



State of Arizona
Department of Liquor Licenses and Control

Industry Advisory

May 13, 2013

Illegal Services Provided To Retail Locations

The Department has observed employees of licensed wholesalers providing stocking services to off-sale retailers in storage areas which include overhead shelving not used as point-of-sale. In addition, the Department has observed employees of licensed wholesalers relocating product in warm- and cold-storage areas at off-sale retail locations. This activity is a violation of A.R.S. §4-243(A)(4), A.R.S. §4-243(E) and A.A.C. R19-1-228(C)(1).

The Department considers the labor of a wholesaler's employee to be a thing of value. A wholesaler violates A.R.S. §4-243 when its employees provide an off-sale retailer stocking services in storage areas and when its employees relocate product in warm- and cold-storage areas.

In addition, wholesalers are specifically prohibited from providing stocking or rotating services in warm- or cold-storage areas from which consumers may not purchase products. A.A.C. R19-1-228(C)(1).

A wholesaler may deliver product to the delivery area and prepare point-of-sale areas by ensuring they are properly stocked. Any other service (including an employee's labor) is not authorized and constitutes a violation of Arizona liquor law.

A.R.S. §4-243(A)(4)

It is unlawful for . . . a wholesaler . . . directly or indirectly . . . to furnish, give, rent, lend or sell to a retailer services or other things of value.

A.R.S. §4-243(E)

It is unlawful for a retailer to request and knowingly receive anything of value that a distiller, vintner, brewer, rectifier or blender or any other producer or wholesaler is prohibited by subsection A or D from furnishing to a retailer, except that this subsection shall not prohibit special discounts provided to retailers and based on quantity purchases.

A.A.C. §R19-1-228(C)(1)

The producer/wholesaler may stock, reset, and rotate at the retail establishment any product that he or she sells to the retailer. Such stocking may include pricing, cleaning shelves, furnishing point of sale written advertising that includes pricing data (as long as it complies with sign limitations), rotating product, cleaning product, or otherwise preparing the product for sale at the point of sale, but may not perform these functions in warm or cold storage areas from which the consumers may not purchase product. Retailers shall not require stock reset or rotation as a condition of shelf space, cold box space, or product display space.