

## General Regulations

For purposes of these Regulations, “license” shall have the same meaning as defined in 3 V.S.A. § 801(b)(3), including “the whole or part of any [Department of Liquor Control (DLC) or Liquor Control Board] permit, certificate, approval, registration, charter, or similar form of permission required by law”; “licensed premises” shall mean any location subject to a license; and “licensee” shall mean any individual or entity holding a license.

1. The Liquor Control Board may establish a schedule of penalties for specifically enumerated violations, which may be imposed by the Department, allowing for the licensee to waive a hearing and accept the stated penalty(s). Licensees may decline to accept the stated penalty(s) and ask for a hearing before the Board.
2. It shall be unlawful for any common or contract carrier, or any individual or entity operating transportation facilities in this state or otherwise transporting goods for hire to receive or cause to be imported into this state any spirituous liquor unless such liquors are consigned for delivery to the Vermont Liquor Control Board, or malt or vinous beverages unless consigned for delivery to a wholesale dealer holding a wholesale dealer’s license issued by the Liquor Control Board. However, it shall be lawful to accept individual consignments of malt or vinous beverages for transportation into and delivery within the state to an individual only when such malt or vinous beverages are sold and shipped pursuant to 7 V.S.A. §§ 66, 68 or other applicable provision of law.
3. A licensee shall not permit or suffer the possession or consumption of any alcoholic beverages on its licensed premise of a higher alcoholic content than that allowed by the license granted for said premises.
4. A licensee shall not possess or allow the consumption of malt, vinous beverages or spirituous liquors other than those purchased on invoice from a bottler’s or wholesale dealer or on invoice from the Vermont Liquor Control Board, or on invoice from a direct-to-retail shippers licensee.
5. Requests for catering must be made by first class licensees or first and third class licensees also holding a catering license, or a commercial caterers license, at least five days prior to the date of the catered party. The five-day requirement may be shortened, but not less than one day prior to the occasion, at the discretion of the local control commissioners.
  - a. Pre-approval of certain locations may be granted annually at the time of renewal by the Department. Events with more than 200 people shall notify the Department by fax or e-mail at least 24 hours in advance of the event.
6. Only third class licensees may possess, sell or furnish any malt or vinous beverages containing an alcoholic content greater than 16%. Cooking wines, which contain an alcohol content greater than 16% and 1.5% of sodium, are not considered beverages and are therefore not governed under these regulations.
7. Licensees and licensee employees shall allow at any time, a member of the Liquor Control Board, the Commissioner, and/or any of their assistants or Investigators to examine the licensed premises as well as all records, papers, stock, merchandise or equipment in reference to the operation of the license, and shall retain such items for inspection. All licensees shall keep on their licensed premises for a period of two years a complete record covering the operation of their license, including all invoices covering the

purchase of alcoholic beverages and/or tobacco, and all financial records including but not limited to daily receipts for the sale of alcohol and/or tobacco. If any licensee has more than one licensed location, the licensee may keep all records in one centralized business location in the State of Vermont and the Department shall be notified in writing, in advance, of the name, street address, and telephone number of such designated location. However, the licensee shall retain all training certificates and records, on the licensed premises where the individual in question works.

a. No licensee, licensee employee or any individual performing work or services for a licensee on a licensed premises shall interfere with, nor permit any other individual to interfere with, provide false written or verbal information to, or fail to cooperate with a Liquor Control Investigator or other Vermont Law Enforcement Officer in the performance of their duties.

b. A licensee, licensee employee, or any individual performing work or services for a licensee on a licensed premises, related to the liquor licenses held, shall provide a liquor investigator or a law enforcement officer with such bona-fide identification as is acceptable under Vermont law when requested.

8. No licensee shall keep within or in connection with the licensed premises any illegal implement, machine or device of any kind or nature by the use or operation of which there is an element of chance for the winning or losing of money or other things of value, nor permit said premises to be used for illegal gambling purposes.

9. Gambling on licensed premises: Any licensee wishing to conduct game(s) of chance on licensed premises must first obtain a permit from the Vermont Department of Liquor Control using the prescribed form or format. Licensees applying for and/or receiving a permit shall be subject to financial disclosure to the Department for the purpose of verifying the disbursement of proceeds in accordance with applicable Vermont statutes and/or regulations.

10. No first or third class liquor license shall be issued to an individual or entity who is not first licensed with the Vermont Department of Taxes to collect the Vermont Rooms and Meals tax. Suspension of first or third class liquor licenses may result by action of the Liquor Control Board, after notice and hearing, upon certification to the Board by the Vermont Department of Taxes that the licensee has failed to collect the Vermont Rooms and Meals tax, has failed to pay over to the Vermont Department of Taxes the Vermont Rooms and Meals tax collected, or is not licensed with the Vermont Department of Taxes to collect the Vermont Rooms and Meals tax. A licensee and licensee employees must allow the Commissioner of Taxes or any of his/her assistants or investigators on the licensed premise at all times to examine records covering the operation of the licensee's business.

11. All licenses shall be framed under a clear protective covering and be displayed in a public location on the licensed premises described therein.

12. No licensee or licensee employee shall sell or furnish alcoholic beverages to any individual who is less than twenty-one years of age, nor shall a licensee or the licensee employee permit or suffer alcoholic beverages to be consumed upon the licensed premises by any individual who is less than twenty-one years of age.

a. A student aged eighteen or older who is enrolled in a post-secondary education culinary arts program, accredited by a commission recognized by the U.S. Department of Education, shall be

exempt from the provisions of this regulation while attending classes that require the possession or consumption of alcoholic beverages.

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

14. No licensee shall permit an individual under eighteen years of age to be involved in the preparation, sale or service of alcoholic beverages for on-premise consumption, or to entertain on a paid or voluntary basis within or in connection with any licensed premises. No individual under the age of sixteen shall be allowed to sell tobacco on the premises of any licensee.

15. No second class licensee shall permit an individual under sixteen years of age to sell alcoholic beverages or tobacco on a paid or voluntary basis within or in connection with the second class license.

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

17. No licensee shall sell or furnish alcoholic beverages to any individual displaying signs of intoxication from alcoholic beverages or other drugs / substances. No licensee shall allow alcoholic beverages to be consumed on the licensed premises by any individual displaying such signs of intoxication. No licensee shall allow any individual displaying such signs of intoxication to stay on the licensed premises, except under direct personal supervision by a licensee or licensee employee in a segregated nonpublic area when the patron's immediate departure could be expected to pose a risk of bodily injury to the patron or any other individual.

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

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

19. No licensee that sells or distributes malt or vinous beverages to the public may accept free malt or vinous beverages, services, monetary payments or other things of value from a manufacturer, holder of a certificate of approval, bottler, wholesale dealer, or holder of a solicitor's permit, nor purchase malt or vinous beverages below the uniform price charged by the bottler or wholesale dealer. The Liquor Control Board is empowered to define the terms "things of value" as contained herein; "things of value" exclude brand-identified items that are primarily valuable for advertising purposes and are approved by the Liquor Control Board.

20. If a license is issued to a partnership and the partnership is dissolved, the remaining partner may

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

21. Any individual having a direct or vested financial interest in the business of the licensee must be disclosed on the license application. The licensee must notify the Department no less than 20 days before any intended changes in the ownership of and /or financial interest of any person or entity in the licensed entity can occur. Any such changes not approved by the Department, may place the license in jeopardy and/or may result in administrative penalties after a Board hearing.

a. Licensees shall have prior approval from the Liquor Control Board of any change of directors, officers, members, managers, or affiliates, and of any change in shares that causes the holdings of any new or existing shareholder, including the holdings of that shareholder's immediate family, to equal ten percent or more of a corporation's voting shares. Notices shall be given in writing to the Liquor Control Board not later than 20 days prior to any change. The Board will consider changes in the same way that new licenses are considered. If changes, other than changes caused by the death of a joint tenant, are concluded without obtaining prior Board approval, in writing, the license shall be subject to suspension or revocation.

22. First class licensees shall purchase on invoice, malt and vinous beverages from holders of a bottler's or Vermont wholesale dealer's license issued by the Liquor Control Board, or from holders of a direct-to-retailer shipping license for vinous beverages issued by the Liquor Control Board, for consumption only on the licensed premises, except as allowed by 7 V.S.A. § 222(1) or other applicable provision of law.

23. Second class licensees shall purchase on invoice, malt and vinous beverages only from holders of a bottler's or wholesale dealer's license issued by the Liquor Control Board, or from holders of a direct-to-retailer shipping license for vinous beverages issued by the Liquor Control Board, for consumption off the licensed premises. A second class licensee that sells kegs must keep copies of their keg logs for 90 days.

24. Third class licensees shall purchase on invoice, spirituous liquors only from the Liquor Control Board. Said liquor must be consumed on the licensed premises.

25. Each applicant for a first or second-class license shall submit an application on prescribed forms to the Commissioners of the town or city where the licensee is to operate. Upon being satisfied that the conditions precedent to the granting of the first or second class licenses as provided in 7 V.S.A. § 222, have been fully met by the applicant, the commissioners will endorse their recommendation on the back of the application and transmit such application to the Board for suitable action thereon, before any license may be granted. When an application is forwarded to the Liquor Control Board, it shall indicate it has the approval of the majority of the full membership of the Local Control Commissioners.

26. No first class license application for a hotel, or restaurant may be issued until the applicant has on the premises a food license issued by the Vermont State Board of Health.

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

28. First or second class licensees shall not sell malt or vinous beverages at a price lower than the price in effect at the time of purchase from the wholesale dealer or holders of a direct-to-retail shipping license.

29. All licensees shall have present on the licensed premises at all times when open for business a responsible employee, agent or principal. Every licensee and licensee employee involved in the sale or service of alcoholic beverages or the sale of tobacco products must be able to read, write, and speak the English language with sufficient facility to be able to understand and comply with Vermont's Liquor and Tobacco Laws and Regulations.
30. Licensees moving from one location to another may move their entire stock of alcoholic beverages with prior approval from the Liquor Control Board.
31. Any licensee that closes out or sells its business shall forthwith surrender its licenses to the office of the Department of Liquor Control in Montpelier. Such licensee may sell all unopened alcoholic beverages remaining in stock only to another licensee of the same class, and an invoice covering same shall accompany the sale and a copy shall be sent to the Liquor Control Board. All sales under this regulation shall be made within 15 days after such surrender or closing.
32. All licensees shall keep their licensed premises at all times in a safe and sanitary condition and in compliance with State Board of Health statutes and regulations.
33. Licensees must comply with the Vermont Department of Labor, and the Vermont Department of Public Safety, statutes and regulations.
34. A licensee shall not lock the doors of its licensed premises where alcoholic beverages are stored, sold, furnished or consumed if any individual other than the on duty licensee or on duty licensee employees are on the licensed premises.
- a. Notwithstanding the above, licensed clubs, as defined by 7 V.S.A. § 2(7), ("Clubs") may choose to have their doors locked or unlocked.
35. All licensees shall ensure that lighting in their licensed premises is of such degree that a Department Investigator, and the licensee and licensee employees, shall be able to read the identification cards of the patrons and observe all individuals wherever alcohol is served.
36. All licensees shall control the conduct of all individuals on their licensed premises. All licensees must ensure the safety of individuals entering, leaving, or remaining on the licensed premises. No licensee shall permit or suffer any disturbances, brawls, fighting or illegal activity upon the licensed premises; nor shall a licensee permit or suffer such premises to be conducted in such a manner as to render such premises or the streets, sidewalks, parking lots or highways adjacent thereto a public nuisance.
- a. The Board may find, that a licensee suffered a disturbance, brawl, fight or illegal activity upon the licensed premises or upon the streets, sidewalks, parking lots or highways adjacent thereto if any individual engaged in such conduct had been allowed to stay on the licensed premises while displaying signs of intoxication from alcohol, drugs or other substances, and/or if it would be reasonable to expect that such individual would be intoxicated as a result of the amount of alcohol served to that individual. Under such facts, the Board may conclude that any such individual's conduct should have been anticipated.
37. Except as otherwise authorized by law or Liquor Control Board regulation, no licensee may serve malt beverages otherwise than in glasses, mugs, pitchers, or other containers, of a maximum capacity of thirty-two ounces, nor serve more than four fluid ounces of spirituous liquor to any individual at one

time or in the making of a single mixed drink, nor serve more than two of the above containers to any individual at one time.

38. Licensees dispensing any alcoholic beverage from a draft system, shall display tap signs, clearly visible to the patrons, disclosing the brands of alcoholic beverages that are being dispensed. Such signs shall be displayed on the tap of the dispensing apparatus.

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

a. Liquor licensees under suspension shall not sell, serve, allow the consumption of, make orders for, or receive deliveries of alcoholic beverages upon the licensed premises.

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

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

41. No licensee shall use a container under any alcoholic beverage taps to catch drippings. The drip pan shall be connected to a plumbed drain to discard the waste in a sanitary manner.

42. No licensee shall allow consumption of alcoholic beverages in any open area, on or in connection with licensed premises, without first obtaining an outside consumption permit from the local control commissioners and approval by the Liquor Control Board. Licensees shall control and define such area with a physical barrier, unless the area is segregated from the general public and used for a private group event open to invited attendees only such as a wedding or banquet. If an event is attended by 200 people or more, the Department may require a licensee to place a double barrier no less than six feet inside of the outer boundary of the defined area to prevent attendees from handing alcoholic beverages to any individual outside of the licensed area.

43. Except as otherwise authorized by law or by the Liquor Control Board, licensees shall not reuse, refill or tamper with any bottle of alcoholic beverages nor shall such licensee adulterate, dilute, fortify, or cause any substitution of any nature to be made in or to the contents of any bottle of alcoholic beverages.

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

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

46. A second-class licensee shall not lease, sub-lease, or let out the licensee's business on a percentage basis or any other type of agreement.

47. Second class licensees shall not sell or furnish malt or vinous beverages for consumption on the licensed premises nor allow any individual to consume alcoholic beverages on the licensed premises except as authorized by 7 V.S.A. § 67 or other applicable provision of law. Second class licensees shall not sell or furnish any malt or vinous beverages in other than the original container unless otherwise authorized in writing by the Liquor Control Board. For purposes of this regulation, a container shall be construed to mean a bottle, can, keg or other receptacle containing malt or vinous beverage, and shall not be construed to mean six pack rings, cardboard boxes, or other packaging material holding such containers.

Licensees shall meet the following conditions:

- Containers shall be sealed and sanitary.
- Consumption is only for off-premise.
- Retailers will notify the DLC of their intent to participate in the container program.
- Manufacturers may elect to participate in the retailer container program by written authorization to their wholesale dealer with a copy sent to DLC.
- Alcoholic beverages will be filled to go for immediate sale and no pre-filling.
- Clean containers will be provided by the retailer for each sale.
- Labels will contain the name of the retailer, alcoholic beverage, alcohol by volume, name of manufacturer, and best if consumed in 72 hours.
- Containers will be filled from a direct sealed draught system.

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

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

- a. No licensee or licensee employee shall offer, permit or suffer on the licensed premises games, contests, or promotions, which encourage the rapid or excessive consumption of alcoholic beverages. No licensee or licensee employee shall furnish alcoholic beverages to any individual for no charge.

50. Each applicant for a license other than a first or second class license shall file with the Board an application signed by the applicant on prescribed forms.

- a. Misrepresentation of a material fact on any Department of Liquor Control form or in other written communication with the Department shall be grounds for non-issuance, suspension or

revocation of the liquor license, after notice and hearing.

51. Any licensee that is serving alcoholic beverages for on premise consumption shall post in a prominent place where alcoholic beverages are served, a sign with the words, "Do You Have a Designated Driver?"

52. No licensee shall display, distribute, or furnish any materials, signs, or postings of any kind that advertise alcoholic beverages free of charge, or anything that would lead any consumer to believe he or she can receive an alcoholic beverage for free. For any licensee promoting food and alcoholic beverage combination specials, the licensee shall, during the promotion period, enter the sale of the alcoholic beverage as a separate full price sale and must add all applicable tax. All receipts must specifically outline the separate alcohol purchase at full price.

53. Each manufacturer and distributor licensed by the Vermont Department of Taxes authorizing them to sell break open tickets shall maintain records and books relating to the sale and distribution of break-open tickets and to any other expenditure required by the Commissioner of Liquor Control. A licensee shall make its records and books available to the Commissioner of Taxes for auditing.

(a) On forms provided by the Vermont Department of Liquor Control, each licensed manufacturer and distributor shall file electronically with the Commissioner of Liquor Control on a quarterly basis and no later than 25 days after the end of the quarter, the following information on all break-open tickets sold or distributed during the quarter reporting period:

- (1) The names of nonprofit organizations to which boxes of break-open tickets were sold.
- (2) The number of boxes of break-open tickets sold to each nonprofit organization.
- (3) The ticket denomination for each box sold.
- (4) The serial number of each box sold.
- (5) The manufacturer of each box sold
- (6) The manufacturer's product ID for each box sold.
- (7) The game "name" or description for each box sold.
- (8) The number of break-open tickets contained in each box sold.
- (9) The ideal gross receipts of each box sold.
- (10) The ideal net profit of each box sold.
- (11) The "percentage payout" or the percentage of ideal gross receipts paid to the winners of each box sold.

(b) Records and reports filed under this will be shared with the Department of Taxes.

54. No second class licensee currently contracted as an Agent for the Liquor Control Board to sell Spirituous Liquors and Fortified Wines shall be eligible to hold a separate Fortified Wine permit.

55. Second class licensees also holding a Fortified Wine Permit allowing for the sale and export of Fortified Wines for consumption off the licensed premises will sell Fortified Wine products at prices no less than or equal to current prices set by the Liquor Control Board in Vermont Liquor Agencies. Second class licensees will be allowed to purchase Fortified Wines not currently listed by the Liquor Control Board in full case-load quantities only. The Permit Holder must pick up the case lot from the Agent within 7 days.

