



State of Vermont
Department of Liquor and Lottery
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Wendy Knight, Commissioner

TO: Senate Committee on Government Operations
House Committee on Government Operations and Military Affairs
FROM: Wendy Knight, Commissioner, Department of Liquor and Lottery
DATE: March 27, 2025
SUBJECT: H. 244 / S. 84

On behalf of the Department of Liquor and Lottery (DLL), I would like to offer my perspective on H. 244 / S. 84, a bill that appears to arbitrarily limit the Department's strategic decision making, which would impact the Department's ability to maximize profits for the State, one of our central missions.

DLL is unique among state agencies because we manage two businesses (known as enterprise funds): the Division of Liquor Control and Vermont Lottery. The Division of Liquor Control manages the 802Spirits retail network, which is the sole distributor and retailer of distilled spirits and fortified wines in the state. The Vermont Lottery operates the state's gaming operations with a retail network of 580+ lottery agents. The profits we earn from each business are directed back to the State. In FY24, the Division of Liquor Control contributed \$ \$31,970,358 to the General Fund. Additionally, the State earned \$27.3M from the alcohol component of Meals and Rooms Tax revenue. Vermont Lottery contributed \$35M to the Education Fund.

As with private sector businesses, DLL engages in marketing campaigns to build brand awareness and to attract and retain customers. Our advertising campaigns are specific to product, target audience, and media consumption. For example, to promote a new lottery ticket to Vermont Lottery players, we often rely on in-state TV and radio spots. For our "Just Ask for ID campaign" that targeted the under 21+ population with a message about not consuming alcohol, we relied on a social media campaign where teenagers consume their media. For an upcoming campaign to encourage out-of-state visitors to shop at 802Spirits stores when they are in Vermont, we will look to advertise in out-of-state markets. We rely on sales analytics, market trends, customer behavior, and our marketing expertise to make these campaign decisions.

An arbitrary mandate to spend a certain percentage of our marketing dollars on specific media is unnecessary and counterproductive. Significantly limiting the ability of the Department to make important strategic marketing decisions about how to reach our target audiences, would hamper the impact and efficacy of each dollar allocated to our advertising campaigns, thereby decreasing the total net profits contributed to the General and Education Funds.

As a former journalist, marketing executive, and local media supporter, I welcome the opportunity to share my perspective and experience on this important issue.

Wendy Knight
Commissioner, Vermont Department of Liquor and Lottery

