

Manufacturers, Importers, and Distributors Non-Retail Division **Bulletin No 11-02**

Date: March 17, 2011 **To:** Industry Members

Subject: Non-Alcoholic Cross-Promotional Events

There have been questions raised about the legality of joint alcohol and non-alcohol promotions which include, but are not necessarily limited to, contest and/or instant coupons. The issue is whether this violates RCW 66.28.305, which prohibits an industry member from giving money or money's worth (directly or indirectly) to a retailer.

In order for joint promotions of alcohol products and non- alcohol products to be legal, the promotion must comply with all of the rules governing the industry member (supplier or distributor), or the non-alcohol supplier must pay for everything and absorb 100 percent of the costs of the promotion. The industry member would be able to provide promotional branded items, in accordance to RCW 66.28.310, for a display at the retailer's location but no other contributions could be provided to the retailer, retailer's employees or consumers.

Because of the relationship separation created by "Tied-House" laws, no money or money's worth could go to a retailer from an industry member (supplier or distributor). Similarly, no money or money's worth could go from a supplier or distributor to a non-alcohol supplier. Doing so would be considered an indirect route to the retailer via the non-alcohol supplier and a violation of RCW 66.28.305.

A beer or wine distributor would be prohibited from participating in any of these joint promotions regardless of whether it delivers an alcohol or non-alcoholic product because a distributor is an "industry member" and is restricted from advancing money or money's worth to a licensed person through any means whatsoever.

If you have any further questions, please don't hesitate to contact me.

Thank You,

Jennifer Dzubay, Captain Washington State Liquor Control Board 360-664-1639