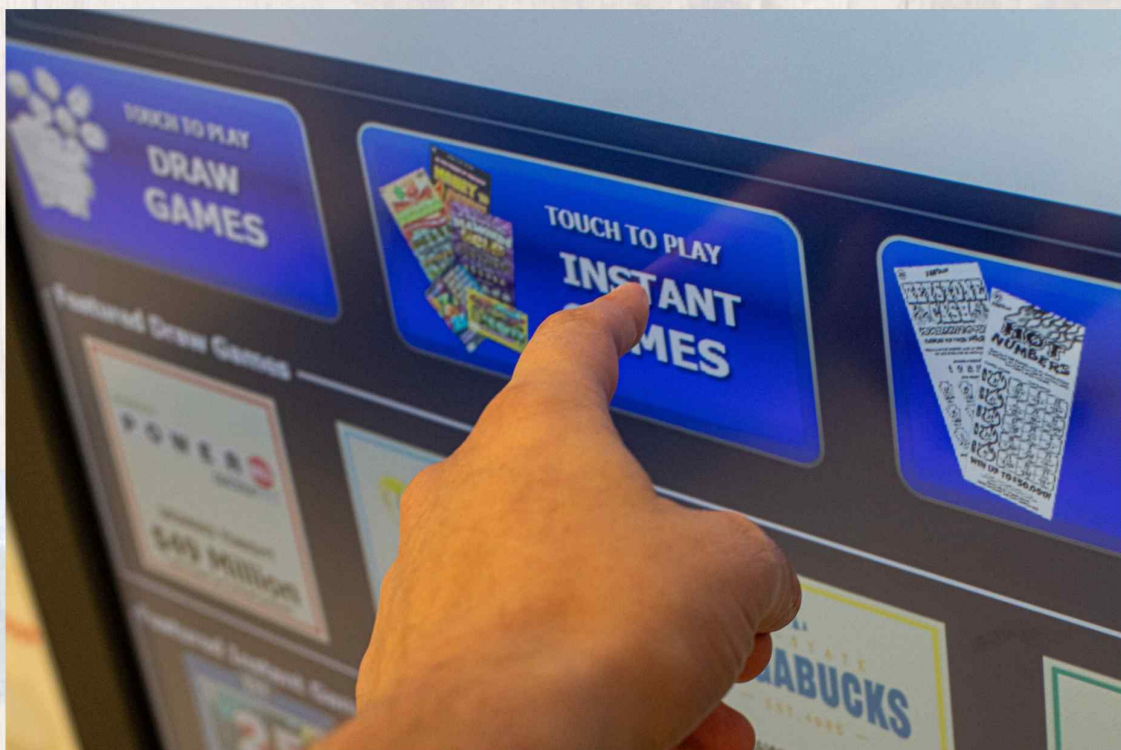
LICENCES ISSUED BY TYPE

FY 2023 License/Permit Type	Newly Issued Licenses/Permits	Renewed Licenses/Permits	Total
First Class Boat	0	3	3
First Class Club	0	93	93
First Class Commercial Kitchen	8	25	33
First Class Hotel	10	75	85
First Class Railroad Dining Car	0	1	1
First Class Restaurant/Bar	123	1006	1129
Second Class	76	995	1071
Second Class Retail Delivery	1	11	12
Second Class Fortified Wine	4	12	16
Second Class Malt/RTD Tasting	51	N/A	51
Second Class Wine Tasting	354	N/A	354
Third Class Boat	0	1	1
Third Class Club	0	92	92
Third Class Commercial Kitchen	2	10	12
Third Class Hotel	12	66	78
Third Class Railroad Dining Car	0	1	1
Third Class Restaurant/Bar	98	724	822
Fourth Class Malt	4	59	63
Fourth Class Spiritous	10	28	38
Fourth Class Vinous	6	44	50
Farmers Market Malt	1	2	3
Farmers Market Vinous	10	10	20
Farmers Market Spirits	28	12	40
Outside Consumption	106	784	890
Limited Outside Consumption	35	N/A	35
Caterer	53	234	287
Commercial Caterer	9	27	36
Request to Cater	2046	N/A	2046
Malt Manufacturer	2	85	87
Spirits Manufacturer	7	30	37
Vinous Manufacturer	8	52	60
Special Event Permit	735	N/A	735
Manufacturer Malt/RTD Tasting	160	N/A	160
Solicitor	95	206	301
Destination Master Resort	0	2	2
Wholesale Dealer	4	28	32
Wholesale Dealer Malt/RTD Tasting	5	N/A	5
Wholesale Dealer Vinous Tasting	2	N/A	2
Tobacco	76	758	834
Tobacco Endorsement	65	427	492
Special Venue - Art Gallery	111	N/A	111
Special Venue - Book Store	3	N/A	3
Special Venue - Library	19	N/A	19
Special Venue - Museum	7	N/A	7
Auction Event	9	N/A	9
Bingo Event	13	N/A	13
Casino Event	23	N/A	23
Certificate for Malt Beverages	3	69	72
Certificate for Spirits Beverages	7	9	16
Certificate for Vinous Beverages	24	231	255
Direct Ship Malt to Consumer	2	18	20
Direct Ship Vinous to Consumer	45	508	553
Direct Ship Vinous to Retailer	4	28	32
Education Sampling Event	11	N/A	11
Festival	36	N/A	36
Industrial Alcohol Distributor	1	13	13
Lottery	28	N/A	28
Grand Totals	4,552	6,778	11,330

GAMING OPERATIONS

Vermont Lottery converted its gaming system on October 16, 2022. The conversion included new lottery vending machines, self checkers, wave terminals, and jackpot signs. Since go-live last October, both players and agents have found the new equipment beneficial. The new features and the shopping-cart type sales were an easy transition for players. Agents found the new vending machines to be instrumental in helping to drive traffic from the counter where most stores are short staffed, to the vending machines where players can self-serve for their lottery needs.

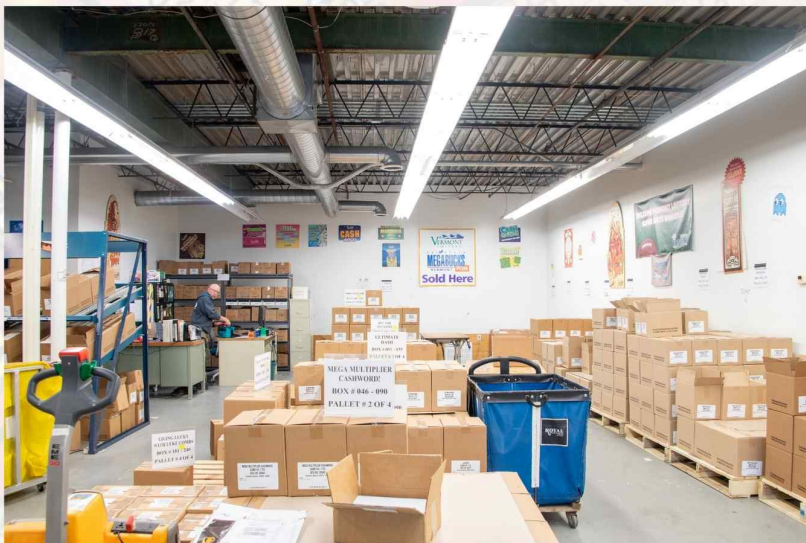
The 125 PlayCentral vending machines deployed in the field have accounted for approximately 20.5% of full line sales across all retailers (Fast Play, Draw, and Instant) over the last year. This 20.5% accounts for approximately \$32.4M in sales. Approximately 18.8% of all Instant sales are coming from the PlayCentral. Approximately 14.9% of all Draw Sales are coming from the PlayCentral. Approximately 48.5% of all Fast Play sales are coming from PlayCentral machines. We hope to continue this momentum and add an additional 25 Self-Service vending machines in the field by the end of FY24.



WAREHOUSE AND LOGISTICS

The liquor warehouse, picked, loaded, and delivered nearly 500,000 cases of spirits in FY23, all within a 30,000-square-foot space. The volume of cases represents a 4% increase from the previous year.

Lottery warehouse staff packed and shipped 429,224 instant ticket books with only two team members. 27,916 orders were fulfilled and shipped to lottery agents. The team produced a 100% daily completion rate with less than 1% error rate.



LIQUOR PURCHASING

FY23 saw the Department significantly expand barrel select items. With low-alcohol, ready-to-drink spirits beverages (RTDs) sales moved to the private sector, the Department continues to capitalize on the resulting newly available shelf space to showcase these items, as well as additional bottles of Tequila, Mezcal, and American Whiskey, and to feature higher-volume and higher-ABV RTDs that remain available only at 802Spirits locations. These changes, coupled with a continued focus on finding innovative products and improving customer experience, have contributed to more than \$2M increase in FY23 liquor sales, compared to FY22.

Cocktail Rack Program: We launched the supplier rack program at 802Spirit agencies in April 2022. Since then, we've highlighted 6 brands that experienced a 50% sales growth on average,

LIQUOR CONTROL SALES

The top three selling Vermont-made products in order by retail-dollar sales were Barr Hill Gin 750 ML, Barr Hill Reserve Tom Cat Gin 750 ML, and Whistlepig Whiskey 750 ML.

FY23 ended with \$102,731,692 in liquor sales.

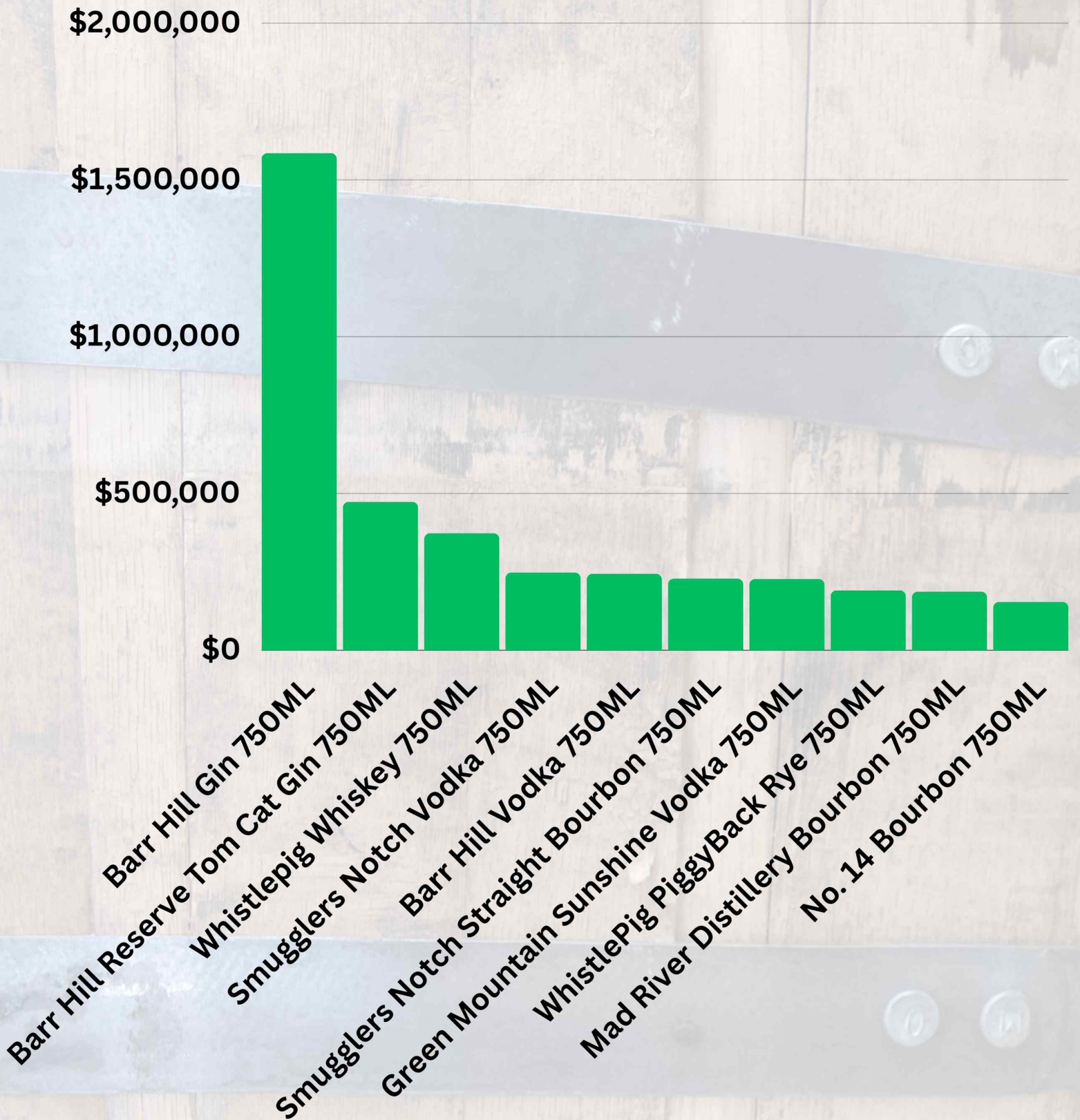
In FY23 the Department brought in 161 new products, including 27 Vermont made products.

On-Premise Sales Program: This program was launched in FY23. We had an average of 564 licensees, 16 suppliers, and a total of 682 products on sale. Total retail sales for this program for FY23 was \$1,672,059, with bottles sales at 63,716.

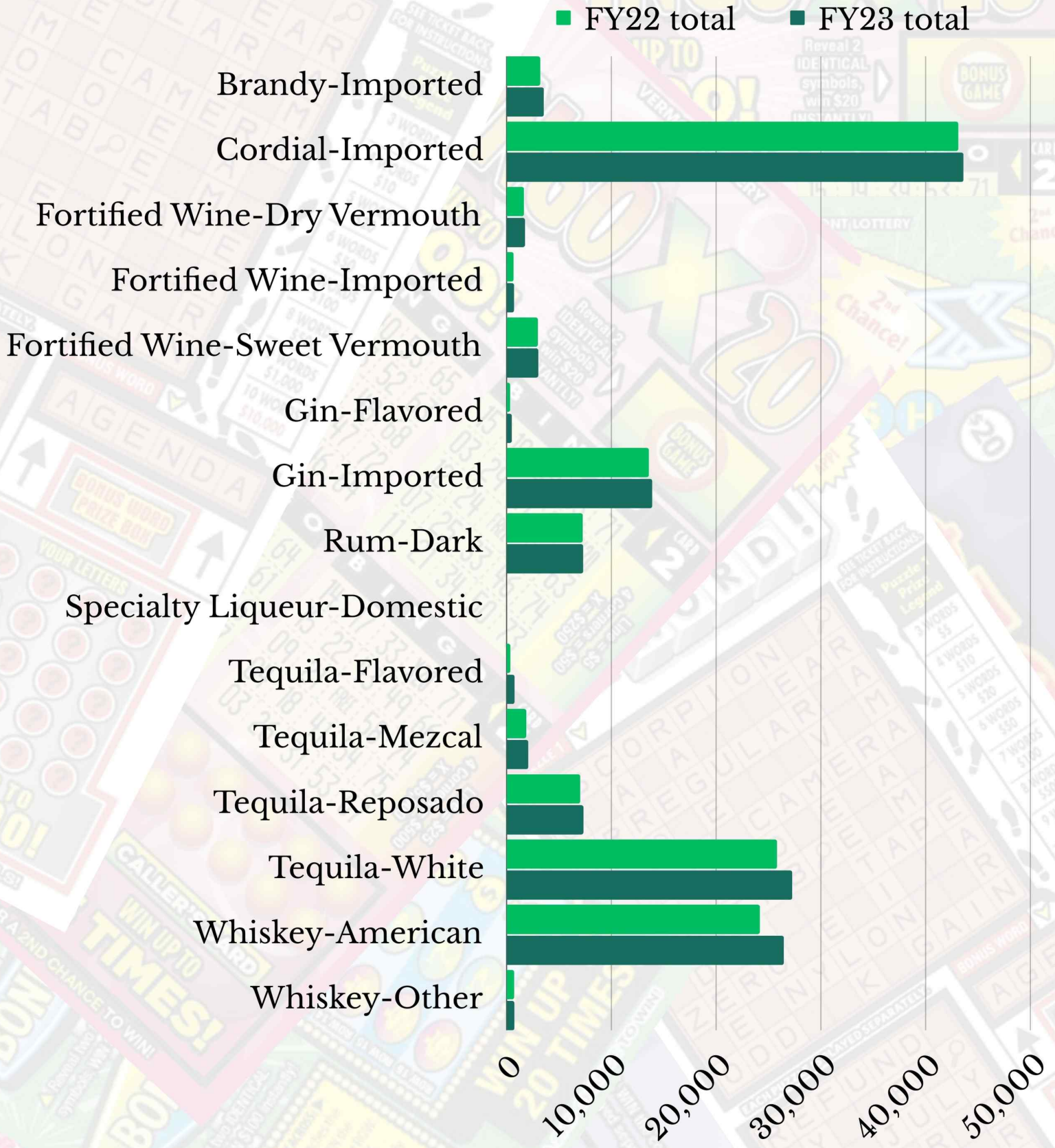
TOP 10 BOTTLE SALES



TOP 10 VERMONT-MADE BOTTLE SALES BY RETAIL AMOUNT



LIQUOR GROWTH CATEGORIES



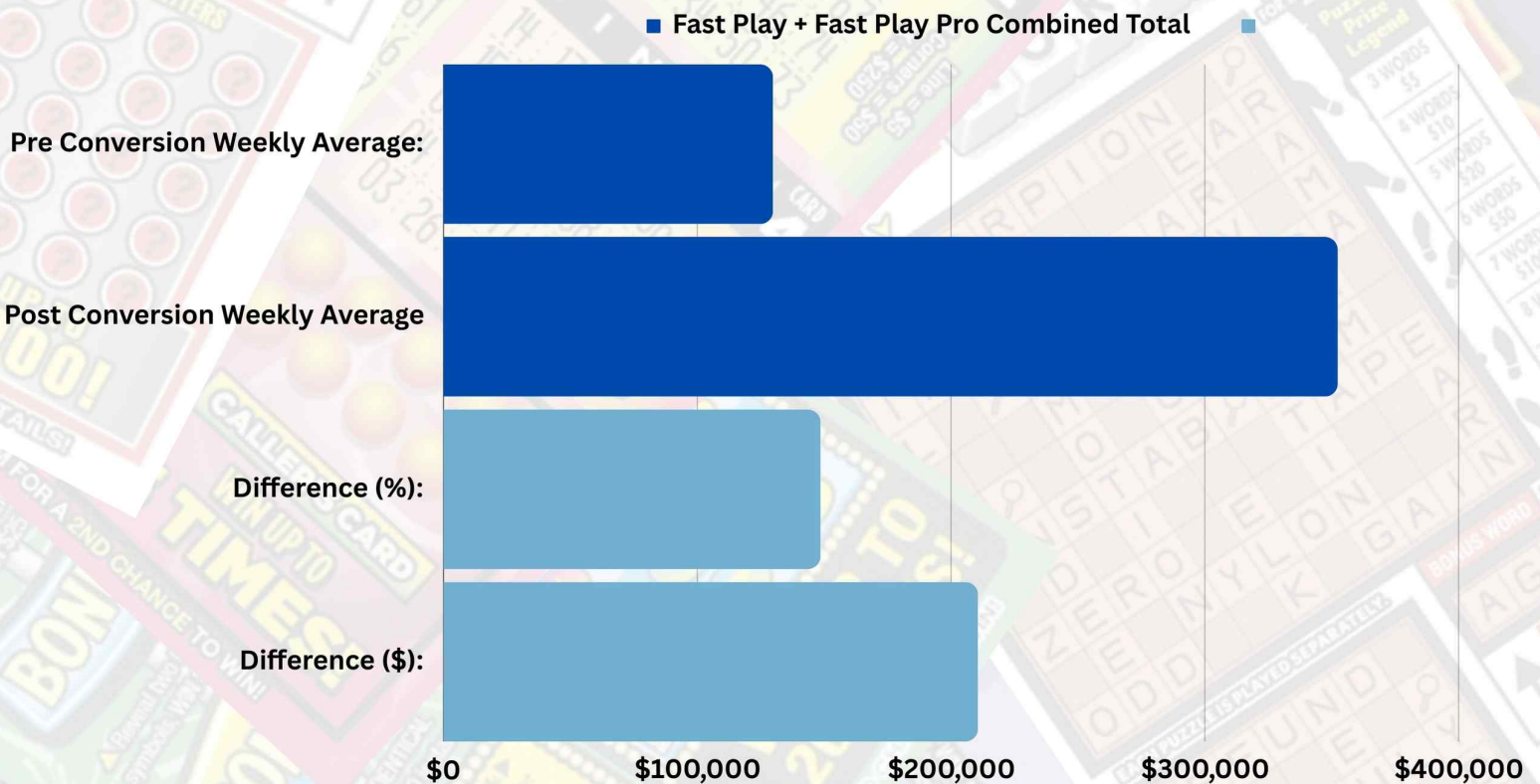
TOTAL LIQUOR SALES



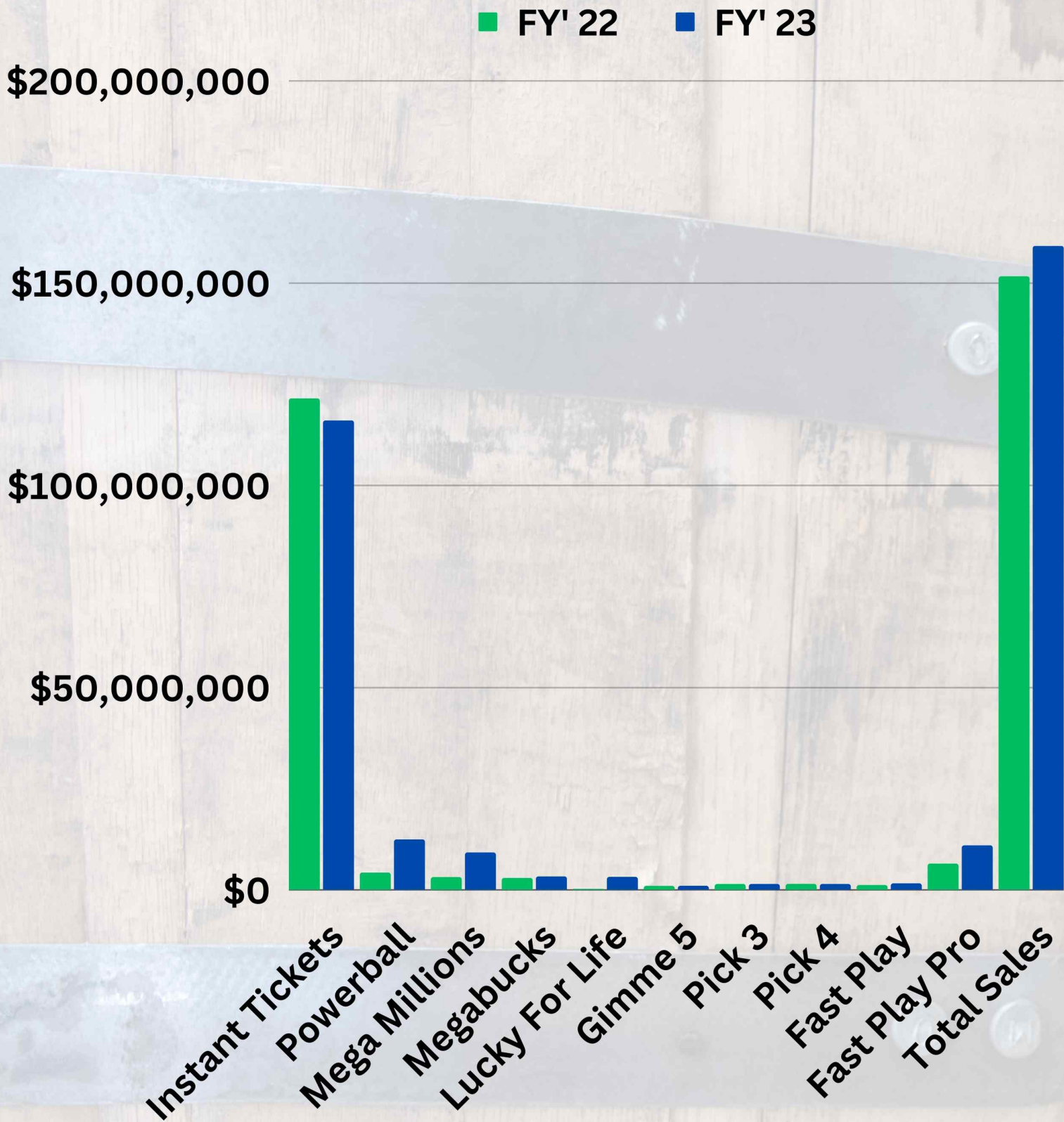
VERMONT LOTTERY SALES

Vermont Lottery converted its gaming system on October 16, 2022. The conversion included new lottery vending machines, self checkers, wave terminals and jackpot signs. One of the goals Vermont Lottery set with the conversion was to increase Fast Play sales. The strategy was to have it available on the vending machine main screen with jackpot awareness on the digital screen and portfolio of exciting games for players. Fast Play sales have surpassed \$9.75M, which accounts for 8.92% of the overall sales portfolio with approximately 47.8% derived from the vending machines.

LOTTERY SYSTEM CONVERSION



LOTTERY FY '22-'23 SALES



MARKETING AND COMMUNICATIONS

A number of exciting new marketing efforts have been established in FY '23, including Customer and Licensee newsletters for 802Spirits, and boosted social media for both Liquor Control and Vermont Lottery. These have proved successful in reaching consumers and players.

Expanding the Department's contract with our marketing vendor to include Liquor Control as well as Vermont Lottery has been helpful in providing the 802Spirits brand with much-needed expertise and creative support. In addition, the development of a comprehensive marketing plan for 802Spirits has established clear branding and platform guidelines.



NEWSLETTERS

A major objective of FY '23 was to create a branded template for the newsletters. We have 1,100+ people subscribed to our consumer 802Spirits newsletter, receiving information about new deals, cocktail recipes, important department updates, featured restaurants and bars, and more. The consumer newsletter continues to perform well, with an average open rate of 60%, against our peer's average of 40.9%.

[A selection from the June '23 edition can be seen below](#)

Meet Vermont Spirits, our latest Rack Program partner.



With the weather finally warming up and summer officially right around the corner, we are thrilled to be collaborating with Vermont Spirits to showcase their products in our Rack Program. Available at select 802Spirits stores across Vermont.

Make sure to check out their Coppers American Gin™, which is distilled with locally-sourced Vermont juniper berries, and their eco-friendly Vermont Gold® Vodka, which is hand distilled with fermented maple sap. Additionally, be sure to try the No. 14 Bourbon - a delicious mashup of whiskey and pure Vermont maple syrup, with a warm and lasting finish.

If you're not familiar with our Rack Program, it's a quarterly initiative where we partner with different distillers to showcase their favorite products and share their unique stories. They are also featured on the cover of our 802Spirits Magazine, along with full-page highlights and cocktail recipes.

[Visit Vermont Spirits Website](#)

802Spirits™

What's in store for you this June



Hot Picks and New Products



Sazerac Rye Whiskey

As the weather warms up, keep cool with Sazerac Rye. This New Orleans original captures the unrestrained



Crown Royal Barley Edition

The latest limited release from The Noble Collection, the Barley Edition, is an extraordinary blend of whiskeys

SOCIAL MEDIA

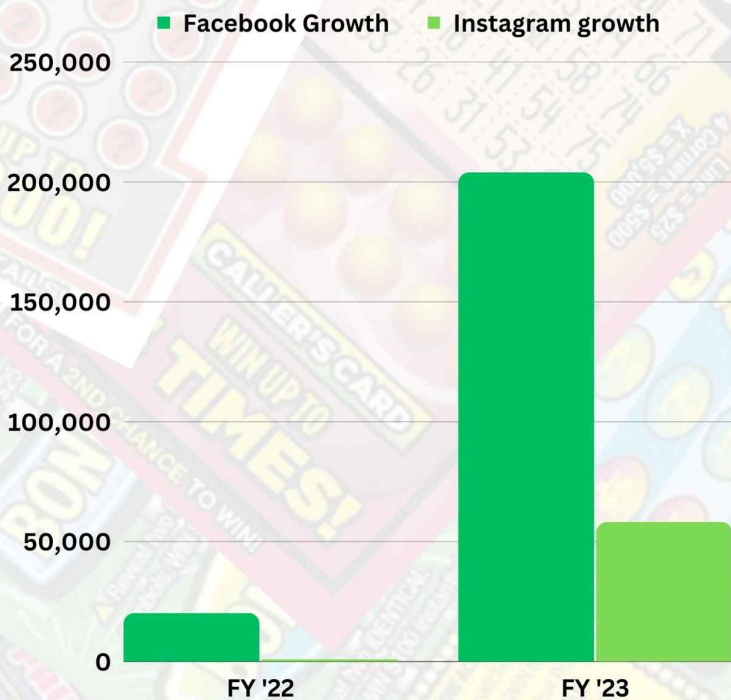
One of our major FY'23 marketing initiatives was the introduction of regular boosted social media to both 802Spirits and Vermont Lottery Facebook and Instagram. This has allowed Department content to be seen and engaged with at a much higher rate than previous years. 802Spirits content reached 20,000 accounts on Facebook in FY '22, and 203,729 accounts in FY '23, a rise of over 800%. Vermont Lottery content reached 31,634 Facebook accounts in FY '22, and 177,340 in FY'23, up 400%.

A connected facet of our outreach strategy for 802Spirits was the adoption of in-house professional photography for social media, e-newsletters, and printed material. This has allowed us to give a Vermont aspect to product shots, better capture events and 802Spirits stores, and highlight bars, restaurants, and cocktail recipes.

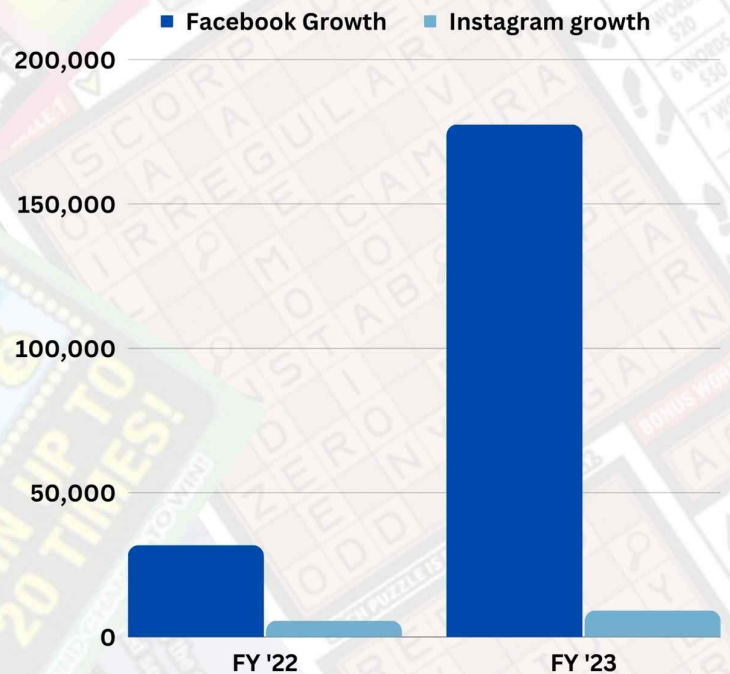
In addition, we created a Department LinkedIn page to showcase content to a professional audience and related stakeholders.

The graphs below show social media growth for both 802Spirits and Vermont Lottery accounts.

802SPIRITS FY '23 SOCIAL GROWTH



LOTTERY FY '23 SOCIAL GROWTH



For Vermont Lottery, the largest campaign of the year was the Thunder Road Ticket Giveaway. The first post of this campaign alone generated 161,236 impressions with a reach of 63,498, and 12,680 engagements. The latter included 12,680 Reactions, 1,519 Comments and 596 Shares.

The largest campaign for 802Spirits was the spring Rare Spirits Raffle which employed paid marketing for the first time. The first post of this campaign gained 248,203 impressions, with a reach of 99,404 and 9,515 engagements. The latter include 462 Reactions, 234 Comments, and over 7,000 Clicks.

TOP LOTTERY FB POST



Vermont Lottery
Published by Playto Win · June 13 · 🌐

Thunder Road Ticket Giveaway!!
Tag your friends and Like us on FB for a chance to win a 4 pack of tickets to Barre's beloved stock car racing track.

As proud sponsors of [Thunder Road International Speedbowl](#), Vermont Lottery will be giving away multiple packs of tickets through July 28th, with drawings announced every Friday.... [See more](#)



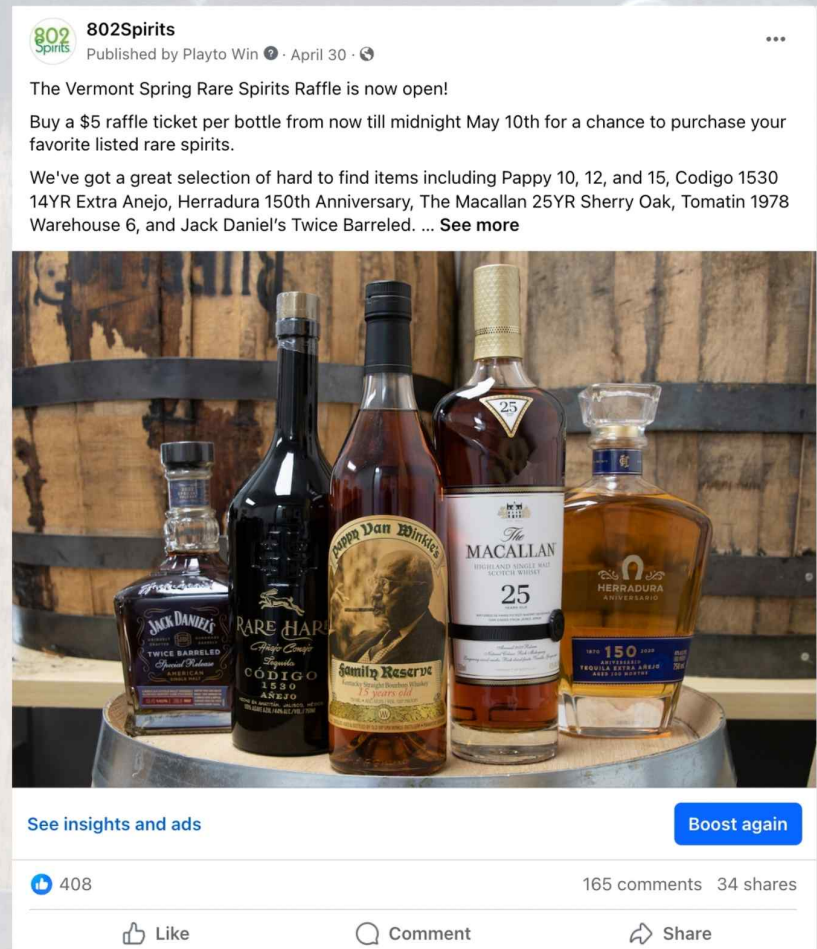
WIN THUNDER ROAD TICKETS

[See insights and ads](#) [Boost again](#)

👍❤️ 1.7K 1.3K comments 595 shares

👍 Like Comment Share


TOP 802SPIRITS FB POST



802Spirits
Published by Playto Win · April 30 · 🌐

The Vermont Spring Rare Spirits Raffle is now open!
Buy a \$5 raffle ticket per bottle from now till midnight May 10th for a chance to purchase your favorite listed rare spirits.

We've got a great selection of hard to find items including Pappy 10, 12, and 15, Codigo 1530 14YR Extra Anejo, Herradura 150th Anniversary, The Macallan 25YR Sherry Oak, Tomatin 1978 Warehouse 6, and Jack Daniel's Twice Barreled. ... [See more](#)



[See insights and ads](#) [Boost again](#)

👍 408 165 comments 34 shares

👍 Like Comment Share

EDUCATION

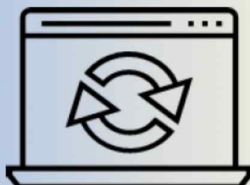
While continuing to support the Department's move to the Online Licensing Portal, the Office of Education began migrating a substantial number of Certified In-House Trainers into using the portal for submission of training records. The portal's automation creates the student's training certificates and allows trainers to enter their student's trainings directly into the business's account. New Trainers are walked through the system as part of their Train the Trainer Session. Training documents and videos were created for already Certified Trainers and Virtual IHT Reporting Sessions are available to provide a variety of ways to support them in using the new system.

With the largest regulatory update since 2011 going into effect at the same time as staffing transitions were taking place, the Office of Education prioritized providing quick help documents for licensees as they plan for a robust training material update. We added a Regulation Update infographic, along with new infographics on permits impacted by Act 67 to the Posters and Publications page and shared with licensees.

REGULATION UPDATE POSTER

Regulation Updates

Effective May 13, 2023



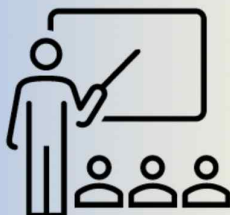
- First major update of the Department Regulations since 2011
- Updated language to match changes in law and Department practice
- Match rules for alcohol and tobacco licensees more closely
- Updated regulations to include Ready-to-Drink Spirit's beverages
- Updated the language around intoxication to focus on impairment
- Removed problematic language regulation

Procedural Changes



- Clarifies the food requirements for on premise licenses
- Allows licenses to transfer beverage alcohol or tobacco without prior authorization among similarly licensed locations controlled by the same licensed entity
- Requires licensees that receive suspensions to post notice of that suspension to the public giving the effective date and length of the time of the suspension in every entry way
- Codified the Department's rule on not allowing Temporary IDs as Acceptable
- Business records now include video footage
- New rules added for Break Open Tickets and Games of Chance

Education Changes



- Testing added to all license certification classes to provide proof of comprehension. Testing will be added to all trainings not already with testing before 2024
- Wine Storage Facility, Wholesale Dealer, Certificate of Approval, and Bottler's licenses do not require training
- Codifies the In-House Trainer program as well as the use of 3rd party vendors for training
- Allows licensees to maintain training records as electronic records

For 1st and 3rd class licensees:



Adulteration is now allowed with the following rules under Regulation 39 (a)

- Must be clearly labeled with the following information:
 - date of production, the name of the person who created the mixture/infusion, the ingredients in the mixture/infusion including the alcohol brand name(s) & quantity, the estimated proof of the mixture/infusion
- Any mixture/infusion created shall be produced in a safe and sanitary manner
- Any vessel used for dispensing the mixture/infusion shall not have a beverage alcohol brand label, nor shall it be dispensed from a vessel that is of a design that would signify a particular brand of beverage alcohol to a consumer

Bucket Service by licensee staff is permissible under Regulation 34 so long as the number of containers per patron does not exceed 2 containers per patron and all service is provided in respect to all other regulations

This document does not include all updates to regulations. For more information on updates impacting wholesalers, manufacturers, advertising, definitions or credit, check out our website.

Questions? You can contact us at 802-828-2339.
Full list of regulations can be found at liquorcontrol.vermont.gov

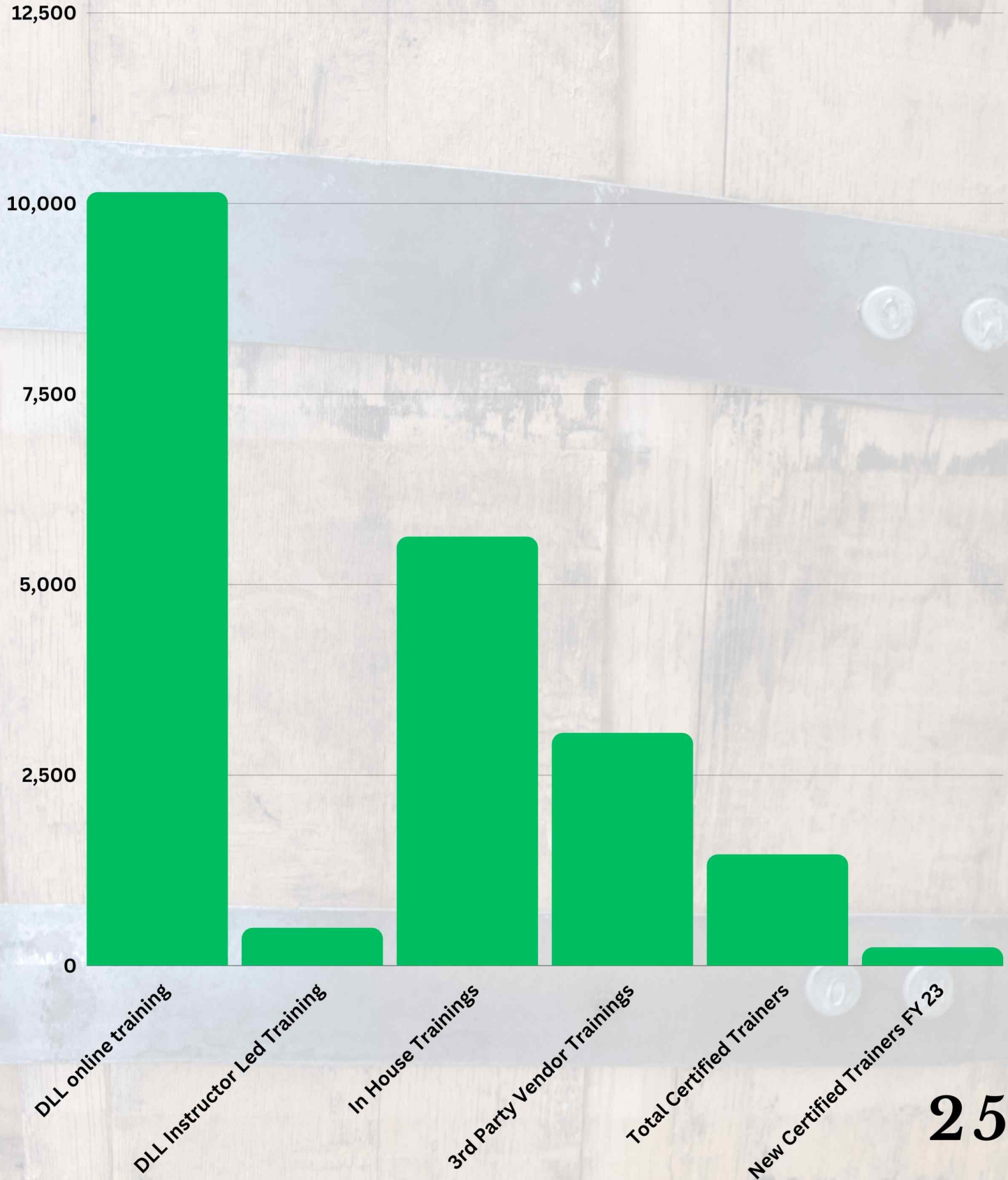


JUST ASK FOR ID

In addition to our work with the Online Licensing Portal, the Office of Education launched a Just Ask For ID Campaign, funded through the National Alcohol Beverage Control Association (NABCA) to encourage our sellers and servers to card. Over 900 individuals signed the pledge to Just Ask for ID. Those individuals were entered into a drawing for gift cards with winners selected at random.



NUMBER OF PEOPLE TRAINED BY TRAINING METHOD 'FY23



COMPLIANCE & ENFORCEMENT

FY23 was another productive year for the Office of Compliance and Enforcement (OCE) team. Senior staff members from OCE were asked for input on several legislative issues this past session to include H-270 (Misc. cannabis bill) H-288 (liquor liability), and H-470 (Misc. alcohol bill). The Department also updated our administrative rule through the state's LCAR/ICAR process. This rule had not been updated since 2012. OCE members were heavily involved in this process as the Department worked with industry stakeholders over several months to update our rules and regulations in a way that would both ensure public safety and be as supportive to businesses as possible.

Between July 1st, 2022, and June 30th, 2023, the OCE team conducted 2035 Inspections of licensed establishments, and conducted numerous investigations to ensure compliance with both State law and DLL regulations. 500 violations were noted during that same time. OCE continues to take an education first approach to our enforcement work, and our Investigators worked to educate licensees regardless of the outcome of any investigation.



GOVERNOR'S 10 POINT PUBLIC SAFETY PLAN

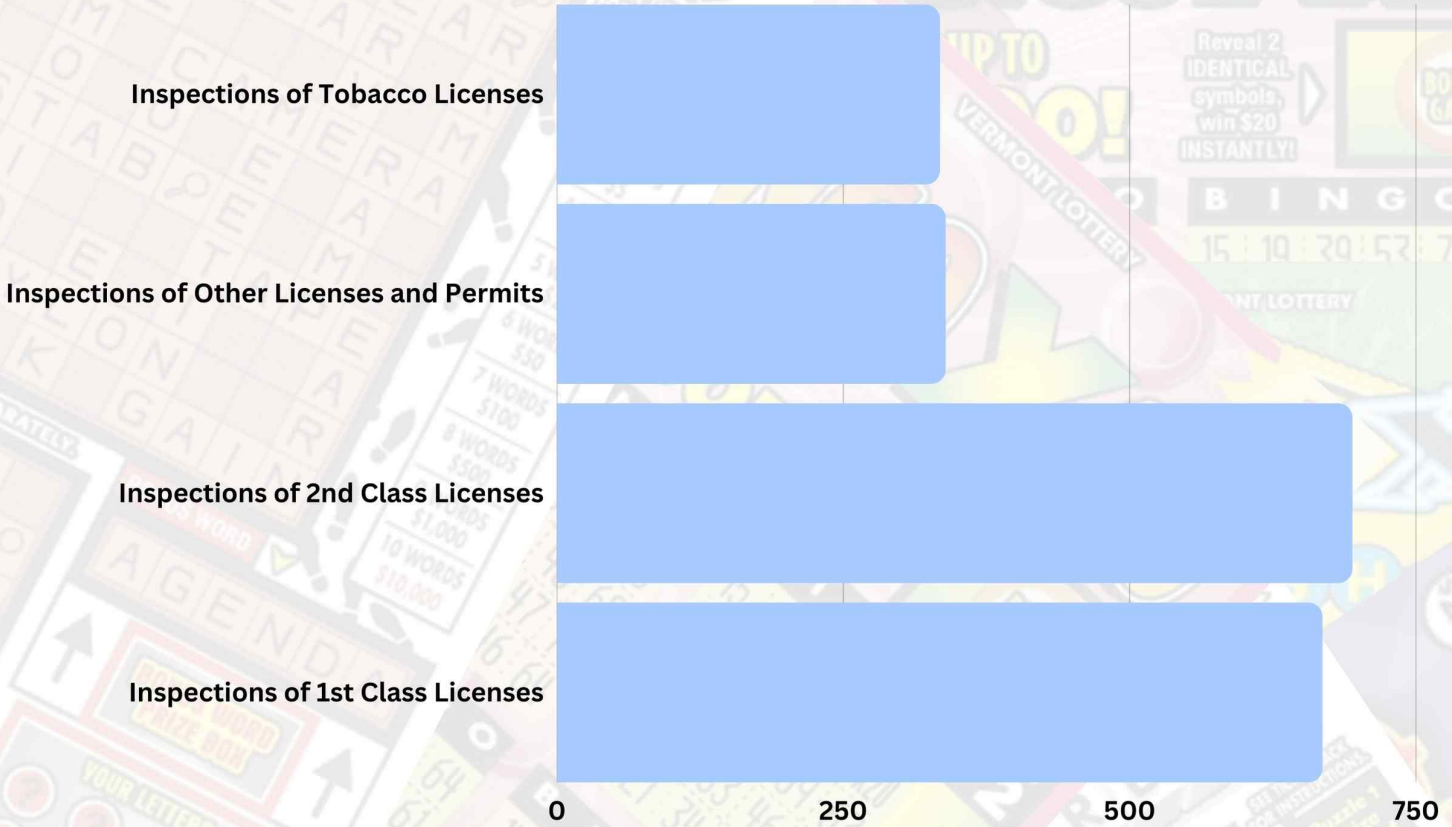
In FY23, DLL's Office of Compliance and Enforcement partnered with the Vermont State Police (VSP), VT DMV Enforcement, and the VT Fish & Wildlife to examine ways these partner agencies could collaborate and provide improved public safety services to the state. This work is part of Governor Scott's 10-point public safety plan to address staffing and recruiting issues across the state in public safety at a time when Vermont is seeing an increase in law enforcement calls for service. As part of this plan, DLL Investigators also collaborated with the Vermont Department of Labor to take on unemployment fraud cases.

Additionally, DLL Investigators are working with the Cannabis Control Board to provide law enforcement support when necessary, and OCE has also increased efforts to work closely with VSP on any DUI cases that are linked to a liquor licensed establishment through our extensive place of last drink (POLD) Initiative. These partnerships are invaluable, and not only provide an enhanced working relationship between agencies but provide efficient public safety service to the state.

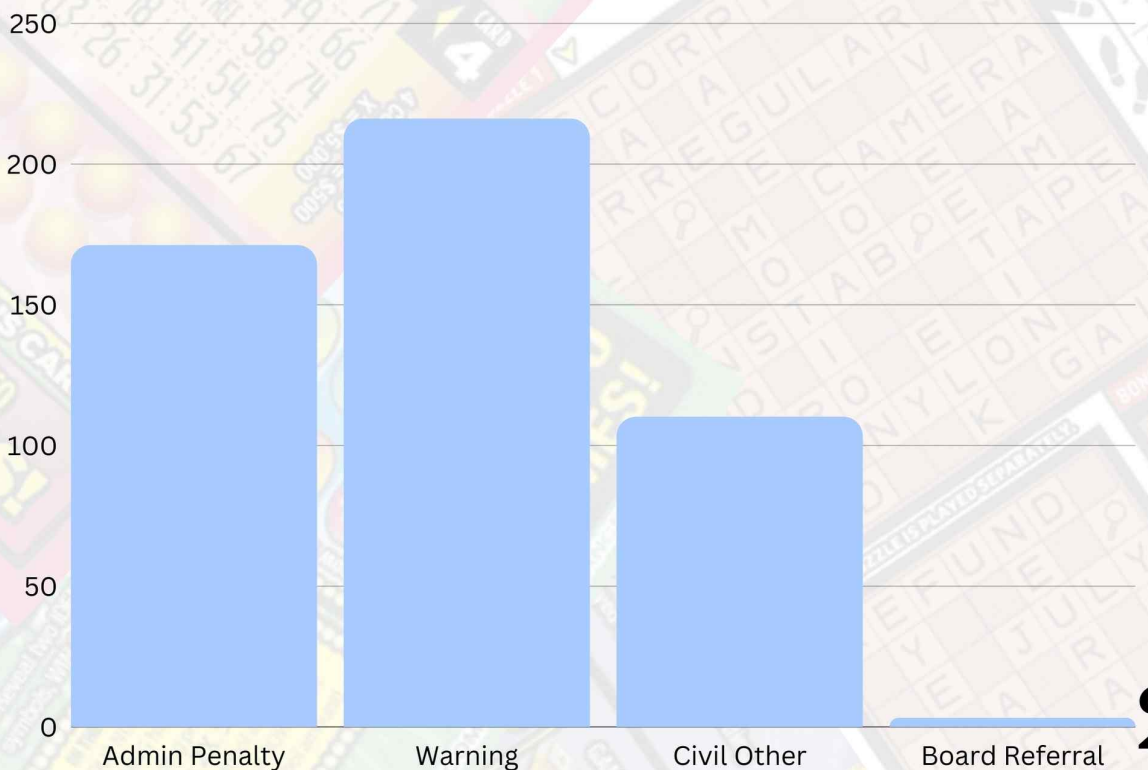
PLACE OF LAST DRINK (POLD)

OCE continues its place of last drink (POLD) initiative which kicked off with a pilot program in 2019. This program has since expanded to be part of OCE's core mission. Under this program, OCE investigators use set parameters to follow up with licensees when a patron who was found to be served beverage alcohol, then left the establishment and was subsequently arrested for DUI by a municipal, state, or county law enforcement officer. In FY22, OCE had 164 POLD referrals, and in FY23 we saw a 33% decrease to 117 referred POLD cases.

TOTAL INSPECTIONS



TOTAL VIOLATIONS



FINANCE & BUSINESS

LIQUOR CONTROL

Liquor Agents

In FY23, there were 80 Vermont Liquor 802 Spirits Agents (Liquor Stores). Total agent commissions paid in FY23 were \$8.9 million, an increase of 2.4% over FY22.

Revenues

FY23 revenue from liquor sales totaled \$102,731,692; a 2.12% increase over FY22.

FY23 revenue from licensing and training totaled \$2,227,903; an increase of 1.78% over FY22.

FY23 other revenue totaled \$816.

Total FY23 revenue from all sources totaled \$104,960,411; a 2.1% increase as compared to FY22.

Expenses

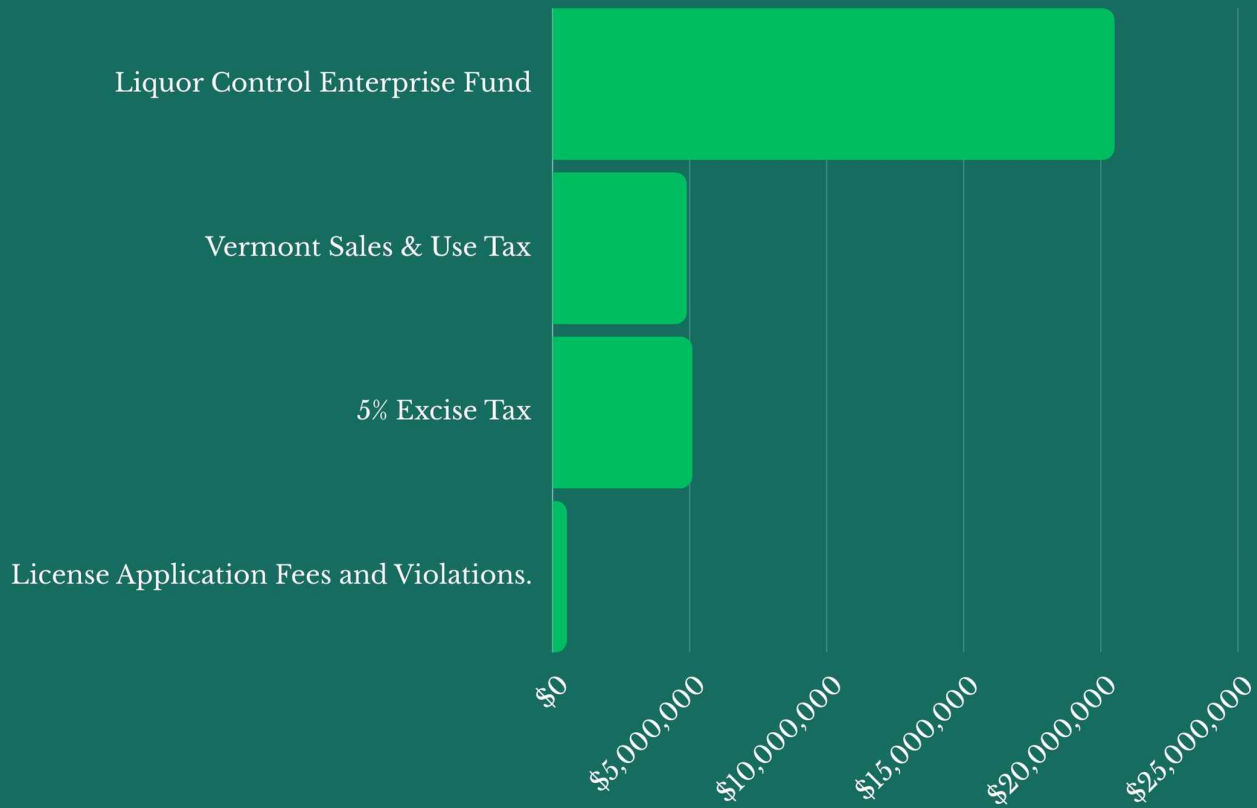
Administrative operating expenses for the Division of Liquor Control in FY23 totaled \$8,422,350; a .37% decrease as compared to FY22.

Expenses associated with the sale of liquor (cost of goods sold, agency commissions, bottle redemption costs and non-operational expenses) totaled \$73,523,493; a 1.99% increase as compared to FY22. Total FY23 expenses from all sources totaled \$81,945,844 a 1.7% increase as compared to FY22.

RESULTS OF OPERATIONS

The transfer from the Liquor Control Enterprise Fund to the General Fund was \$20,498,419. Additionally, \$4.9 million in Vermont Sales & Use Tax and \$5.1 million in a 5% Excise Tax, was collected and transferred weekly to the General Fund, along with \$528,000 collected from license application fees and violations.

Total contribution to the General Fund was \$31.3 million.



LIQUOR CONTROL FINANCIAL STATEMENT

		FY2022 Prior Year	FY2023 Current Year
		Totals	Totals
Operating Revenues			
Charges for sales and services		96,129,163	98,182,636
License fees		1,915,393	1,951,900
Other operating revenues		4,744,020	4,825,876
Total operating revenues		102,788,576	104,960,411
Operating Expenses			
Cost of sales and services		61,578,040	62,653,895
Salaries and benefits		3,972,565	3,485,903
Insurance premium expense		43,764	52,098
Contractual services		556,264	56,933
Repairs and maintenance		177,182	115,895
Depreciation		572,884	681,954
Rental expense		102,648	212,964
Utilities and property management		2,487,383	3,221,061
Non-capital equipment purchased		77,979	(8,892)
Promotions and advertising		60,126	55,738
Administrative expenses		164,445	266,436
Supplies and parts		208,922	263,513
Distribution and postage		17,416	11,935
Travel		12,135	6,813
Other operating expenses		10,507,754	10,869,598
Total operating expenses		80,539,508	81,945,844
	Operating income (loss)	22,249,068	23,014,568
Non-Operating Revenues			
Gain on disposal of capital assets		18,808	43,942
Total non-operating revenues (expenses)		18,808	43,942
	Income (loss) before other revenues, expenses, gains, losses and transfers	22,267,876	23,058,509

VERMONT LOTTERY

Lottery Agents

In FY23, there were 570 Vermont Lottery agents selling both draw games and Instant Tickets. Total agent commissions paid in FY23 were \$9.6 million, an increase of 5.3% from FY22.

Prizes paid to Vermont Lottery players totaled \$104,910,000, generating reportable income subject to Vermont State Income Tax.

Revenues

Total revenue was \$159,021,096.

Expenses

Administrative operating expenses were \$4,131,143, a 31.4% increase, as compared to FY22. Administrative costs include salaries and benefits, contracted services, marketing & outreach, facility costs, equipment, and supplies, etc.

Expenses associated with the sale of lottery tickets (cost of goods sold, agency commissions, player prizes, lottery tickets, courier services, agent network expenses, and facilities management fees to our gaming vendors, Intralot, Inc. & Scientific Games, totaled \$121,647,632; a 3.8% increase as compared to FY22.

Total FY23 expenses from all sources totaled \$125,778,775 a 4.5% increase as compared to FY22.

RESULTS OF OPERATIONS

FY23 net profit from operations was \$33,564,204; 7.8% increase as compared to FY22.

The transfer from the Vermont Lottery Commission Enterprise Fund to the State's Education Fund was \$33,564,204.



LOTTERY FINANCIAL STATEMENT

	FY2022 Prior Year	FY2023 Current Year
	Totals	Totals
Operating Revenues		
Ticket sales	151,468,508	159,017,096
Other operating revenues	2,328	4,000
Total operating revenues	151,470,836	159,021,096
Operating Expenses		
Cost of sales and services	117,176,161	121,647,632
Salaries and benefits	1,603,569	1,963,208
Insurance premium expense	9,772	12,352
Contractual services	174,873	199,685
Repairs and maintenance	6,060	16,896
Depreciation	12,248	486,671
Rental expense	209,584	153,513
Utilities and property management	362,306	407,759
Non-capital equipment purchased	3,391	27,979
Promotions and advertising	518,236	590,007
Administrative expenses	40,068	48,572
Supplies and parts	23,175	32,491
Distribution and postage	13,296	11,376
Travel	702	1,892
Other operating expenses	166,510	178,743
Total operating expenses	120,319,950	125,778,775
Operating income (loss)	31,150,886	33,242,321
Non-Operating Revenues		
Investment income (expense)	(13,739)	356,928
Other nonoperating revenue (expense)	-	(35,045)
Total non-operating revenues (expenses)	(13,739)	321,883
Income (loss) before other revenues, expenses, gains, losses and transfers	31,137,147	33,564,204

LEGISLATION AND REGULATION

REGULATION

The Department updated its Administrative Rule through the state's LCAR/ICAR process. This rule had not been updated since 2012. OCE staff lead this process for the Department by working with industry stakeholders over several months to develop regulations in a way that ensures both public safety and business friendliness. The Final Rule was approved by the legislature on April 27, 2023 and the updated regulations went into effect on May 13, 2023.

LEGISLATION

The Department lead the Administration's efforts on the sports wagering bill, H.127 (now Act 63), and the miscellaneous alcohol bill, H.470 (now Act 67). The Department was also involved with an industry-generated bill on liquor liability insurance, H.288 (now Act 17).

SPORTS WAGERING

H.127, an Act Relating to Sports Wagering (Act 63)

After widespread support in both the House and Senate during the 2023 Legislative Session, H.127 was signed by Governor Scott on June 14, 2023. The legislation permits the Department to contract with between one and six operators that will provide online sports wagering platforms, with no retail outlets involved. The bill's passage allowed the Board to develop the Sports Wagering Procedures for the establishment and operation of sportsbooks in Vermont.

MISCELLANEOUS ALCOHOL BILL

H.470, an Act Relating to Miscellaneous Amendments to Alcohol Beverage Laws (Act 67)

H.470 took effect July 1, 2023. The legislation extends the sunset on the sale of to-go alcoholic beverages by bars and restaurants until July 1, 2025, standardizes the term *hard cider*, and doubles the number of farmers market permits available to fourth-class licensees from 10 to 20 annually. Additionally, it changes the name of the Education Sampling Permit to a Limited Event Permit and the name of the Festival Permit to Sampling Event Permit.

LIQUOR LIABILITY BILL

H.288, An Act Relating to Liability for the Sale of Alcoholic Beverages (Act 17)

H.288 was advanced by industry advocates and is intended to increase the availability of liquor liability insurance policies for on-premise licensees in Vermont. While the Department did not take a position or lead on this bill, we provided data and expert witness testimony throughout its consideration in the various legislative committees of jurisdiction. Among other changes, the bill removed landlords from the chain of liability related to the sale of alcohol if they have no direct ties to the tenant business. The bill additionally mandates all licensees to carry liquor liability insurance as a condition of licensure after July 1, 2024, through a schedule determined by the Department of Liquor and Lottery and the Department of Financial Regulation. Significant concerns remain as to whether the Vermont insurance market will evolve in a positive enough manner by July 1, 2024 to make the mandatory insurance requirement tenable.



VERMONT
DEPARTMENT OF LIQUOR AND LOTTERY

\$49 Million
Estimated annuitized jackpot

DRAW: OCT 18

BLACKJACK BUCKS
PROGRESSIVE
CURRENT JACKPOT: \$XX,XXX

YOUR HAND	DEALER'S HAND	YOUR BET	DEALER'S BET
10-10	10-10	\$20.00	\$20.00
10-10	10-10	\$40.00	\$40.00
10-10	10-10	\$80.00	\$80.00

**INSTANTLY
WIN UP TO
\$11,324**

Estimated Progressive Jackpot as of: October 18, 2023 10:22 AM



Try Your Luck Today!

TOUCH TO PLAY
DRAW GAMES

TOUCH TO PLAY
INSTANT GAMES

TOUCH TO PLAY
FAST PLAY GAMES

EMV CARDS ACCEPTED



TONIGHT
Million
annuitized jackpot

VERMONT
MEGA MILLIONS
WITH MEGAPLIER
DRAWING FRIDAY
\$91 Million
Estimated annuitized jackpot

TRI-STATE
MEGABUCKS
— EST. 1985 —
DRAWING TONIGHT
\$5.8 Million
Estimated annuitized jackpot

Lucky LIFE
DRAWING TONIGHT
\$1,000 a Day for Life

\$20
\$100

\$20
XX
WIN UP TO \$100!