



April 12, 2017

To: Sen. Ann Cummings, Chair
Sen. Mark A. MacDonald, Vice Chair
Sen. Brian Campion
Sen. Dustin Degree
Sen. Virginia "Ginny" Lyons
Sen. Anthony Pollina
Sen. Michael Sirotkin

From: Jeff Temer, Chief Operating Officer, Best Bingo Supplies, Inc.

Re: Handout to Supplement Testimony on Thursday, April 13, 2017 at 3:00 PM

Thank you for providing me with the opportunity to testify before the Finance Committee. This handout outlines some concerns presented with current language on break-open tickets in Section 12 of H.516

The page and line numbers referenced below is from the official version of the bill as passed by the House (VT Leg# 322062 v.8).

Page 14 of 36 (lines 16-18): *“(f) A nonprofit organization selling break-open tickets at a premises licensed to sell alcoholic beverages under subdivision (e)(2) of this section must purchase the break-open tickets directly from a distributor.”*

- This language could be interpreted to mean that nonprofit organizations selling break-open tickets other than under subdivision (e) (2) may find other means to purchase their break-open tickets, thereby creating the possibility of a nonprofit purchasing break-open tickets from an unlicensed distributor.
- Possible solution: strike this section, and add new text to the chapter which states that all nonprofit organizations must purchase break-open tickets from a licensed distributor.

Page 15 of 36 (lines 4 - 9): *"The nonprofit organization shall also provide the names of any individual members or employees who handle the sale of break-open tickets or the reporting requirements under this subsection for the organization. The persons identified by the organization in this subsection shall not be employees or owners of the premises where alcohol 11 is served."*

- This language was intended to prevent nonprofit members who are also employees or owners of bars from handling all break open ticket activities for that nonprofit without involving other nonprofit members. Its effect, however, seems to prohibit all bar employees or owners from handling any ticket sales or reporting requirements.

PAGE 1 of 2



- In practice, the bar owners and their employees (bartenders/waitresses) are the very individuals who sell the break-open tickets at the bar on behalf of the nonprofit organization. These individuals may also provide to the nonprofit organization information that will be used to meet the reporting requirements under this subsection, thus taking part in “handling” the reporting requirements for the nonprofit organization.
- Possible solution: Issue fundraising permits to for-profit organizations that conduct break-open ticket fundraising activities on behalf of nonprofit organizations

Page 15 of 36: (lines 9 - 15): "If the Department of Liquor Control determines that a nonprofit organization has failed to comply with the requirements of this subsection, the Department of Liquor Control shall notify the nonprofit organization and any licensed distributors of this failure, and any licensed distributor that continues to sell break-open tickets to that nonprofit organization after notice shall be considered in violation of the requirements of this chapter"

- If, after notice, the nonprofit organization then corrects the problem and becomes compliant, this language still prevents the distributor from selling break-open tickets to the nonprofit.
- Possible solution A: Add text “until such time that the nonprofit organization has been determined by the Department of Liquor Control to be brought back into compliance”
- Possible solution B: Issue permits to nonprofit organizations that sell break-open tickets for fundraising. This way, a noncompliant nonprofit can have their permit suspended or revoked by the Department of Liquor Control. It could then be reinstated when the nonprofit subsequently becomes compliant.